KELLY: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the forty-ninth day of the One Hundred Ninth Legislature, Second Session. Our chaplain for today is Senator Hallstrom. Please rise.

HALLSTROM: Thank you. Briefly, before I break into prayer, I'd like to take a point of personal privilege. Last Friday, a few of us were at funerals, unfortunately. I happened to be in Nebraska City to join others in laying John Joseph Horan to rest. John was my senior partner, mentor, and friend. He was a devoted husband, father, and grandfather, military veteran, man of great faith, and one heck of a lawyer. Knowing that some of you have lost loved ones during the legislative session, and whether you suffered a loss recently or in the distant past, may we always keep our departed loved ones in our hearts and our minds. Please assume an attitude of prayer. Lord, please make us ever mindful of how precious life is and how fragile we are. Thank you for bestowing upon us the blessings of friendships and relationships with others. Allow us to take the time to recognize these friendships and relationships by giving a hug, holding a hand, lending an ear, or letting others know how much they mean to us. As the end of the legislative session draws near, and the days and nights grow long, grant us the patience and perseverance to not rush to judgment or question the motives of others, but rather in our daily lives and in the legislative process, keep our focus on the final destination. For while the final designation may involve a long and winding road, in both a legislative and a spiritual sense, it is the final destination that is of most importance. All for the glory of God. Amen.

KELLY: I recognize Senator Armendariz for the Pledge of Allegiance.

ARMENDARIZ: Colleagues, join me in the pledge. 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-ninth 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 corrections for the Journal?

CLERK: I have no corrections this morning, sir.

KELLY: Any messages, reports, or announcements?

CLERK: I have none this morning.

KELLY: While the Legislature is in session and capable of transacting business, I propose to sign and do hereby sign LR364, LR365, LR367, LR368, LR369 and LR370. Mr. Clerk, please proceed to the agenda.

CLERK: Mr. President, Select File, LB967. First of all, there are E&R amendments, Senator.

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

GUERECA: Mr. President, I move that the E&R amendments to LB967 be adopted.

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

CLERK: Mr. President, Senator McKinney, I have MO502 with a note you'd withdraw.

KELLY: So ordered.

CLERK: Senator McKinney, I also have MO503 and MO504, both with notes that you would withdraw those as well.

KELLY: So ordered.

CLERK: Senator Kauth, I have FA623 with a note that you'd withdraw.

KELLY: So ordered.

CLERK: Senator Hansen, I have FA1022 with a note that you'd withdraw.

KELLY: So ordered.

CLERK: Senator Jacobson, I have FA1032 with a note that you'd withdraw.

KELLY: So ordered.

CLERK: In that case, Mr. President, Senator Jacobson will move to amend with AM2797.

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

JACOBSON: Thank you, Mr. President. AM2797 is an amendment to the standing committee amendment AM2324. It provides important cleanup to the underlying bills and incorporates one additional piece of legislation to the package. First, AM2797 adds the provisions of Senator Hansen's LB1157 to the BCI package. This bill ensures that beginning January 1, 2027 health insurance plans and their affiliates cannot force health company-- health care providers to accept claim payments solely through credit or debit cards. This protects our providers from being locked into payment methods that can carry high transaction fees. Second, the amendment clarifies the regulatory framework of LB950. It adds language allowing the Health Information Technology Board to work directly with DHHS to implement its rulemaking, ensuring streamlined coordinated-- coordination within the state, state health agencies. Finally, AM2797 makes a fiscal adjustment to LB1062. It directs the State Treasurer to transfer $2.2 million from the Department of Insurance Cash Fund to the General Fund during the '26-27 fiscal year. This transfer will be executed under the direction of the budget administrator within the Department of Administrative Services. These are the necessary refinements to ensure the BCI package and the bills within it are both technically sound, fiscally responsible. I would appreciate your green vote on AM2797. Thank you, Mr. President.

KELLY: Thank you, Senator Jacobson. Senator Bosn would like to recognize the physician of the day, Dr. Rachel Blake of Lincoln. Please stand and be recognized by the Nebraska Legislature. Senator DeBoer, you're recognized to speak.

DeBOER: Thank you, Mr. President. I wonder if Senator Jacobson would yield to a question?

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

JACOBSON: Yes.

DeBOER: Senator Jacobson, I was wondering if you would pass along my thanks to your staff who wrote the committee statement. This was the finest committee statement I have seen in a long time. And I read it and I just thought it was really, really well done. So I wanted to say thank you and ask if you would pass along your [INAUDIBLE].

JACOBSON: I will, I will definitely do that, and they may have heard you tell me that, but I will tell you Josh is-- Josh was awesome. I, I have an incredible staff. I mean, they make me look good every day. Even when I look bad, they make me look good. So thank you.

DeBOER: Well, I read all the committee statements again and this one was really well done and very clear with subject matter that I'm not as well versed in so I want to thank you.

JACOBSON: Thank you very much.

DeBOER: Thank you, Mr. President.

KELLY: Thank you, Senator DeBoer and Jacobson. Seeing no one else in the queue, Senator Jacobson, you're recognized to close on the amendment and waive. Senators, the question is the adoption of AM2797. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 41 ayes, 0 nays on adoption of the amendment, Mr. President.

KELLY: AM2797 is adopted. Mr. Clerk.

CLERK: Mr. President, Senator Bostar would move to amend with AM2888.

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

BOSTAR: Thank you, Mr. President. AM2797 adds language at the request of DHHS to allow the department to assist the HIT Board with the promulgation of rules and regulations. DHHS approached interested parties yesterday with a minor tweak to the language in LB950, which is-- which was in AM2797 that we just adopted, to provide more clarity on the department's role in assisting the HIT Board in promulgating rules and regulations. And so those edits are represented in AM2888. Request your green vote. Thank you.

KELLY: Thank you, Senator Bostar. Seeing no one else in the queue, you're recognized to close and waive closing. Senators, the question is the adoption of AM2828-- AM2888. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 37 ayes, 0 nays on adoption of the amendment, Mr. President.

KELLY: AM2888 is adopted. Mr. Clerk.

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

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

GUERECA: Mr. President, I move that LB967 be advanced to E&R for engrossing.

KELLY: Senators, you heard the motion. All those in favor say aye. Those opposed say nay. LB967 is advanced for E&R Engrossing. Mr. Clerk.

CLERK: Mr. President, Select File, LB874. First of all, Senator, there-- excuse me, LB847. 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 LB847 be adopted.

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

CLERK: Mr. President, Senator Kauth, I have FA487 with a note you'd withdraw.

KELLY: So ordered.

CLERK: In that case, Mr. President, Senator Kauth would move to amend with AM2875.

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

KAUTH: Thank you, Mr. President. Good morning, colleagues. So LB847 is a Business and Labor Committee priority bill. There are five other bills that were heard by committee and were made part of this committee amendment on a 7-0 vote. What you see before you, AM2875 amends LB847 to clarify language for the Nebraska Registered Apprenticeship Act. This amendment was a collaboration between the Department of Labor, the United States Department of Labor, Senator John Cavanaugh, businesses, unions, and my office. AM2875 addresses concerns from Senator Cavanaugh regarding the integration of federal statutes into state law. It also addresses his concerns regarding the differentiation and development of competency based, time-based, and hybrid apprenticeship frameworks pursuant to federal guidelines. This amendment removes language referring to youth apprenticeships that might run afoul of federal protections. Youth apprenticeships will still be offered, but the framework will be included in the department's rules and regulations. Additionally, some definitions were removed to allow the department to be better equipped to address labor concerns in developing apprenticeships. Finally, the amendment addresses Senator Cavanaugh's concerns about the office not providing reciprocity to similar apprenticeships from other states. The amendment makes it clear that approved programs in other states can get reciprocity in Nebraska as long as they comply with Nebraska state law. And I will say that Senator Cavanaugh found a comma that was misplaced and he fixed it, which actually made the bill way better. So I appreciate his support with, with making these fixes and I appreciate your support for this amendment to LB847.

KELLY: Thank you, Senator Kauth. Senator John Cavanaugh. You're recognized to speak.

J. CAVANAUGH: Thank you, Mr. President. Well, Senator Kauth did a great job there representing everything that we discussed. I just-- I really appreciate Senator Kauth, her staff, committee staff, department staff, for all of their diligence and work on this, and everybody's patience. This ended up being, we thought it would take, like, 1 day or 2 days, and we ended up, I think, doing 2 weeks and about 4 or 5 meetings on this. And the last meeting was essentially adding that comma that did substantively change the, the bill, but did get it in line with federal regs. So I really appreciate the work of, of everybody on this and Senator Kauth bringing this amendment. And so I encourage your green vote on AM2875. Thank you, Mr. President.

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

DeBOER: Thank you, Mr. President. I wonder if Senator Kauth would yield to a question?

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

KAUTH: Certainly.

DeBOER: When I was looking through this one, your LB1173, which is part of the package, I had a question about that $250 fee, filing fee. Can you explain that to me?

KAUTH: Part of this is the Department of Labor has been generally 98% supported financially by the U.S. Department of Labor and we're seeing cuts with that. This is so that we can have-- almost get to a self-sustaining methodology by charging the businesses for the actual work that's being done. We're hoping to even that out so that don't have wild swings if the federal Department of Labor decides to not pay. Last year, there were-- I think we came close to running out of money because of, of payment issues.

DeBOER: So is this for every employer in the state or is it, like, if you have five employees or is there some threshold like that?

KAUTH: Let's see here. There is a threshold.

DeBOER: Sorry.

KAUTH: No, that's OK. There is threshold. It's a, a graduated fee based on gross wages paid out the previous year for all employers under the employer security act.

DeBOER: But it would still matter if I only had one employee?

KAUTH: Yes.

DeBOER: I would still have to do it. So--

KAUTH: I don't think we have a, a maximum. I will, I will-- a minimum or a maximum, I will find that out.

DeBOER: And then-- so it's a graduated fee, so I might not pay the whole $250, but if I employed someone the year before, so this is-- if I employ someone just for 1 year, then there's no look back so that I don't get the fee. Is that how it works?

KAUTH: So you're asking, is there a look back?

DeBOER: Well, because it says, you know, based on-- the fee is assessed based on the gross employment cost from the year before.

KAUTH: From the year before, correct.

DeBOER: So if I only employ someone in 1 year, then do I have to pay the fee the next year even though I have no employees that year?

KAUTH: Yes, I would assume so. So-- but, also, if you increase your staff in this year, you're paying for last year's.

DeBOER: Right. And if I decrease, then I'm paying for last year's as well.

KAUTH: Right. So, hopefully--

DeBOER: It kind of works like a--

KAUTH: --hopefully, you're kind of-- your business will continue to grow. We always hope businesses continue to grow and so it would be for the prior year.

DeBOER: And how is that fee-- I'm sorry, this is--

KAUTH: No, that's OK.

DeBOER: I may be starting a business, so I'm very fascinated.

KAUTH: Oh, very good. Congratulations. What are you doing?

DeBOER: We'll talk about that later.

KAUTH: OK.

DeBOER: So how does this-- does this get assessed to me annually? How do, how do I-- do I pay that with my income taxes? Do-- is there some other way I pay the taxes?

KAUTH: I believe it would be when you register your business, so as you register your business at business check in, but I can find that out for you.

DeBOER: OK. Appreciate it. Thank you.

KAUTH: Absolutely.

KELLY: Thank you, Senators DeBoer and Kauth. Senator Conrad, you're recognized to speak.

CONRAD: Thank you, Mr. President. Good morning, colleagues. I want to thank my friend Senator Kauth, and my friend Senator Cavanaugh for doing a great job in negotiating on this measure. I know one issue that's just kind of generally related to these discussions and negotiations is ensuring that we have true apprenticeship programs that serve the worker, that give them the skills that they need to take those skills, be portable with those skills, with those credentials, from job to job as, as their economic needs and opportunities dictate. And there's been kind of this perhaps creeping effort in recent years to call things apprenticeship programs, but that aren't that true apprenticeship program that empowers the individual to have the skills they need to be successful in the trades or otherwise writ large, and instead to create a very narrow kind of training program, a company kind of training program that's more focused on a particular company or a particular industry that doesn't serve the employee and having that credential and having those skills beyond the confines of that particular job. So I know that in working through what I think is an amazing consensus point to figure out how we can come together to strengthen apprenticeship programs, to strengthen paths to the building trades, to strengthen opportunities for workers, to have the skills they need to be able to enter and stay in these really great jobs, good paying jobs with good benefits that support a family, that help to provide for their basic needs, that comes with benefits so that they can have a strong quality of life and contribute to the economy and to their communities as well. So I think that there is that issue perhaps or tension between the different types of so-called apprenticeship programs, perhaps in this measure, and I think that all of the stakeholders came together to find a really good path forward here to make sure that we are empowering workers and meeting the economic and business needs of, of our, our partners in the business community across the state. So I want to applaud their collaboration. And I just ask perhaps if Senator John Cavanaugh would yield to a question?

KELLY: Senator John Cavanaugh, would you yield?

J. CAVANAUGH: Yes.

CONRAD: Thank, thank you, Senator. I know you were doing a lot of this work behind the scenes and just want to make sure that we have a clear record on it. But, you know, what was some of the feedback that you were hearing from labor representatives and impacted workers about some of their initial concerns, and, and were those fully addressed in, in your negotiations, and does it help to ensure that we do truly empower workers with a model that, that best meets their needs?

J. CAVANAUGH: Yeah, that's a good question. Thank you, Senator Conrad. And, obviously, I appre-- I agree with a lot of your introduction there. So the biggest concerns were, of course, that there's federally registered apprenticeship programs that is this gold standard. So if you're a federally registered apprenticeship program, everybody says the workers that come out of that, they know their stuff, and they are, you know, the tops. And as you pointed out, there's some of these other lesser, you know, apprenticeship programs that are not federally registered, but they are holding themselves out as apprenticeship programs. So one of the concerns was ensuring that when something holds itself out as a registered apprenticeship program, that you know that the product is, is, is a good one, so that the folks are getting a good education, they actually come out-- going to run-- here I'll punch my light. Sorry, I'm going to run out of time to finish answering your question, but so I pushed my light. So one the concerns, was ensuring that anyone-- any apprenticeship program that qualifies as a registered apprenticeship program is held to a very high standard and so there are the federal regs which are 29 CFR 29 and other under sections that have the guidance that requires that somebody has to meet. So we did shore up the language in this bill to say when something has a standard that it has to meet that standard so it can't be below the 29 CFR 29 standard as it was set on January 1st of 2026. And I was just going to talk through your light if that was OK, Senator Conrad? And so that was one step, is that we ensured and bolstered that in a lot of, a lot of places. And there was a language that made it a little-- oh, I'll just go on to my time if that's all right, Mr. President.

KELLY: Yes.

J. CAVANAUGH: And so-- and then there was one part where it implicitly allowed for a lesser standard. So we clarified that it has to meet the federal standard. And then there were a few places about concerns for existing programs that Senator Kauth, I think, touched on a little bit in her introduction. And so ensuring that-- so the portability of the certifications, but also that the programs that are already established under the federal standards will not have any problem continuing. They won't have any problem adding more apprentices, but they would still need to go through the recertification process if they add a new skill. So if an apprenticeship program wants to add on a new skill, which is already under the federal regs, they already have to get reapproval. And so the biggest concerns were ensuring that when someone completes a federal-- a registered apprenticeship program, so now these programs will be state registered apprenticeship programs, but when they complete that program that they are-- have gone through a program that is held to that high standard. And then the second part is the folks who already have established these under these very rigorous standards are not going to have a problem in navigating, you know, the recertifications, the annual updates, that they, that they will-- that there was some fear, you know, about changing from the system they know to a new system. And so that we addressed some of those recertification and ongoing concerns in the out-of-state parts. And then trying to remember what the last part was. Trying to pull the amendment back up here. Oh, and then about decertifications, which this is where the comma part came in, is the requirements for decertifications allow for basically a program that stops and then the department can decertify that program. And then the sentence said, or if someone cancels, if an apprentice wants to cancel their contract. And so the necessity for the comma was to say that cancellation had these two separate definitions, but they were not the same part of the same action. So it was clarifying that for decertification purposes, a cancellation was an apprenticeship program ceasing to exist. And for purposes of canceling a apprentice contract, the apprentice could choose to cancel the contract. So that was, that was the necessity for the comma, the comma there, and it mirrors the federal regs. So, really, a lot of what we did was make sure that the language in Nebraska is as rigorous as the, the national regulations, but allowing-- empowering the State Department of Labor to certify new programs that do meet those requirements. So I think-- and that, that is, you know, ultimately what helped alleviate everyone's concerns because the biggest concern is that when somebody goes through the 2,000 hours, which is the annual-- or the, the year requirement for time-based apprenticeship that when they complete their 2,000 hours of work and classroom that they come out with an actual skill trade that they can get a job that pays well. So a long answer to your question, went over onto my time, but I appreciate it and again encourage your green vote on AM2875.

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

SPIVEY: Thank you, Mr. President, and good morning, colleagues. I appreciate the conversation on this, as I know that it's really important to figure out and make sure that there is alignment across the apprenticeship program and this kind of major change and shift with the Department of Labor becoming that intermediary versus folks going right to the feds. As I mentioned, my sister is in a certified apprenticeship program now as an electrician, and so I've learned a lot in the process of her experience. And I was hoping that Senator John Cavanaugh would yield to a question.

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

J. CAVANAUGH: Yes.

SPIVEY: Thank you, Senator Cavanaugh. So I know that you've been working really closely with Senator Kauth on this and the department and other interest groups. And I just wanted to get clarity because there is a lot of moving parts with the amendment and what was done or not. I know a part of the concern was not just the hours and that they would be able to learn and then apply it and then take, like, on the labor side, for example, their journeyman test or whatever. But it was, like, the quality of the education and skill set and so I just was wondering within the amendment or within the kind of negotiations and realignment with all parties was any of those things kind of changed around what curriculum needs to look like in standards or was it just around, like, the hours and what is acknowledged and certified at the fed level and now the state?

J. CAVANAUGH: Yeah, well, I appreciate that. So in the bill itself, I think the, the standard of the, the teacher and the program was fairly well set originally, so I don't think we really addressed that. It might be in this amendment because this is sort of a white copy of that section so language is restated in here, but I think we didn't really tweak with that much other than the fact to say-- we said it has to meet 29 CFR 29.5 And the way it was written before that, it said it could not exceed, so that was important to say that the standard needs to be the same as 29 CFR. And, of course, there was an intention, I think, as it was drafted to say, the state of Nebraska can't ask an apprenticeship program to go above and beyond, but we certainly want to make sure that we are asking them to do the same things. And so that is the one tweak, I think, as to the, the rigorousness of the actual education. But the language in the bill pretty closely mirrors what is already written in 29 CFR for, you know, what the competency based in the, the, the, the quality of the classes themselves, so.

SPIVEY: And then my last question, thank you for that, is with the amendment kind of serving as this white copy, folks that have already been certified at the federal level because the state is coming in to be that intermediary and help, then do they still have to get recertified? Are they grandfathered in or then now do they work with the state as kind of that entity for that process?

J. CAVANAUGH: Yeah, so they shouldn't need to get recertified for a program that's already established. They would only need state approval for things like if they are adding a new, new skill. So I'm, I'm trying to think of what would be a good example. If electricians wanted to add welding or something like that, they would have to get--

they'd have to get approval for that. And then if they're adding a new employer to a certifi-- to a apprenticeship program, so, you know, a lot of programs, they have an apprenticeship, and they have a relationship where they say, we're going to teach-- you know, you're going to have your classroom part, and then your job site part is through one of these employers we have a relationship with. They have to get-- the new employer has to be approved. Of course, the idea there being that the on-the-job training itself also needs to be up to a standard in addition. So they have to essentially-- so that was--

SPIVEY: And that's through the state now then?

J. CAVANAUGH: That's-- that will be through the state, not for the existing programs, but if they add something else. So, basically, a new program has to get approved by the state and an existing program that adds a new skill or a new employer will have to get approval through the state for that. And then the state has the obligation of oversight of these programs. So if a program ceases operation or has, I think, a, say, hypothetically, a very bad or low completion or pass rate, I think then the state would have some oversight in that respect. But getting new programs approved, the whole idea is to streamline the new program approval process. What happened when the government shut down is-- you know, there wasn't any movement from DOL at the national level. And so that's, I think, where part of this interest comes from, is to just take it in-house to, to streamline those things. But then our goal was, of course, to make sure in-house does not mean a lower quality. And that was, I think, what we accomplished with this amendment.

SPIVEY: Thank you, Mr. President. I see my light is on, so I will punch back in. Thank you.

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

CONRAD: Thank you, Mr. President. Good morning, colleagues. Definitely don't want to love this to death, but definitely don't want to let the, the moment go unnoticed. Again, I want to congratulate my friends Senator Cavanaugh and Senator Kauth for working on this really important issue and bringing this across the finish line, hopefully this year, in the waning days of our legislative session. In addition to the budgetary constraints that we have present to deal with, it's undeniable that when you talk to Nebraskans, there's really two key primary issues that you hear of over and over again, both from the business community, and both from working families, and that's the fact that we have to deal with our workforce issues. We have an affordability crisis for working families and we have consistently one of the lowest unemployment rates in the country, and we have northwards of over 40,000 open jobs that need, need to be filled in order to ensure that our economy remains vibrant and growing. And so we have these different challenges at play and they really should be, in my contention, one of the strongest issues that we work on together in the Nebraska Legislature, figuring out how to address our workforce challenges because that benefits businesses, that benefits working families, and that benefits our shared economy and prosperity. And the solutions attendant thereto are clear, job training, apprenticeships, childcare, health care, housing, education. These kinds of solutions all are a big piece of, of-- are parts of, of the puzzle to addressing our workforce challenges. And when we can do more to empower workers and ensure they have pathways to good jobs in the skilled trades, it lessens reliance on public assistance. It ensures that people have a pathway to good paying jobs with benefits that pay north of $20, $25 an hour or more. That we, we know that a good job is the best anti-poverty tool we have available. We know that a good job is requisite to ensuring family stability. We know that a good job is a key indicator to ensuring that, that we have safe communities, that we have vibrant communities. And anything and everything that we can do working together in this body to address workforce challenges, helps working families succeed, helps businesses succeed, and is a key we must insert and turn in order to unleash economic prosperity in Nebraska. Thank you, Mr. President.

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

DeBOER: Thank you, Mr. President. Senator Kauth, would you yield to a question?

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

KAUTH: I will.

DeBOER: You and I were talking off the microphone about just how difficult it is for new businesses to get started and how we want to support small businesses and things like that. Not all new businesses, not all small businesses have, you know, 30 employees, but some do. Some have four as well. And I know that in other areas of our law, like the FMLA, there is a lower limit to when you get charged fees or participate in some of those programs. So I was wondering if you would consider or talk to the Department of Labor about considering when they're setting up this fee having a lower limit of the number of employees before you charge the fee?

KAUTH: Absolutely. And thank you for the question. So the, the rules and regulations are how we're going to set up how much things are, and, you know, the, the fluctuating or graduated fees. But you have to be a business that is experience rated, which means you have to be in business at least 2 years with revenue to even be included in this. So if you are starting something up, you're not included for 2 years until you have revenue. And I'm happy to-- I, I think matching the FMLA for minimum employees, it's an interesting point. So I'm more than happy to talk with them to see how that would impact what they're trying to do. The Department of Labor is trying to make sure that they have the fees, the money necessary to do their job, to manage all the programs. And I know Senator Spivey is going to have a question for me about whether or not the department can absorb these, yes they can absorb this work partly because they will have these fees that are going to enable them to keep going no matter what the federal Department of Labor does. So I do know Department of Labor is outside in the Rotunda if you want to go visit with them soon. But, yes, that's, that's absolutely something. Right now, everything is still in discussion. But I think everybody's been very invested. Again, we've talked with as many of the parties as we possibly can. The chamber actually wanted to go based on gross revenue. They thought that would be a more accurate representation, so, you know, they might, they might want to be involved in the conversation too. But how we do it, with the rules and regulations, the Department of Labor is very willing to discuss, so I'd be happy to do that.

DeBOER: Thank you.

KAUTH: Absolutely.

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

SPIVEY: Thank you, Mr. President. I ran out of time the last time on the mic, so I wanted to again thank Senator John Cavanaugh, excuse me, for his work on this. I felt like he did a lot of heavy lifting for all of us that had questions and was really deep on the program side with the agency and Senator Kauth. But wanted to ask a follow-up question to Senator Kauth and I, I gave her a heads up if she would yield?

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

KAUTH: Absolutely.

SPIVEY: Thank you, Senator Kauth. One of the things that we had been looking at, and this came up on the appropriation side, was just the agency structure and how some of this kind of realignment of programs impacts their budget. And Director Thurber, in her hearing, talked about her intention with streamlining programs, moving things together, looking at some of these initiatives like bringing the kind of certification in-house and being that one-stop shop. And so I just was wondering if you had any insight to the impacts to their structure as an agency, if they already have the staff for this, will there be any fiscal impact? Just wanted to just talk through that.

KAUTH: Absolutely. And I appreciate all the work you do on Appropriations. And you can always tell who the Appropriations Committee people are in here, because they know you got to ask more questions about the dollars. And that's, that's why they, they want to set this up, because they want to be able to-- again, if the federal Department of Labor doesn't pay or cuts funding our Department of Labor is impacted severely. So we don't have the, the right kind of cushion. So this will give them the ability to handle a lot of that stuff, make sure that they are able to perform all of their duties without dipping into our General Fund or the appropriations. Now part of the thing is with, with as they have these fees if they have a cushion they don't use all of it the fees go down for the next year. They will fluctuate with the needs of the business or with the needs of the Department of Labor. They're setting it at we need to use these fees to have a $15 million income to our department to make sure that we're running all of these programs very, very well, so.

SPIVEY: Yeah, thank you for that. Thank you, Senator Kauth. Again, I appreciate the dialogue and the work that both Senator Kauth and Senator John Cavanaugh did. I think apprenticeship programs are so important. I actually have a bill in the budget that looks at earmarking dollars from Department of Education for kids that are-- that have IEPs and that are touching the juvenile system to be able to do preapprenticeship programs, because we know the value of, one, building our workforce in that way, but it could really be a viable career for folks to take care of their families, to build generational wealth. And so, again, this agency is really important for the work that they are doing with apprenticeships. I have such high respect for all the different trades and unions and other industries that use apprenticeships as well and wanted to just to get on the record some of those clarifying questions, because there were so many moving parts and things were happening quickly when we were on General File that I really appreciate the work in between to ensure that here on Select File we have all of the concerns addressed and that it allows for people to continue to operate successfully within their current apprenticeship programs and then has a strong path forward for new programs to be able to be implemented without a lot of government interference and have continuity across the standards. Thank you, Mr. President.

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

KAUTH: Thank you, Mr. President. I appreciate everyone's dialogue. Thank you, Senator Cavanaugh, for working with us on this and making sure it's done very well. Thank you, Senator DeBoer and Senator Spivey and Senator Conrad for the good comments and the good questions. And like I said, Senator DeBoer and I, she's running around somewhere, we'll go out and chat with Department of Labor to get some of these points on board. But I would appreciate everyone’s green vote on AM2875.

KELLY: Thank you, Senator Kauth. Senators, the question is the adoption of AM2875. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

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

KELLY: AM2875 is adopted. Mr. Clerk.

CLERK: Mr. President, Senator Hughes, I have FA1113.

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

HUGHES: Thank you, Mr. President. I'm doing something that I've not really ever done before. So I put in a floor amendment to suspend Section 1 just as a placeholder. I have-- LB1089 was a bill I brought this year that would basically put the cause of action back into the FMLA Act. So last year-- and that's the, the sick leave act. Last year when that passed, the cause of action had gotten pulled out. And so I had made a commitment to folks that I would bring that back in. And that is what LB1089, which is out on General File, is right now. LB-- so LB1009 [SIC] puts that cause of actions back in, so basically what it does is it's a look back for 1 year. So if you've been working at a place of business and they are not following the FMLA rules in terms of the amount of sick time paid out to an employee, you have 1 year look back to go back to that business and, and, and get your FMLA paid out and then your law fees would be covered on that cause of action. We worked with different people. There was some concern from the business community how the original was written, that, you know, it could-- you could do-- go back on the company for maybe not having the posters up in the right place or things like that. So we've got that really nailed down that it is truly just, if you do not get your sick time that you were due based on the rules of-- the FMLA rules, then you can, you can do this look back. It did come out of committee with a committee amendment on it with a, a bill, and I don't, I don't have the number with me from Senator Sorrentino that would also-- so the original FMLA bill exempted schools from this policy. And so the committee amendment also now would include private schools under that umbrella. So going forward, it would be all schools would not have to follow that FMLA Act. I haven't seen Senator Sorrentino here today, but I didn't know if he might-- this is-- and he doesn't know that this was coming up today, so if he'd want to say anything about that piece of it or not. But right now, we're kind of filling some time because we sent that up to Bill Drafters to get it as a possible amendment to LB847 and so that's why I have this placeholder FA1113 on the, on the board right now. So I think this is the right thing to do. I have been told maybe shame on us for not including that last year when it went through, but I had made the commitment to several people that I would bring it back and I did. And if it doesn't go through this year, I will be bringing it back again next year. I think it is the right thing to do. If you look at, if a business does not pay out the sick time, the Department of Labor can fine that business. And if you do the math and someone's making minimum wage, which, you know, now is $15 an hour and will grow every year by a certain percent, it is actually cheaper for a business if they want to be a bad actor to, to pay the fine. It's cheaper to do that than to actually pay out that sick time to someone making minimum wage and I don't think that's right. I don’t love that we passed the FMLA. I think-- I just know some businesses on my side already had more than enough sick time, but because of how the FMLA language works, they had to change their union contract because they used to give sick time out in increments every quarter. It just worked better for the business. It was actually in the union contract, and now this year they had to make that change. It all has to be at the front. And then you run the risk of somebody using all their sick time, and then they have nothing left later. And it just worked out better for their business, but they had to change to their business because of this bill that was passed, but the people voted on it, and so that's what we put in play. So my opinion is, everybody has to pay by the rules, good actors, businesses that pay this out will never have this cause of action be an issue. And so everybody should be held to the same standard. I'm going to key in again and, and go from there, so. I don't-- I do not, OK. And I'm going to run out of time and go-- and I'll key in again. Thank you, Mr. President.

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

CONRAD: Question.

KELLY: The question has been called. Do I see five hands? I do. The question is, shall debate cease? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 15 ayes, 12 nays to cease debate, Mr. President.

KELLY: The debate does not cease. Returning to the queue, Senator Kauth, you're recognized to speak.

KAUTH: Thank you, Mr. President. So we're working-- so Senator Hughes has a bill that came out of committee, the Business and Labor Committee, addressing some of the, the problems with the ballot language and some of the fixes that she was trying to make. And I know she worked with a very diverse group of people to make those fixes. And it includes part of Senator Sorrentino's bill, also making fixes to that ballot language. I just-- as they figure out where that amendment is, right now we're waiting for it to come down from Drafting, I would actually like to say something about the JAG kids who are outside. JAG stands for Jobs for America's Graduates, and we have groups of them visiting the Capitol today. So I think it is absolutely-- oh, that might be them up there. I think it’s fantastic that we're actually debating a labor bill while we are talking to kids. And, hopefully, you guys will go outside and talk to some of these kids. They're very, very excited and interested in what's going on here, but also in how work gets done. So if you have a chance, go out and visit with the JAG kids who are visiting you from your office. Thank you.

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

CONRAD: Thank you, Mr. President. Good morning, colleagues. If Senator Hughes would answer a question?

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

HUGHES: Yes, I will.

CONRAD: Thank you, Senator Hughes. Since your measure muddles and touches upon the citizen initiative that brought forth a modest but meaningful earned sick leave benefit, will this-- then, if successful, will require 33 votes on Final Reading, is that right?

HUGHES: That is correct.

CONRAD: OK. And just to be clear, this measure that you're trying to attach on here was just reported out yesterday?

HUGHES: From Business and Labor?

CONRAD: Yes.

HUGHES: I don't believe so. It was reported out last week. I can't say exactly what day, but it's been, pretty sure, at least a week.

CONRAD: OK. So I'm trying to make sure because I see LB-- the committee statement on LB1089, and essentially the floor amendment that you're waiting for, would replicate that in its entirety as amended by the committee.

HUGHES: That is correct.

CONRAD: OK. So, number one, you're asking us to clean up the mess that you brought after this body, with your support, pushed forward efforts to dismantle, cap, and carve up a modest but meaningful sick leave benefit that was adopted by the vast majority of voters. In your haste to do so, you left behind critical enforcement components. And now you're asking the body to fix that mess, but have a lesser statute of limitations for enforcement that was originally intended, and now to bring in more, more carve outs for more employers who won't be subject to the modest but meaningful citizen initiative adopted sick leave benefit. Is that correct?

HUGHES: So for the record, I did not bring the original bill to change-- last year to change--

CONRAD: Did you support it?

HUGHES: I did vote for it.

CONRAD: Then why is that relevant?

HUGHES: Because you made it sound like I had brought that bill and I did not.

CONRAD: If you wouldn't have supported it, it wouldn't have passed?

HUGHES: Well, I, I have stood by my-- that vote on-- I listened to my constituents. And I-- when you look at FMLA, when I talk to people, and I, I agree people voted this second house of Nebraska. But when you would talk to them in specifics and you'd say so do you think detasseling kids should earn sick time and the resounding answer was no. So I truly believe that what we did last year cleaned it up and tightened the language and still put forward the intent of that sick leave package, you just exempted some seasonal work and also very small businesses which are really struggling in this state and something like the sick leave policy and the minimum wage hurts those businesses and I am here for my constituents and I heard loud and clear and that is how I voted. With that, that vote I did not-- again, did not bring that package but it did take out the cause of action piece. And I said that I would work on something for that this year, and I did. And if it doesn't pass here, I will do it next year as well.

CONRAD: I would be inclined to work with you and others to ensure that we have a clean proposal on the board to ensure enforcement of the citizen initiative as amended by the Legislature last year. I think you will run into a wall of opposition if you seek to utilize this opportunity to carve out more Nebraskans from the citizen initiative measure which enacted a modest but meaningful sick leave component, which is not FMLA, by the way. Thank you, Mr. President.

KELLY: Thank you, Senators Conrad and Hughes. Senator Holdcroft would like to recognize guests in both the north and south balcony. They are Jobs for America's Graduates from all over Nebraska. Please stand and be recognized by the Nebraska Legislature. Mr. Clerk, for a motion.

CLERK: Mr. President, Senator Machaela Cavanaugh would move to bracket the bill until April 10, 2026.

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

M. CAVANAUGH: Thank you, Mr. President. Good morning, colleagues. So I thought this was going to move quickly, but, you know, everything here changes. It's very fluid all of the time. So this bracket motion is to block the pending amendment that Senator Hughes has stated that she was bringing forward. And I'm hopeful that clearer heads will, will prevail and we can withdraw these amendments and move forward with LB847 as it is currently amended to Final Reading. If not, I will be on this until we get to the, what is it, LB1164 at 1:00. So that's what this is about. And so, yeah, it's like 2 hours, I guess, that we can be on this, or we can be on Senator Jacobson's bill and Senator Riepe's bill, who he still hasn't razzle-dazzled me into agreeing that I'll vote for it, but, you know, he has time, LB1212. Yeah, so I have 10 minutes, so let's look at what we're talking about here. And also thank you, I didn't speak before, but thank you to Senator John Cavanaugh and Senator Kauth for working out a compromise on the underlying LB847. I know that took a lot of everyone's time and I think it's appreciated when we can come together and figure these things out. So the bill in question is Senator Hughes's LB1089, that was voted out of committee because there's a committee statement. I don't know when-- she said was voted out last week. Let's see here. It was placed on General File on March 17, on St. Patrick's Day, with the committee amendment. And Senator Hughes also has an amendment-- AM-- strike lines-- that might have been just a placeholder. OK, so according to the committee statement, this bill-- and I don't know if the amendment that she's bringing forward has this as well, but the committee amendment to LB1089 has LB-- portions of LB1249 and LB1089, removes three new categories of individuals from the definition of employee for the purposes of Nebraska Healthy Families and Workplaces Act, making the act not applicable to them. So this is who it would continue to remove from the sick leave ballot initiative coverage: individuals with a 10% or more ownership interest in a company, nonresidents of the Nebraska who-- of Nebraska who work for a nonresident employer that work in Nebraska for less than 90 days a year, private denominational or parochial elementary and secondary schools, as well as private postsecondary schools. I really don't know why private school educators should not have access to sick leave when public school educators have access to stick leave. That doesn't really make any sense, especially if we're talking about-- I mean, we have this whole conversation about school vouchers and high-quality education, and you don't think that those teachers deserve sick leave, but the public school teachers deserve sick leave? I got to tell you, if you can stay home when you're sick, or your kid is sick, you're going to be a better educator than if you have to work through that. So that doesn't really make any sense to me. It allows employers to put caps on how much paid sick leave can be carried over year to year, and how much paid sick leave an employee can use each year. Ooh, how much they can use, like you can have the mandatory amount through statute, but you can't use it all? That wouldn't be good. OK, great. Should I pull this, then? Oh, I can stop. Fantastic. Well, I was having fun having musings to myself, but, Mr. President, I will withdraw MO547. Thank you.

KELLY: Thank you, Senator Cavanaugh. Without objection, so ordered. Mr. Clerk.

CLERK: Mr. President, I have nothing further at this time.

KELLY: Returning to the queue, Senator Sorrentino, you're recognized to speak.

SORRENTINO: Thank you, Mr. President. Good morning. I'm going to talk a little bit about a bill, an amendment, as part of the package for LB847, what is actually known as LB747. I think this is just a good time to give a couple of particulars on that as we move towards the enactment of LB847. LB747, which will be part of this package, is a bill designated to update and modernize several programs administered by the Commissioner of Labor through the Labor Standards Division. Specifically, LB747 makes targeted updates to Nebraska's child labor laws, the Wage Payment and Collection Act, also known as WPCA, the Employee Classification Act, and the Contractor Registration Act. The overarching purpose of LB747 is to reduce unnecessary regulatory burdens, streamline compliance, and modernize enforcement practices across the Department of Labor's programs, while maintaining strong worker protections and improving administrative efficiency. There's three parts to this bill. First, LB747 modernizes Nebraska's child labor laws by reducing administrative burdens on employers who hire individuals under the age of 16. The bill repeals the requirement that all employment certificates be submitted to the Department of Labor prior to a minor beginning work. Instead, employment certificates would be required to be submitted only upon the request of the Department of Labor. Secondly, LB747 makes updates to the Wage Payment and Collection Act. Specifically, the bill removes the classifications of failure to provide a wage statement as a criminal infraction under

Nebraska Revised Statute 29-431. This provision has never been enforced through criminal citations. This is simply a modernization of an old statute. Instead, the bill establishes enforcement through administrative citations and penalties, not criminal, which is consistent with how all other WPCA violations are handled. LB747 clarifies enforcement by allowing the Commissioner to seek a court order when an individual or an entity fails to comply with a subpoena. This authority is a standard enforcement tool used by administrative agencies and mirrors existing authority under other labor standards-- statutes administered by the Department of Labor. Third, LB747 updates the Employee Classification Act. The bill repeals the statutory requirement to maintain a dedicated hotline for reporting ECA violations. The Department of Labor will continue to accept and investigate complaints through its online complaint form, which remains available on the department's website. Complaints may also still be submitted to the department through the phone line for the Labor Standards Division. This legislation just removes the requirement that the department have a dedicated hotline for reporting ECA violations. Finally, LB747 makes revisions to the Contractor Registration Act. This will result in fewer people being exempt. The bill repeals the current fee exemption for certain contractors, including those who are self-employed and who pay less than $3,000 in wages or perform water, well, or septic system work. Again, this repeals the current fee exemption. Removing these fee exemptions establishes uniform registration requirements across the construction industry and strengthens the integrity of Nebraska's contractor registration system. Under LB747, all contractors will complete the standard annual registration and pay the $25 fee. This proposal is expected to generate approximately $81,250 in additional revenue with a one-time system update, a cost of $4,800 to remove the exemption from the online registration form. Thank you, Mr. President.

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

HUGHES: Thank you, Mr. President. I just wanted to talk over a few more things that this amendment would do. I think Senator Sorrentino addressed kind of that piece that came out from his bill from the Department of Labor. But I want to be very clear, the Business and Labor Committee reported this out 7-0. So all seven members of the committee voted yes on voting this out with that committee amendment. I want to thank Senator Kauth, who's the Chair, and her staff for working with us on this, on this. The biggest thing, again, LB1089, which was my piece of the bill, was the cause of action. Right now, as an employee you have no recourse, none, if you work for a company that decides to not follow through on what was passed in the ballot initiative in 2024. If you don't follow those rules and just don't pay it out, oh, well, I guess as an employee, you can private-- you know privately hire your own lawyer and try to go after it but you will be paying for that. You can let the Department of Labor know and they can and should fine a business if they are not following the rules of what is stated. But like I'd mentioned before, if you do the calculation and you're getting paid minimum wage, it honestly is cheaper for a business just to pay the fine instead of paying sick leave. So I'd like to think that most businesses would not do that, but I guess there's a financial incentive to. But, again, I, I really think that it would be nice to have a recourse for folks if they happen to be in a, a workplace that doesn't follow the rules. We-- on this, on this bill, LB1089, with Senator Sorrentino's, with the committee amendment that had it together, we did something called running a card. And running a car means you go and talk to every single, there's 49 state senators, you talk to ever single one and you kind of get a gage of where they are on their vote, whether it'd be, you know, a full yes or a lean yes means, well, I think I'm going to vote yes, but, you know, I might have a couple questions. But we ran this card and everyone except, you know, Senator Conrad, as you heard, who was going to take time on this and had issue with it, every single one was a yes or a lean yes. So this body fully believed that we should get this cause of action back in. As you've heard, Senator Conrad has issue with it. I think more of the issue is just the changes that were made structurally last year. And I think it's a shame that she's fighting against-- Senator Conrad is fighting against reinstating a cause of action. I do believe a year look back is plenty. That's a full year after you're done with that year of employment to know whether or not you got paid out for the sick time that you were due. I think that's plenty of time on that look back and that is what was agreed upon when we worked on this with some different attorneys and things like that. So it's a shame to me that we are fighting over this but so I do want to say that I'm going to withdraw my FA1113 and I am also withdrawing AM2895 which was the actual amendment that would have replaced this floor amendment. So-- just so everybody knows, going forward, our employees across the state of Nebraska will not have a cause of action and will not have a recourse if their employers do not follow these rules. Thank you, Mr. President.

KELLY: Thank you, Senator Hughes.

CLERK: Mr. President, Senator Hughes, my understanding is you withdraw FA1113.

KELLY: So ordered.

CLERK: In that case, Mr. President, I have nothing further at this time.

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

GUERECA: Mr. President, I move that LB847 be advanced to E&R for engrossing.

KELLY: That's a debatable motion. Senator Conrad, you're recognized to speak.

CONRAD: Thank you, Mr. President. Good morning, colleagues. Again, I appreciate the work that Senator Kauth and Senator Cavanaugh did on the critical pieces in regards to strengthening the apprenticeship measures contained herein. I just want to respond quickly to my friend Senator Hughes. You know what I think's a shame, Senator Hughes? I think it's a shame that this cynical Legislature worked to carve and cut up the will of the people as evidenced through 74% of the vote to enact a modest but meaningful earned sick leave benefit so that workers don't have to choose between their health and their job and caring for their families. I think that's a shame. You know what else I think is a shame? The bad faith that led to that effort, wherein ballot initiative supporters worked with the business community to say we can make a few important changes to facilitate the will of the voters from a technical perspective and that was hijacked. And it was hijacked. Those technical changes to make it work better for everybody that were hard fought and negotiated in the interim period was hijacked for carve, carve outs and cut ups. And you were complicit in pushing that hijacked bad faith effort forward that took away earned sick leave from young workers who also have families sometimes and need that to care for their children and themselves. It took away earned sick leave benefit from temporary and seasonal workers as well, not just "detasselers." And if you wanted to carve out "detasselers," you could have but you didn't. So let's not have some revisionist history. And it took away the entirety of the benefit for thousands of employees that work in small businesses with 10 or fewer employees. Those who needed it the most because big corporations already offer earned sick leave benefits because it's good for the bottom line. It's good for the health of our citizenry and it's good for the health of our economy. So at the last minute, don't come rushing in and point fingers after that actual history and act as if it's wrong to oppose something that would offer a very small window of enforcement that you screwed up last year in your effort to carve up and carve out the earned sick leave benefit. The citizen initiative passed with 74% of the vote followed the normal civil statute of limitations of 4 years. You came forward with a crumb of 1. And you added to that crumb poison pills to carve out more people. That's a shame. Thank you, Mr. President.

KELLY: Thank you, Senator Conrad. Seeing no one else in the queue, Senator Guereca, you're recognized for a motion. The motion was already made to advance. Senators, you heard the motion to advance for E&R Engrossing. All those in favor say aye. Those opposed say nay. It is advanced. Mr. Clerk.

CLERK: Mr. President, General File, LB525, introduced by Senator Jacobson. It's a bill for an act relating to data privacy; adopts the Agricultural Data Privacy Act. The bill was read for the first time on January 22 of 2025, referred to the Banking, Commerce and Insurance Committee. That committee placed the bill on General File with committee amendments, Mr. President.

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

JACOBSON: Thank you, Mr. President. I just want to point out we have come so close to my open on this bill and then some bill ahead of it derails it and we lose the day, I got to wait for it to be rescheduled, so the time is finally here, the wait is over. So, colleagues, today I'm addressing-- I'm asking for your green vote on LB525. Before we get into the heart of the bill, I want to provide some clarity on the paperwork on your desks. You likely noticed a flurry of amendments filed on this bill recently. Do not let the number of filings distract you, this is a complex, first-of-its-kind issue that those various filings were simply the breadcrumbs of a very successful year-long collaborative process. We use those placeholders to keep every stakeholder from the Governor's Office, to our equipment manufacturers engaged as we finalize the language. To keep it simple, there are only two documents you need to focus on today, LB575 [SIC] as it came out of committee, which includes AM2221, and my specific amendment AM2444. Might also mention that I've had a few people ask, why did you leave a copy of a fiscal note that was blank on my desk? It's because the fiscal note was eliminated, so it is zero, and I just wanted to give you the evidence. AM2444 makes some minor technical refinements to the agricultural data provisions, but it also incorporates the language of Senator Bostar's LB1185 regarding controversial, controversial AI safety. I will go into the specific details of these changes and the AI provisions when I open on AM2444 here are a few-- here in a few moments. Now let me get into LB525, the agricultural data privacy bill, when I first brought this bill last year I told the BCI committee that it was a conversation starter. I'm happy to report that the conversation was loud. It was productive and it was necessary. We, within the interim, worked with the Governor's Office, producers, technology providers, and other interested parties to take a broad concept and turn it into a targeted, functional piece of legislation. Colleagues, the Wild West of agricultural data needs a fence around it. Agriculture is a-- is the engine of Nebraska's economy. Today that engine runs on data, yield maps, soil moisture levels, and planting prescriptions. But for too long, there has been a massive gray area regarding who actually owns a digital by-product of a farmer's sweat and equity. LB525 provides that clarity. LB525 combined with the committee amendment AM2221 narrows our focus on two commonsense protections that every Nebraskan can get behind. First, we now have a hard line against the sale of ag data. We are establishing a general prohibition on the sale of an agricultural producer's raw data. A farmer's proprietary information should not be a line item on a tech company's balance sheet to be sold to the highest bidder, period. Second, we are demanding standard security safeguards. We are, we are requiring that anyone handling the sensitive data must use, quote, reasonable safety measures. In an event of cyber security threats and data breaches, our farmers deserve to know that their competitive secrets are being guarded with the same care as their bank accounts. Now I want to be very direct with this body, because Nebraska's leading the way in this, a first in a nation bill, there isn't a playbook from another state that we can just copy and paste. When you're the first to do something you know it won't be perfect on day one. But being first is exactly where Nebraska belongs when it comes to protecting our number one industry. We aren't trying to stifle innovation. We want the John Deere's and Case IH's of the world to keep building good tools, but we want them to do it as partners with our producers, not as owners of their data. We have brought the stakeholders to the table. We've moved from a broad conversation into a specific safety focused framework. This bill is a solid start. It's a Nebraska made solution for a 21st century problem. I want to thank the BCI Committee for their hard work on the committee amendment and I ask for your green vote on LB525 and the committee amendment AM2221. Thank you, Mr. President.

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

CLERK: Mr. President, a series of withdrawals from Senator McKinney, you would withdraw MO508, MO509, and MO510.

KELLY: Without objection, so ordered. As the Clerk indicated, there's a committee amendment. Senator Jacobson, you're recognized to open.

JACOBSON: And I'll, I'll waive my open on the committee amendment, AM2221, and I'd be ready to go into AM2444.

KELLY: Mr. Clerk.

CLERK: Senator Jacobson, I have AM2284 with a note that you withdraw.

KELLY: So ordered.

CLERK: In that case, Senator Jacobson would move to amend with AM2444.

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

JACOBSON: Thank you, Mr. President, and again, good morning. As I mentioned in my opening on the bill, AM2444 offers some small changes to LB525. It takes the solid foundation of the bill and adds the specific legal teeth and definitions required by stakeholders to make this a functional, enforceable law. There are three key changes in this amendment that I want to walk you through. Number one, ownership and control. In the original draft of the bill, we focused heavily on ownership. However, in the digital world, ownership is often tied to the ability to direct how data is handled. AM2444 adds the word control to the definition. I want to be very clear about the scope of this control. Under the bill as amended today, this right is specifically focused on one critical area, the sale of data. This amendment empowers ag producers to prevent the sale of their agricultural data to third parties. While this act could be broadened in the future to include more expensive control rights such as portability or specific delete rights, today we are starting with the fundamental protection, ensuring a farmer's data isn't treated as a commodity to be flipped for profit without, without their say so. Number two, protecting data from public disclosure. One of the most important additions to AM2444 is a change to our public records law. We are adding a new subdivision to Section 84-712.05. This ensures that raw agricultural data is protected from public records requests unless the producer gives written-- prior written consent. This prior agri-- proprietary agricultural data cannot be released under a public records search. This prevents a, this prevents a farmer's competitive business secrets from being exposed just because they might be participating in a state-funded research grant-- project or grant program. Number three, defining what is not agricultural data. To be fair to our tech partners and state agencies, we also need to clarify that this doesn't cover what this bill doesn't cover. AM2444 clarifies that if data is already made available to the general public by a government agency such as USDA, soil maps or public land records, it does not fall under the private protections of this act. We aren't trying to reprivatize what is already in the public square. We are focusing on the private proprietary data generated on the farm. Finally, I noted earlier, this amendment also incorporates the language of LB1185, which deals with safety and transparency of, of conversational AI. This was brought to me by Senator Bostar, and I believe it fits perfectly with our mission of digital safety and data transparency. At this time, Mr. President, I would ask if Senator Bostar would yield to a question to explain the importance of LB1185 portion of his amendment and how it protects Nebraskans in the age of AI.

KELLY: Senator Bostar, would you yield for a question?

BOSTAR: Yes. Thank you, Mr. President, and thank you, Senator Jacobson. AM2444 includes the provisions of LB1185, the Conversational Artificial Intelligence Safety Act. Conversational AI tools are increasingly designed to simulate human conversation in ways that can feel personal, emotional, and real. For minors, those design features can create real risks: confusion about whether they are interacting with a human, exposure to inappropriate content, or emotional reliance on a system that is not designed to act in their best interests. LB1185 responds to those risks in a narrow and commonsense way. First, the bill requires clear and conspicuous disclosure when a user is interacting with artificial intelligence, so no one, especially a minor, is misled into believing they are speaking with a real person. For minor account holders, that disclosure must be persistent and repeated at regular intervals during longer interactions. Second, the bill establishes reasonable safeguards for minors. It requires operators to take steps to prevent sexually explicit content and sexualize interactions. It also prohibits the use of manipulative engagement techniques, such as reward systems, that are intentionally designed to increase time spent on the platform by minors Third, LB1185 inserts much needed guardrails around mental health concerns. The bill does not prohibit conversational AI from offering general information or supportive responses, but it does prohibit operators from representing these systems as providers of professional mental or behavioral health care. When users express suicidal ideation or self-harm, operators must have protocols in place to refer users to real crisis resources and not simulated care. Importantly, this bill is not anti-innovation. It does not regulate internal business tools, developer platforms, narrow purpose applications, or traditional voice assistance. At its core, LB1185 is about transparency, child safety, and trust. As artificial intelligence becomes more embedded in daily life, Nebraskans deserve clear rules that ensure these tools are deployed responsibly, especially when children are involved. The bill was heard on February 9 in the Banking, Commerce, and Insurance Committee. There were no opponents, and it advanced out of committee on a vote of 8-0. And I would request your green vote on AM2444, AM2221, and the underlying LB525. Thank you.

KELLY: 4 minutes, Senator Jacobson.

JACOBSON: Thank you, and thank you, Senator Bostar, for that addition, and thank you, Mr. President. Colleagues, I'd appreciate your support for AM2444.

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

J. CAVANAUGH: Thank you, Mr. President. Well, I think I'm in favor of AM2444, AM2221, and LB525. I believe firmly in data privacy and people having the right to their own data and preventing it from being used and sold and transferred and all those things. So I think, generally, in support, I just was looking through AM2444 and I appreciate Senator Jacobson's work on this. I was just talking to Senator Brandt about how sticky of an issue this is. And so I appreciate Senator Jacobson taking it on and doing the, the work. But, as I'm sure you all recall, I have an obsession with us following the constitution, and there's-- in Section 8 of AM2444, Senator Jacobson's original bill, I think, has the requirement that any penalties go to the common school fund in compliance with the constitution, Article VIII, Section 5 of the constitution, so that's page 6 of AM2444, lines 21 through 24. And so then I just was noticing that that's absent in the other section on page 18, which would be Section 18. There's civil penalties of $1,000 per violation, but no more than $500,000 for, for operator. So I think there would be a space there that would need that additional requirement to just stating that the civil penalties assessed under that section should go to the common school fund. So just raising that, I'm happy to file the amendment and we can have that conversation after we adopt AM2444. But just in the interest of making sure all of our statutes are, are clear and compliant and that we are following all the same rules and, and adhering to the constitution, I'm going to file that amendment. But I think, otherwise, support this and appreciate the work of Senator Jacobson and the committee. Thank you, Mr. President.

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

HALLSTROM: Mr. President, thank you. I just want to stand and take a, a moment to express my support for LB525 and the pending amendments. I also want to commend Senator Jacobson for his leadership on this issue, as well as his staff, Cicely from the administration, and all of the parties who were interested through this process in the issue of agricultural data privacy. What Senator Jacobson didn't indicate is that we had meetings in which he actually asked the question if there was anything in the bill worth moving forward because of all the concerns and expressions of, of interest and doubt? And the consensus at the end of the day of each of those meetings was, yes, there was certainly something worth moving forward and the objective was worth the effort. So I'm pleased that he stuck with it, that the group stuck with. It's a positive tool, a positive benefit for the agricultural community. And I also appreciate his acknowledgement that since we're being a leader in the country on this issue, that there will no doubt be some areas where we need to come back and visit. And we'll certainly do that next session if necessary. So thank you, and I'd encourage a green vote on LB525.

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

CONRAD: Thank you, Mr. President. Good morning, colleagues. I appreciate-- I'd just like to lend my voice to the chorus of voices in support of Senator Jacobson's leadership on this important topic and look forward to the technical amendment that my friend Senator Cavanaugh is bringing forward. I did just want to flag the interactions with this legislation in regards to our public records law and ensure that I put a placeholder down on the record today on General File. I am going to-- I think it's probably OK, but I just want to make sure that our strong commitment to open government that is insured by robust public records laws and open meetings laws does not in any way become weakened or chipped away by this measure. I don't think with the intent of the bill that it will. Private data, private operations are not subject to the same sort of, of course, robust disclosure and access as what government is doing in our name and with our money. So I do understand that there may be some interactions in this novel and important approach. I think it might be OK. I think it perhaps also is already covered by existing exemptions that protect trade secrets, commercial information, things of that nature. And so I just want to make sure to put a quick note in the record in that regard, look much more closely at it as the bill moves from General to Select. And if any amendment or technical amendment is needed to ensure fidelity to our open records law, public records laws, I'd be happy to work with Senator Jacobson on that. Thank you, Mr. President.

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

CLOUSE: Thank you, Mr. President. I rise in support of the amendment in the bill from a little different perspective. And that comes from the discussion we have a lot on data centers and autonomous ag. And that's in correlation to what we're talking about with this bill. Who really owns the data? And I appreciate Senator Jacobson doing all the leg work and working with all those entities involved so that we can make that determination. Because we will see small data centers around the area, not necessarily the big ones, but small data centers, and we've got those in my district that, that was part of an overall plan to how you address autonomous ag. So I rise in support of the amendment and in support of the bill, and I thank Senator Jacobson for, for all the work that was put into this. Thank you.

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

STORER: Thank you, Mr. President, and good morning. I, too, want to just rise in support of LB525. I got to be part of or, or witness some of those conversations. I know that Senator Jacobson has put hours into working with different industry stakeholders, as well as the Governor's Office, to get this right. And, certainly, I think that shows in the quality of the legislation. I also want to thank Senator Bostar for his piece of AM2444. Again, anything that we can continue to do to protect minors online is important and I will champion that at every corner. So thank you, Senator Bostar. I support AM2444 and into AM2221 and the underlying bill LB525. Thank you.

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

JACOBSON: Thank you again, Mr. President, and thank, thank you, everyone who made comments. Senator Conrad, I, I, I do agree with a, a lot of what you said that, that with this bill-- and we've looked at everything as carefully as we can to make sure that we're trying to get on the record what we need for protections without really stifling access. And I would tell you that-- I think Senator Hallstrom mentioned it, I think the first meeting we went to, the roundtable that we had last summer or last fall, we invited all these various ag interests to come in. And I remember bringing the bill that was introduced a year ago, which has been, of course, white copied a couple of times since, and I said, so what do you think? And it was pretty much everybody hated the bill. And so I thought, wow, why are we here? And can anybody think of anything in the bill that they like? And everybody's having some trouble. And I said, do we need ag data privacy? And then the answer was yes. OK, great, how are we going to get there? OK? So let's talk about how do we get to yes, not all the things we think are wrong. And that's kind of been how I've approached various problems over the years. And once we started doing that, suddenly we started getting some really great ideas. And, and I'm not one to recreate the wheel so I think we looked at the-- at what John Deere and Case IH, for example, used for their operator agreements today, and how do they deal with the, the technology that's embedded in their equipment? And we looked at their agreements and said here's the basis for how we will build the bill. And we also knew that we were going to have to walk before we ran. And by doing that, let's go look at the basic fundamental things we want in this bill, get that done, and then each year going forward, we'll probably be building on this, as we find that there's a loophole that we missed, that we found we overreached on something. We'll be coming back in future years and tweaking that. But I think we need to really get out-- get it out there, start using it. And then we'll find out over time if there's changes we need to make. So with that, I appreciate all the support that everyone's brought. I appreciate the Governor's Office and, and Cicely specifically for working with this. I, I appreciate Joshua Christolear, my committee counsel, for all the hours he put into it. And, and so it was-- there were a lot of meetings. We listened to a lot of people and we think we've got something that's far from perfect but something that we think producers want. So with that, thank you and I would encourage your green vote on AM2444.

KELLY: Thank you, Senator Jacobson. Senators, the question is the adoption of AM2444. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 31 ayes, 0 nays on the adoption of the amendment, Mr. President.

KELLY: AM2444 is adopted. Mr. Clerk.

CLERK: Mr. President, Senator John Cavanaugh would move to amend with AM2849.

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

J. CAVANAUGH: Thank you, Mr. President. This is a, a simple fix, colleagues. I spoke with Senator Bostar and Senator Jacobson. It just-- in Senator Jacobson's portion of the bill, already has this language, which is our constitutional requirement that any penalty-- financial penalty goes to the common school fund. So that's already in Senator Jacobson's part, this is just adding it to Senator Bosar's part, so if there is anybody who violates this and pays a fine, it constitutionally is required to go to the common school fund. But just in good practice, we put it into the statute to clarify so there is no opportunity for shenanigans or whatever might happen. So it's just clarifying that this, this law follows the constitution and says that any fine assessed goes to the common school fund. So I'd ask for your green vote on AM2849.

KELLY: Thank you, Senator Cavanaugh. Seeing no one else in the queue, you're recognized to close and waive closing. Senators, the question is the adoption of AM2849. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

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

KELLY: AM2849 is adopted. Mr. Clerk.

CLERK: Mr. President, I have nothing further at this time.

KELLY: Senator Jacobson, you're recognized to close on AM2221.

JACOBSON: AM2221 is really part of the-- was the committee amendment. I'll just wait to close on LB525 when I close on it at the same time. Thank you, Mr. President.

KELLY: Thank you, Senator Jacobson. Senators, the question is the adoption of AM2221. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

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

KELLY: The amendment is adopted. Mr. Clerk.

CLERK: Mr. President, Senator Jacobson, I have AM1710 and AM2076, both with notes that you'd withdraw.

KELLY: So ordered.

CLERK: In that case, Mr. President, I've nothing further on the bill.

KELLY: Senator Jacobson, you're recognized to close on the bill.

JACOBSON: Thank you again, Mr. President, and thank you, colleagues. This is a very important bill to ag producers. I'm glad we got to this point. I'm wanting to get this past the finish line. This is truly one of its kind. We've, we've researched all other states. No one else has something. There were a couple of other states that are working on a bill, but we do think that this will be a model for other states to look at as well. Again, the philosophy was walk before we run. We had a lot of information, a lot of other guidelines in the original bill that we felt we should pull and really bring the basic concepts of what do we want to get done and get that in the bill and assure producers that they have control and ownership of their data? And that is a, a, a big issue and I think when we had that meeting with the roundtable that was what everyone understood was that producers want to know that they control their data. It's not being sold to third parties, and that their proprietary information is theirs. So, again, we will have changes down the road. This bill also-- although it also includes livestock producers, it's more grain production centric. I would expect as time goes on there will be more dealing with livestock producers as there are additional needs that they see that may have. But, again, this bill will probably come back several times in the future, but this is really, I think, a great beginning. Really want to thank everyone who participated in the process to get us to where we are. I really want to thank, specifically, Farm Bureau and the Corn Growers who testified in favor of the bill. They were very instrumental in helping us get to the finish line as well. So again, thank you, Mr. President. I would encourage everyone's green vote on LB525.

KELLY: Thank you, Senator Jacobson. Senators, the question is the advancement of LB525 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 35 ayes, 0 nays on advancement of the bill, Mr. President.

KELLY: LB525 is advanced to E&R Initial. Mr. Clerk.

CLERK: Mr. President, General File, LB1212, introduced by Senator Riepe. It's a bill for an act relating to the Uniform Credentialing Act; provides for licensure of internationally trained physicians as prescribed; harmonize provisions; repeals the original section. The bill was read for the first time on January 21 of this year and referred to the Health and Human Services Committee. That committee placed the bill on General File with committee amendments, Mr. President.

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

RIEPE: Thank you, Mr. President. I rise today to introduce my priority bill, which is LB1212. This is legislation intended to build on the physician workforce, especially in underserved communities. We've all heard the story of the cab driver who immigrates to the United States, but was a physician, an engineer, or another highly trained professional in another home country. It's often told lightheartedly, but in reflects of real problems, skilled professionals unable to use their expertise because our systems aren't built to integrate them effectively and safely in a workforce shortage environment. That is especially true in health care. Internationally trained physicians already provide much of the primary care in rural and underserved areas nationally, yet in Nebraska most are required to start over through a U.S. residency match which is federally capped, highly competitive, and beyond our control as a state. Many never get a shot regardless of the years of safe, independent practice abroad while Nebraska's physician shortage, particularly in rural counties, continues to deepen. LB1212, with the pending amendment, creates a new license pathway under the Uniform Credentialing Act specifically for internationally trained physicians who have met high baseline standards but have not completed a U.S. residency. It does not change the traditional pathways for U.S. trained physicians, instead it adds a parallel tightly supervised track that uses real-world practice in Nebraska under Nebraska oversight as the way to demonstrate competency over time. Under this system, an internationally trained physician who meets the core qualifications may be hired by a participating health care entity. For example, a hospital or Federally Qualified Health Center, and apply for a new time-limited license. That entity must agree to provide structured supervision, regular performance, evaluations, malpractice coverage, and appropriate institutional privileges and worker protections. These physicians are not being dropped into independent practice on day 1. They're brought into existing teams where they are directed, observed, and supported. Under the bill, as amended, applicants must: one, hold a medical degree from a foreign school recognized by the Educational Commission for Foreign Medical Graduates; two, hold a valid foreign medical license and have a license at least 3 of the last 5 years in active clinical practice; three, have federal immigration status that authorizes them to live and work in the United States; four, have passed all required steps of the United States Medical Licensing Examination, including step three before moving to independent practice. The committee amendment makes explicit that the Department of Health and Human Services, with recommendation of the Board of Medicine and Surgery, issues these licenses and practice must occur through a participating health care entity, meeting definite and defined standards. That entity must employ Nebraska-licensed supervising physicians in the same specialty. They must ensure appropriate institutional privileges including worker protections and provide malpractice coverage for the internationally trained physician. LB1212, as amended, then builds on a three-step ladder: Step one, a provisional license for up to 3 years, renewable once for a total of up to 6 years, allowing supervised practice in participating entities such as hospitals and Federally Qualified Health Care [SIC] Centers with structured assessment and reporting to the Board of Medicine and Surgery. Step two, a traditional license for up to 3 years, also renewable once for physicians who have successfully completed practice under a provisional license and completed a board-approved assessment and evaluation program and passed the step three of the USMLE, which is the United States Medical Licensing Exam. This licensed authority, independent practice, only in designated health professions shortage areas. So the first years of independent practice are focused on communities with the greatest need. Step three, after at least 3 years under a provisional license and 3 years after a traditional license and after satisfactory evaluation and, and compliance with all requirements, the physician becomes eligible to apply for a full unrestricted Nebraska license. The same license any other Nebraska physician holds. This is not a shortcut. These licenses are time limited, closely supervised, and subject to ongoing reporting and explicit authority for DHHS to take disciplinary action, including interim suspension if misconduct, noncompliance, or unsatisfactory evaluations raise patient safety concerns. Employers and supervisors are accountable, malpractice coverage is mandatory, and the Board of Medicine and Surgery retains its full oversight role throughout. Let me emphasize again, LB1212 only applies to individuals who are already legally authorized to work in the United States. It does not change immigration law or create any pathway to lawful status. It simply provides a licensure framework under the Uniform Credentialing Act for those who are already here lawfully. The bill also includes what I call a rural duty by trying-- by tying independent practice under the transitional license to health professional shortage areas. LB1212 ensures these skills are directed first to communities with the fewest options and the greatest need. In my 2024 rural health interim study, we lightly joked the best way to keep a physician in rural Nebraska was to get, to, to get them to marry a farmer, a rancher, or someone in a local business. But the serious point is that retention depends on connections, real professional and personal roots, and this pathway helps physicians build those roots where Nebraska needs them most. Nebraska would not be alone in this approach; more than 20 states have adopted or are implementing additional licensure pathways for internationally trained physicians that move from supervised practice into geographically limited practices. And after proven in-state experience to full licensure, that group includes neighbors like, if I may say, Iowa, does that ring a bell, and Colorado and politically diverse states like Texas and Massachusetts. Similar legislation is also pending in roughly 20 other states at this very moment. The committee amendment aligns LB1212 with these emerging best practices while tailoring details like time-limited license, explicit reporting, and Nebraska-specific shortage designations to our own regulatory framework. I also want to note the Nebraska Medical Association, which initially opposed the bill has now moved to a neutral position after reviewing the amendment and its safeguards. I appreciate the Association's good face-- good faith engagement with this legislation and its willingness to reconsider and adjust its position. I would further note the Attorney General's Office has identified consistent concerns regarding whether the Department of Board of Medicine or Surgery has appropriate authority under the current text. We are working through a red line draft to clarify these issues and I intend to bring that clarification forward as an amendment on Select File. These changes will not alter the intent or spirit of this bill, they will simply clarify implementation. LB1212 was brought to me by the Nebraska Chamber of Commerce and Ms. Lee Kreimer from CareerLadder. We have support in writing amending and negotiating this bill from

Nebraska Appleseed, the Nebraska Hospital Association, and our helpful national expert and champion Mr. Mike Zimmer from-- who's with the World Education Services. LB1212 advanced from the Health and Human Services Committee on a unanimous vote.

KELLY: That's your time, Senator.

RIEPE: Thank you, Mr. President.

KELLY: Thank you, Senator. Senator Raybould would like to recognize guests in the north balcony. Ninth graders from the Arts and Humanities Focus Program in Lincoln. Please stand and be recognized by the Nebraska Legislature. As the Clerk stated, there's a committee amendment. Senator Hardin, you're recognized to open.

HARDIN: Thank you, Mr. President. Committee AM2477 adds the new definitions of assessment and evaluation program and general competencies and redefines health profession shortage area and internationally trained physicians. The definition of provisional license replaces the definition of limited license, and the definition of transitional license replaces the definition of restricted license. Also, the committee amendment requires the participating health care entity, that is the hospital or FQHC, for a provisional license to conduct an initial formative needs assessment of the internationally trained physician's competence. The participating health care entity shall use the assessment and evaluation program to ensure that the physician has engaged in a sufficient volume and breadth of cases to permit meaningful assessment. For a transitional license, the participating health care entity is required to submit a final assessment and evaluation report to the Board of Medicine and Surgery. In addition, DHHS may take disciplinary action against this type of license for an unsatisfactory assessment or evaluation submitted by the participating health care entity. Finally, an operative date of August 1, 2027 is added. The Health and Human Services Committee advanced LB1212 with Committee AM2477 by 6 votes and 1 vote absent. I'd appreciate your green vote on AM2477 to LB1212. Thank you, Mr. President.

KELLY: Thank you, Senator Hardin. Moving to the queue, Senator Fredrickson, you're recognized to speak.

FREDRICKSON: Thank you, Mr. President. Good morning, colleagues, and good morning, Nebraskans. I just wanted to rise briefly in support of LB1212 as well as AM2477. I want to thank Senator Riepe for, for bringing this bill and to the committee for their work on this as well. You know, one of the things that we hear constantly about in HHS is the issues with workforce in the health care related fields, specifically provider shortages, and particularly in rural parts of the state. And so I, I really respect Senator Riepe for taking that to heart and, and actually bringing a, a, a tangible solution to ensuring that we have more pathways to folks to become providers here in Nebraska. As Senator Riepe mentioned, there was a little bit of opposition at the hearing from the Nebraska Medical Association as well as the Board of Surgery and-- Board of Medicine and Surgery, rather. And the concerns, my understanding, based on the hearing, their concerns were primarily related to the, the sort of the diversity of different types of certifications that might be happening internationally and sort of ensuring that that level of competency is reflected in the folks who are trained there. And Senator Riepe worked really closely, as he mentioned, with those entities to find a neutral position, so a language that they were comfortable with, which, which is also very helpful. I also want to note that I remember when I was in college, I had a number of friends who were applying to medical school, and a lot of them couldn't get into U.S. medical schools because it's incredibly competitive and difficult to get into medical school. And so oftentimes we have a number of people who are qualified to become physicians who are unable to do that simply because of a numbers game. And so I had some friends that actually ended up going to medical school abroad. So this applies obviously to new Americans, folks who maybe grew up outside of the country, but it also might apply to folks who grew up here who were unable to get into a U.S. medical school, not because of their level of qualification, but rather just because of the limited available slots available. And so this is, I think, a really important piece of legislation that will open up the door for folks who are wanting to practice medicine and specifically wanting to practice medicine in areas of our state where we need more and more physicians to have a pathway to that. So with that, I will also ask for your green vote on both the amendment and the underlying bill. Thank you, Mr. President.

KELLY: Thank you, Senator Fredrickson. Senator Moser would like to recognize some guests in the north balcony, fourth graders from Emerson Elementary in Columbus. Please stand and be recognized by the Nebraska Legislature. Returning to the queue, Senator Hardin, you're recognized to speak.

HARDIN: Mr. President. Wanted to just comment on something similar to what Senator Riepe is accomplishing in LB1212, similar but different, and it is this brain bleed thing that sometimes we struggle with here in Nebraska. We train some of the very finest workers in the world for other places. Senator Riepe's bill is about bringing those who are outside of America in and to work here. In this case, I wanted to share with you, about 2 years ago, a group of doctors from Creighton University came to me and said would you help us keep doctors that we train? People come to the university and we teach them to be things like neurologists and they go through school and they would like to stay in Nebraska. And because it's a visa problem, because we don't have enough J-1 visas in Nebraska, we only get about 300 per year. In terms of J-1 visas, those are the professional visas, white collar visas that go to people like engineers and architects, doctors. So there's one kind of visa that allows someone to be here as a student. It's a different kind of visa that allows someone to stay in Nebraska, for example, as an actual doctor. Many of the doctors we train at UNMC and at Creighton University would very much like to stay in Nebraska. But because we don't have enough J-1 visas, they go somewhere else. We train them and send them out. It's kind of like, unfortunately, we train a lot of people through our university system, and then because the j-o-b-s are not here, they go to another state. You guys. Because you like really dumb things like food, clothing, shelter, so the j-o-b has to be here and we have to create that type of environment. In this particular case, it's about the similarity of we train up foreign students and then do they even have the ability to stay in Nebraska because many of these highest trained people would very much like to stay here. I bring this up on the mic at this point just to talk about the fact that this is not a problem that we can fix in Nebraska. That allotment of J-1 visas-- there are many kinds of visas, three dozen or more, right, and that decision is not made here at the state level, it's made nationally through the Secretary of State. I'm just getting on the microphone to say if there were any equity in that scenario based on population and 2 million people, Nebraska should actually have closer to 1,800 J-1s available each year. We have about 300 available. Not something we can fix at our level. I'm getting on mic to gripe about it. And so it just has to do with retaining, frankly, what we build. We build some of the very finest doctors in the world. We build the finest students in the world. Thank you all. We want to keep you here. Thank you, Mr. President.

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

M. CAVANAUGH: Thank you, Mr. President. Would Senator Riepe yield to a question?

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

RIEPE: For you, yes.

M. CAVANAUGH: Thank you, Senator Riepe. I apparently gave people a bit of a scare with comments I made earlier today about being unsure about your bill. You've got the votes, right?

RIEPE: With your help, yes.

M. CAVANAUGH: I was speaking-- I was being silly earlier when I said that I wasn't supporting your bill.

RIEPE: Well, you're known, you're known for that, so, yes, go ahead.

M. CAVANAUGH: But I just wanted to make it clear to the public that I am, in fact, supportive of LB1212.

RIEPE: Supportive or enthusiastic?

M. CAVANAUGH: Enthusiastically supportive.

RIEPE: Thank you.

M. CAVANAUGH: Thank you. Thank you, Mr. President.

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

G. MEYER: Thank you, Mr. President. I also rise today in support of AM2477 and LB1212. You know, so often in Health and Human Services, as we deal with, with bills and hearings, we realize rather than building back and, and improving the medical delivery in our rural communities or underserved communities, our medical deserts, if you will, we are actually losing providers based on some of the actions of this body and, and, and, and some of challenges that we have in our rural communities. So the fact that Senator Riepe brings this bill will, will certainly enhance what we do in our rural communities. I think it's tremendously important that we expand the opportunities in our rural communities, whether it's through nursing programs, doctor programs, things of that nature. We actually had a hearing the other day with a, a, a doctor from a rural community still in the process of studying that, that intends to return to the rural community. Took part in RHOP at Wayne State College and those opportunities are out there for our young people. I encourage people to get involved with these programs, return to our rural communities, return to your community, and provide those services. So once again, I rise in support of both the amendment and the bill. Thank you, Mr. President.

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

FREDRICKSON: Thank you, Mr. President. So AM2477 is the committee amendment to LB1212, the underlying bill from Senator Riepe. As Senator Hardin mentioned in his opening, it addressed some of the concerns that were brought in the hearing. So I would urge your support for AM2477, as well as the underlying bill, LB1212. Thank you.

KELLY: Thank you, Senator Fredrickson. Senators, the question is the advancement of-- or the adoption of AM2477. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 35 ayes, 0 nays on adoption of the committee amendment.

KELLY: AM2477 is adopted. Seeing no one else in the queue, Senator Riepe, you're recognized to close on the bill.

RIEPE: Thank you, Mr. President and members of this Chamber. I will be brief. LB1212 is legislation intended to build on the physician workforce, especially in underserved communities. And I add, I have no interest in building a second level, second-- a lower quality health care system outside of the urban centers of this state. We have a lot of issues to address. And we will get there. It's just a matter of determination and staying the course. So I please ask you for your vote of support for LB1212. Thank you, Mr. President.

KELLY: Thank you, Senator Riepe. Senators, the question is the advancement of LB1212 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

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

KELLY: LB1212 is advanced to E&R Initial. Mr. Clerk, for items for the record.

CLERK: Thank you, Mr. President. Amendments to be printed from Senator DeKay to LB1261, new LR, LR399 from Senator Dover, LR400 from Senator Spivey, LR401 from Senator Spivey, LR402 from Senator Quick, LR403 from Senator Rountree, LR404 from Senator Rountree, LR405 from Senator

Murman, LR406 from Senator Hughes. Those will all be referred to the Executive Board. That's all I have at this time.

KELLY: Thank you, Mr. Clerk. Please proceed to the next item on the agenda.

CLERK: Mr. President, General File, LB815, introduced by Senator Brandt. It's a bill for an act relating to fuels; provides for, for a tax on certain diesel fuels; changes provisions relating to refunds from motor veh-- motor fuel taxes; changes and eliminates provisions of the Ethanol Development Act; defines, redefines, and eliminates terms; changes provisions relating to the petroleum release remedial action fee; eliminates the Ethanol Production Incentive Cash Fund; harmonize provisions; provide an operative date; repeals the original sections; outright repeals several sections of Chapter 66. The bill was read for the first time on January 7 of this year and referred, and referred to the Agriculture Committee. That committee placed the bill on a General File with committee amendments.

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

BRANDT: Thank you, Mr. President. Good morning, colleagues. Today I'm introducing LB815, which modernizes the mission, structure, and funding of the Nebraska Ethanol Board. The Nebraska Ethanol Board is a noncode, cash-funded state agency dedicated to the promotion and development of renewable fuels that was created in 1971 and since then has helped expand the ethanol industry into what it is today. Currently, there are 24 ethanol plants in Nebraska, producing more than 2 billion gallons of ethanol annually, with an economic impact of more than $6 billion per year. For now, I will share that the modern ethanol industry is innovating and changing at a rapid pace, and it is necessary that the Nebraska Ethanol Board change with it. LB815 accomplishes this by modernizing the Ethanol Board to match the current and future market in three key ways: First, the mission. LB815 cleans up outdated statutory language and reaffirms the Ethanol Board's central focus on ethanol while looking forward to what's next in the industry. This includes further work to develop existing markets for ethanol, as well as stronger engagement with new and emerging markets for ethanol and ethanol co-products. Second, the structure. LB815 adds three ethanol producer voices to the Board, including the conversation-- conversion, excuse me, of the existing business seat to an ethanol producer seat. This raises the total number of seats from seven to nine. Third, the funding. The Nebraska Ethanol Board's cash fund since the agency's founding has been the

Agricultural Alcohol Fuel Tax Fund, the AAFTF. Through a straightforward process, LB815 updates the AAFTF's revenue streams to ease inflationary pressure and ensure sustainable funding for the Ethanol Board moving forward. This is accomplished via a tax shift on dyed diesel, which actually lowers the taxes assessed on Nebraska farmers. LB815 is important legislation because it ensures the long-term effectiveness of a state agency with a proven history of results. Overall, the provisions of the bill ensure that the Nebraska Ethanol Board will continue to best serve the ethanol industry both now and for years to come. I want to thank you for your consideration. I want to thank the Ag Committee for voting this out of committee. I want to thank Senator Ibach for prioritizing this bill that is so important to Nebraska agriculture. I am one of probably 10 corn producers in this room today. There are 46,000 corn farmers in the state of Nebraska. And we are, we are proud to produce corn. It's, it's an industry where a minority of the people in the state are privileged to farm in the state. And to put it in perspective, the price of corn in the last 2.5 years has gone from over $8 a bushel to under $4 a bushel. 40% of the corn production in Nebraska is used by ethanol. We are now the number one ethanol producer in the United States. We also have a CO2 pipeline in Nebraska that has increased the value of our ethanol. What's very interesting, in the last 2 weeks, the price of fuels have gone up roughly $1 in the United States. What we're asking for here on the funding for the Ethanol Board for every 100 gallons of dyed diesel will cost 25 cents. To put that in perspective, my farm uses 3,000 gallons of dyed diesel a year. This will cost me 7-- if I did my math right, $7.50 on 3,000 gallons of diesel. So this will cost me $7.50 to fund an agency that helps to find new markets like SAF and for our byproducts on ethanol. And in the last 2 weeks, the price of my 3,000 gallons has gone up $3,000 because of what's going on overseas. So I just want to put that in perspective, and I would yield the rest of my time to Senator Ibach.

KELLY: Thank you, Senator Brandt. Senator Ibach, 5 minutes, 8 seconds.

IBACH: Thank you very much, Mr. President, and thank, and thank you, Senator Brandt. As he stated, I prioritized LB815 because of the importance of the ethanol industry in our state and to our economy, especially with the unrest, as he mentioned, to our supply in the Middle East. So for over 50 years, the Ethanol Board has played a transformative role in agriculture and renewable energy across the state through targeted efforts in research, in market development, in education, and in policy advocacy. The ethanol industry has a long history of iterative change, and that trend continues today and more rapidly than ever for the reasons that Senator Brandt touched on. The Nebraska Ethanol Board statutes were last modified in 1993. A modernization is needed and for these two reasons: to ensure that the Nebraska Ethanol, the Nebraska Ethanol Board's mission, structure, and funding match our current market realities and to ensure that the Nebraska Ethanol Board continues to be effective and impactful into the future. As Senator Brandt mentioned, LB815 modernizes the Board structure, which will allow the Nebraska Ethanol Board to carry out these meaningful and impactful work. The ethanol industry today operates in a far more complex environment than it did decades ago. Producers are competing in global markets, they're navigating new fuel pathways, and they're working to maintain Nebraska's leadership in renewable fuels, which Iowa is conceding to. Meeting those challenges requires sufficient resources and informed decisions making-- made from individuals who are deeply familiar with the industry and its day-to-day operations. As a corn farmer myself, I can advocate for that. Per the ethanol stat sheet that was handed out to you, I think it's really important to note the importance of ethanol to our economy in Nebraska and our corn industry. We have a total economic impact of $7 billion annually. That is an industry that's worth fighting for, folks. That's 5% of our entire GDP, and it's 35% of Nebraska's corn crop that goes to ethanol, which is about 700 million bushel. As a, as a central Nebraska farmer, we take a lot of our corn to Lexington to the ethanol plant. I think when you look at production, we produce over 2.1 billion gallons a year, which is serviced by those 24 ethanol plants that Senator Brandt touched on. And since 1971, the Ethanol Board has invested only $30 million total in Nebraska ethanol, helping to grow the industry to its current value of $7 billion each year. Because of the importance of the ethanol industry to our overall economy in our state, again I am very proud to carry LB815 as my priority bill and I'll ask for your enthusiastic support of LB815. Thank you, Mr. President.

KELLY: Thank you, Senator Ibach. As the Clerk stated, there is a committee amendment. Senator DeKay, you're recognized to open.

DeKAY: Thank you, Mr. President. The committee amendment AM2131 changes the allocation of the proceeds of the one-quarter cent per gallon excise tax imposed under Section 1 of the bill. And revises the qualifications for eligibility of ethanol producers to serve on the Ethanol Board. As introduced, LB815 directs that all revenues would be remitted to the Agricultural Alcohol Fuel Tax Fund. The committee amendment would direct that the first $140,000 worth of revenue collected annually be remitted to the Motor Fuel Tax Enforcement and

Collection Cash Fund and a remainder of the-- to the Agricultural Alcohol Fuel Tax Fund. The amendment inserts a new section to amending Section 66-739 which creates the Motor Fuel Tax Enforcement and Collection Cash Fund by inserting a harmonizing revision to that section. In definition-- in the definition portion of the bill, LB815, as introduced, inserts a new defined term for ethanol producer, defined to mean a person who owns or operates an ethanol facility or a person who devotes 50% of their professional time to the ethanol production operations. The committee amendment omits the owner-operator portion of the definition and provides that the term includes a person who devotes 50% of their professional time to the ethanol facility operations or business management. The term ethanol producer is relevant in Section 7, which should change the membership on the Ethanal Board to eventually include three ethanol producers. The Agriculture Committee heard LB815 on February 3, placed the bill on General File on February 25 by a vote of 6-2. I would move for the adoption of AM2131. Thank you.

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

JACOBSON: Thank you, Mr. President. I'll try to be brief. I appreciate Senator Brandt for bringing this bill. I, I don't think we can understate the impact that ethanol and biodiesel have had on the state of Nebraska. I can tell you that when you have an ethanol plant in your area, you can receive as much as 25 or 30 cents a bushel higher price for your corn than you could if it was not there. When you look today at the abundance of corn that we're trying to work through right now and the price drop that we've, that we've dealt with, I can tell you that having an ethanol plant there and having acceptance, wide acceptance of ethanol as a fuel is a game changer for Nebraska, for farmers, and for consumers. This is a win for everyone. I put nothing but ethanol in my vehicle. I can tell you that I drive a fairly large vehicle and I drive relatively fast down the interstate. And with that said, I use E88 and, and I can tell you that-- or E85, as I drive down, actually it's 85% ethanol or 85% octane. Everywhere I can buy it, I put it in, and believe it or not, my mileage is better using a higher percentage of ethanol in my, in my fuel. It's a-- it is-- it's, it's a big deal on the farm, it's making a big difference on price, and what that means to Nebraska producers is tremendous. So, again, anything we can do to promote the ethanol industry I think is, is huge, and when you look at what that's doing for employment throughout the state, this is truly a game changer, so thank you again, Senator Brandt, for bringing the bill. Thank you, Mr. President.

ARCH: Senator Fred Meyer, you're recognized to speak.

F. MEYER: Thank you, Mr. President. I, too, wanted to jump on the mic and underscore the importance of this legislation and what it means for my community and the surrounding community. I live in St. Paul and have my, my farmland there. We are within 45 miles of six ethanol plants. They are Ord, Ravenna, Wood River, Hastings, Central City, and Aurora. And I mention those towns because it has been transformational for every one of those towns. You just drive through there and you'll see more new houses, more new businesses, better condition of the streets, new additions on the school. So what they have meant for the development of those towns is just unbelievable. In addition, when I started farming a number of years ago, I won't get into that, but it was in the early '80s, probably 95% of the corn raised in our area was exported to the West Coast for shipment to Asia. Now probably 95% is used locally with just a little bit for export to Mexico for food grade corn. So it's been a complete reversal of where our product has gone. And needless to say every one of those ethanol plants that, that I just mentioned, employees from 40 to 60 people with very high-quality or high-paying jobs. So this change in the ethanol tax is, is really, really important to keep the development of more ethanol and SAF products in the pipeline as we go down the road. The future of exports, especially corn, is an up and down and, and political strategy that I, I would hope farmers would not have to live through every year. But we do. People on the fringes of the corn belt, or fringes of the ethanol belt, I should say, do have to rely on those markets for a pretty good portion of their exports, especially if they're along the Missouri and Mississippi rivers. And they depend on that. But here in Nebraska, where we're very, very, very fortunate to have the number of ethanol plants we do, and the number of cattle on feed we do, the ethanol industry is, is, in, in rural Nebraska, is the, is the backbone in combination with cattle of the ag industry here. So I urge your green vote on both of the amendment and LB815, and I thank Senator Brandt for bringing that to the floor. Thank you, Mr. President.

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

STROMMEN: Thank you, Mr. President. I just wanted to talk for a second. I really do appreciate some of the things that are in this bill. I, I do think it's long, long overdue that the ethanol industry has representation on the Ethanol Board. It should have been something that happened, I don't know, maybe 20 years ago when the ethanol industry started kicking off in the state. So it's good to see that

that is something that's happening. I've been involved in the ethanol industry for 20-plus years. I was involved with the ethanol plant down in Madrid. We started that plant in 2006, so I'm fully on board with the industry. I appreciate the industry. I think it's done wonderful things for the state, it's been fantastic for the fuels industry side of Nebraska, and it's also been unbelievable for the agricultural side of Nebraska, so. I do also appreciate the reduction in dyed diesel. I think that that's going to be a really nice step for our agricultural community. Farmers, ranchers, everybody that takes advantage of that dyed diesel think that is a, a good step forward as well. I'm still struggling with increasing on-road diesel. That's the one piece of this puzzle that I'm trying to square with. So for now I'm, I'm just thinking this one over, not sure where I'm at on this yet, but 90% of what's in this bill I agree with and I'm, I'm pretty happy with, there's just that, that 3% or that, that 50% increase or 100% increase actually from .003 to .006 increase on the diesel side that I'm, I'm struggling with. So I'll talk to some more people and figure this one out, but. Thank you, Mr. President.

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

CLOUSE: Thank you, Mr. President. I was over talking to Senator Brandt a little bit on the bill. I was curious if Senator Brandt would answer a question or two?

ARCH: Senator Brandt, will you yield?

BRANDT: Yes, I will.

CLOUSE: Thank you, Senator Brandt. As I looked at the committee statement and the bill, we've heard a lot from the farmers and the ethanol producers, but yet I noticed there's quite a bit of, I'm not even sure if quite a bit, but a number of different groups that were in opposition. Primarily the fuel marketers, the convenience store group, the grocers. Can you-- and the State Chamber even. Can you address maybe what their concerns were and where we're at with addressing some of those concerns that they had?

BRANDT: Well, first of all, I think that's all kind of the same group, because the convenience stores and the grocery stores-- it'd be the grocery stores that have fuel pumps, is my understanding, not just what you think of as a typical grocery store. They are buying from-- I see Mr. Whitehead's oil company is there, in Lincoln they would be buying from a, a jobber like him. I just think they're just probably against any increase in fees.

CLOUSE: OK. Now, are, are there any requirements or anything that the ethanol industry puts forward for these convenience stores with blender pumps or things like that? I know that was a situation a couple years ago, a few years ago that's been addressed, but do you foresee any upcoming expenses or costs to them?

BRANDT: Well, I think a, a blender pump is an expensive addition to any store. And, basically, when you pull up there with your car, you can punch in anywhere from 5% to 85%, and the pump will automatically give you that. If you wanted 50-50, you could get 50-50. I will tell you, in my district, most of the retail outlets are either 10 or 15% ethanol, and that's what's offered. Quite often when you go, go down the highway, it's going to be the lowest price. A lot of it's called super unleaded. And that's what makes it more economical, is having that ethanol in there.

CLOUSE: OK, thank you. And then also the State Chamber, and that's kind of an interesting one. Have they addressed or talked to you about their concerns?

BRANDT: Yeah, they didn't, they didn't contact me, I'm not quite sure, but I can follow up on that and get back to you.

CLOUSE: Well, I can follow up with them too, but I appreciate that. OK, thank you, Senator Brandt. Thank you, Mr. President.

ARCH: Senator Hansen, you're recognized for an announcement.

HANSEN: Thank you, Mr. Speaker. All right, colleagues, by now you should have all of your interim study requests up to the Bill Drafters and should be receiving the final product shortly. A reminder that pursuant to Rule 4, Section 3(b), interim study resolutions may be introduced up to, up to and including the 50th legislative day. The 50th legislative day will be tomorrow, March 25. And in order to ensure the resolutions are processed prior to adjournment, they must be introduced by noon tomorrow. Note that a standing committee may also introduce one additional interim study resolution prior to adjournment sine die. Should you have any questions, please contact my office. Thank you, Mr. Speaker.

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

DORN: Thank you, Mr. Speaker. I, too, want to thank Senator Brandt for bringing this bill and working with the ethanol industry to, I call it, get some changes that we very much need. The ethanol industry here in Nebraska is tremendous by the amount of plants we have, by the amount of good economic activity that it does for the farmers. It's a very, very big corn market for the people that raise corn. But it's also, I call it a very, very big market by the byproducts that come out of it for the cattle producer. And we are the number one state in the nation in the number of cattle in the feedlots and so on. And they all use this product. When I started farming 50 years ago, never even heard of it, didn't know nothing about it. And as the industry, the ethanol industry in the last 20, 25 years has evolved, it has become a major source of feed and feed usage for the cattle feeding industry here in the state of Nebraska. We are so blessed and we're so fortunate to have all the ethanol plants in Nebraska that we have, and all of the corn that they use that otherwise would need to be used in some other manner, exported or something, that we get to use all of that corn here in the state of Nebraska, and the tremendous economic activity it does for us. So thank you, Senator Brandt, and thank you, Senator DeKay, and the Agriculture Committee for working on the amendment. Yield my time.

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

ANDERSEN: Yeah, thank you, Mr. President. Would Senator Brandt yield to a couple of questions?

ARCH: Senator Brandt, will you yield?

BRANDT: Yes, I will.

ANDERSEN: Thank you, Senator Brandt. Just to make sure I got a good sight picture on this, the indelible dyed diesel, which I believe is agricultural diesel, is that right?

BRANDT: Yes.

ANDERSEN: So you're decreasing the tax on that from 25-- a quarter of 1 cent to-- from three-tenths of 1 cent, right? So it's dropping it.

BRANDT: Right.

ANDERSEN: But then it looks like it shifts over to the motor vehicle diesel, which is the regular diesel, and I'm not sure what that's called, but--

BRANDT: Clear diesel.

ANDERSEN: There you go. But that's raising the tax from three-tenths of 1 cent and doubling it to six-tenths of 1 cent. Is that--

BRANDT: That'd be correct.

ANDERSEN: So what's the, what's the philosophy behind shifting it from the ag diesel to the motor vehicle diesel?

BRANDT: When you look on this handout, this colored handout on the back side, on that, on that top chart, it shows that today the undyed diesel and the dyed diesel are going into the PRF fund. OK? That is a fund that cleans up gas and oil spills, diesel spills.

ANDERSEN: Yep.

BRANDT: And after the adjustment on the right side, the same amount of money still goes into the PRF fund. Except the quarter of a cent goes into the AAFTF fund. That is the fund that's used for ethanol. And the reason this shifted to dyed diesel is our two current sources of revenue are declining rapidly. They get attacks on denaturant alcohol or denaturate gasoline blended into pure ethanol. And we're seeing more ethanol exported and they do not want that gasoline in there. And the other one they get a funding source from is tax-free farm gas and there just isn't much of that anymore because in the last 50 years agriculture is pretty well converted to diesel. So it just makes sense that diesel would support that.

ANDERSEN: OK. Thanks, I appreciate the, the handout [INAUDIBLE] this, this helps. Can you explain to me what-- in your bill, it talks about protein products, what is that?

BRANDT: OK. So you got 56 pounds on a, on a bushel of corn, after it goes through the process, we, we generate, I don't remember if it's eight-tenths of a gallon of ethanol, but the byproduct of that is distillers. And distillers can be wet distillers, modified wet distillers and dried distillers and a very condensed source of protein, primarily used in beef, but when I fed hogs, we also use it in hogs, you can use it in chickens. It's gluten. It's, it's excellent feed, and it's, it's a byproduct of ethanol. It's good stuff.

ANDERSEN: OK.

BRANDT: Yep.

ANDERSEN: All right, thank you. Thank you very much. And would Senator DeKay yield to a question?

ARCH: Senator DeKay, will you yield?

ANDERSEN: And cat-like reflexes.

DeKAY: Yes.

ANDERSEN: Thank you, Senator DeKay. In your committee amendment, excuse me, it seems like the, the whole crux of it is to actually divert some of the funds raised by the, the clear diesel tax increase to the Motor Fuel Tax Enforcement and Collection Cash Fund. Is that, it that correct?

DeKAY: Yes.

ANDERSEN: And why, why is-- just out of curiosity, why is that, why are you diverting $140,000?

DeKAY: The first $140,000 of this revenue would be to cover expenditures that this Board would help alleviate some of the pressure so it would cover their expenditures with this.

ANDERSEN: OK. Thank you. Thank you, Mr. President.

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

STORER: Thank you, Mr. President. I have a few questions. I'd like to make a couple of statements and then wonder if Senator Brandt will yield to a question here in a moment. If he's not-- oop, he's at his desk. You don't need time to get there. First and foremost, I support the ethanol industry 110%. This is important to the state industry, important to agriculture. Certainly, it, it is an opportunity that we can continue to grow this industry and thereby grow the economy of the state of Nebraska. So that being said, we can support something and have questions about its operation and how it's funded. And so with that, would Senator Brandt yield to a question?

ARCH: Senator Brandt, will you yield?

BRANDT: Yes, I will.

STORER: Thank you, Senator Brandt. I guess, fundamentally, my question on this is in order to-- this is, in essence, generating more dollars.

I mean, there's sort of a tax shift here from, from dyed diesel is a little bit of a reduction and increased on road, road diesel. Why are the funds-- typically in an industry based need, the tax or the fee or the fund comes directly from that industry, help me understand why this increase of revenue for the Ethanol Board is being derived from on-road fuel?

BRANDT: Well, first of all, the on-road fuel, like I explained before, is going to the PRF fund, which is just for oil and gas spills.

STORER: OK.

BRANDT: The dyed diesel is going to the, the acronym, it's AA whatever fund. And that is the cash fund that the Ethanol Board exclusively draws out of.

STORER: So we're reducing or removing dyed diesel's tax to that PRF fund, correct?

BRANDT: Yeah, the fee, yeah.

STORER: And moving it over at a, at a slightly reduced amount, but to go directly, in essence, to the Ethanol Board?

BRANDT: Right, and I apologize, we didn't put on there the decrease in their existing revenue streams from the denaturant used in existing ethanol plants and the tax-free gas.

STORER: OK, so-- thank you for that clarification. I'm going to come back to the original question then with a little bit more clarity, but why those increased revenues for the Ethanol Board are not being derived by just perhaps an increased fee within ethanol specifically rather than dyed diesel?

BRANDT: Because the people that produce the corn that make the ethanol are using dyed diesel to produce that. Very few of our tractors in the field today use gasoline, which has got the ethanol in it. Now, there are certain forms of diesel that do use a small amount of ethanol in it, just like we use the soy diesel in there. I kind of view this the same as the Brand Commission in that it's a fee adjustment for the people that use it or support it.

STORER: That's a whole nother discussion. So those are fees all on the cattle industry, very specific. This, again-- you know, I'm just going to throw out an example and I'm, I'm-- I just always like to be sure that we're connecting a fee or a tax to the user, the end user, and this is a very specific-- again, Ethanol Board is very unique industry niche, which I support, for clarification. But so dyed diesel is used by other people other than just farmers, you'd agree?

BRANDT: Well, the main use of dyed diesel would be the ag industry, and then probably railroads are next, and then probably the construction industry in Nebraska. And the railroads last year pulled 70,000 tankers of ethanol down their tracks, 3,000 tankers of corn oil. And then on the other side, on the clear diesel, there were 350,000 loads of gluten out there. So it isn't like these industries don't benefit from ethanol. The ethanol industry in Nebraska is bigger than the rail industry.

STORER: Right. Understand that, although we continue to sort of-- I mean, we can connect people that benefit from one industry. We can make connections down the line so just my concern is that we're trying to keep that as closely tied, the revenue source as closely tied to the Board that is asking for and wanting to utilize those increased revenues and for the construction industry that would be even a further connection to--

ARCH: Time, Senator.

STORER: Thank you.

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

J. CAVANAUGH: Thank you, Mr. President. Well, I appreciate the conversation. This is admittedly a little bit outside of my area. I was on the Ag Committee my first 2 years, so learned some of these things. And I sit next to Senator Brandt, so I have a lot of conversations where he recites these facts at me very quickly and I try to take them in. So I appreciate his mentorship. But I just pushed in because the conversation struck me on two points. First off, generally, I'm, I'm hesitant to increase fees because what we have done in this Legislature in the last couple of years is shift things from General Fund to fee-based and, and shift funds out of the, the cash funds into the General Fund. And so, you know, it raises my antenna whenever we're talking about this. I really did appreciate the conversation between Senator Storer and Senator Brandt because it did help clarify who was paying this and why. But I pushed my light when Senator Brandt was talking about ethanol blender pumps. And so that made me think back to before I got to the Legislature, there was an early fight about the Environmental Trust and funds from the Environmental Trust being used to-- by the department. Then at that point in time, I think it was the Department of Natural Resources, or maybe it was the Department of Energy, but they took some money from the Environmental Trust and was using it for ethanol blender pumps, they got sued and then that money went back. And so it was the first attempt at appropriating Environmental Trust Funds. And so that just made me think of that. And then the other thing that made me think of in this conversation is the AltEn facility in Mead was something that happened right as I got here in 2021. And we had a lot of conversations about that. So I just pulled up the AltEn, the most recent story on the local NPR, Nebraska Public Media: An ethanol plant for years polluted a Nebraska town, the health impacts still aren't fully known. And so to be clear, this was a bad actor. They were using treated seed that was treated with chemicals like-- well, the one that comes to mind is neonicotinoids, which is a pesticide, and then converting that into ethanol and getting that, that treated seed for cheap because it was essentially a waste product. And then they were turning that into the mash as well that Senator Brandt was talking about. And some of that they were feeding to cattle and they didn't-- they ended up not having a certificate from the Department of Agriculture to feed that as feed. Well, they wanted to feed it. Senator Brandt is over here are heckling or, or-- from the peanut gallery. But they were attempting to and they never got a certification. So then they had to land apply it. And I think they're still dealing with some of the leaching as a result of that is what the health effects is they're talking about there. But, anyway, these are context things. Obviously, ethanol is a big part of the state of Nebraska. When done well, is a, is a net positive. So I think that's why a lot of folks are standing up and talking about how important ethanol is. But those are the things, I'm still listening and figuring out where I'm going to be on this, but I'm generally opposed to increasing fees and shifting funds. I'm still not clear where the extra $1 million is going and Senator Brandt, I think, has maybe addressed that but at some point if you could address it again. Thank you. Thank you, Mr. President.

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

MURMAN: Thank you, Mr. Speaker. I'll be brief. I know we want to get the vote here before noon, but on my-- just a few personal notes. On my farm, I remember that almost all the corn produced even statewide went to animal feed way back when I first started farming. And then, of course, a large percentage of it went to export after that. And in the recent 25, 30 years probably now most of the corn produced goes to ethanol, and it's been a big boon for our state. A few years ago we talked about the golden triangle: corn, ethanol, and livestock. It's important to all those areas. The ethanol plant in Hastings is the one nearest to me. We do get wet distillers from the ethanol plant to feed to the dairy cattle. Have always fed dry distillers, too, and I know a lot of the dry distillers produced there goes to the West Coast. Of course, the future of biodiesel and ethanol in the state will have more sustainable-- well, sustainable aviation fuel will be produced biochemicals. I'm happy to support this good bill that supports ethanol and the biodiesel industry. It's good for agriculture, good for industry, and good for all the people of the state of Nebraska. Thank you, Mr. Speaker.

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

JUAREZ: Thank you very much. Good morning, everyone, including everyone online. And, Senator Brandt, would you yield to a couple questions please?

ARCH: Senator Brandt, will you yield?

BRANDT: Yes, I would.

JUAREZ: Thank you very much. First of all, I wanted to know-- I have some really basic questions, is-- what ethanol producer would be closest to Omaha? Do you have any idea on that?

BRANDT: I'll get you a map of that, but I can tell you the closest one to where we're sitting today would be Adams ethanol, and Senator Dorn is a member of that. And you could go ask him some questions when we're off the mic, but that plant's only about 25 miles from Lincoln south of here.

JUAREZ: OK, because I really would actually like to go and visit a facility off session if that's possible?

BRANDT: I, I think it is. Senator Fredrickson, Senator Dorn, and myself were talking before. Senator Dorn is nodding his head yes. So I'm going to look to his office to set something up for any of the senators that, that want to tour that. So I think that's, that's a real good possibility.

JUAREZ: OK, and then, of course, my ears peeked up when you mentioned about the rails being an important customer of ethanol. Did I hear you correctly?

BRANDT: No. Well, rail transports a lot of the ethanol out of state, goes out on tank cars because we don't have an ethanol pipeline. So that's, that's the benefit to the rail.

JUAREZ: Oh, OK. I didn't want to get too excited. You know, me and passenger rail, I hate to miss an opportunity to promote that. And I also wanted to know, in regards to the Ethanol Board, where actually are they located and how many members are there?

BRANDT: Well, currently there's seven members. I'm-- I, I think it's on the handout where their home office is. I will find that information for you, and this bill would expand it to nine members.

JUAREZ: OK. Thank you. I yield the rest of my time. Thank you.

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

STORM: I support the ethanol industry. I make my living as an aerial sprayer, work for corn growers. I understand how important ethanol is to the state of Nebraska. Definitely want to make that clear. There's parts of this bill that I support and like, such as Senator Strommen said, the Board changes, I think, are important. And I, I think people need to also realize there's Renewable Fuels Nebraska, which is a trade association that promotes ethanol as well besides the Ethanol Board. So we already have a private industry group that, that supports ethanol. And-- but this is a, this is a tax increase on, on diesel fuel. And the people that came out in opposition against this were the Nebraska Petroleum Marketers and Convenience Store Association, Nebraska Grocery Industry Association, Nebraska State Chamber. And I think one of the questions asked to Senator Brandt was why would they come out against that? And-- because this is a tax increase that will be passed on to consumers, and that, that would be why they were opposed to this. I do want to read a letter from UP here that is public record to the, the Ag Committee, and this is from David Black representing UP, Union Pacific Railroad. It says: Members of the Agriculture Committee, while the Union Pacific Railroad values our relationship with the ethanol industry, we oppose LB815. The railroads and other dyed diesel buyers do not currently fund the Nebraska Ethanol Board. Under LB815, UP would begin funding the Board at a substantial share. We believe more direct parties in the ethanol industry would be better suited to fund the Board, like other customer industries funding their respective advocacy organizations. While LB18 [SIC] could result in short-term savings for UP after removal from the petroleum release fund fee, we are concerned longer term, we may be called back into that fund as we are a benefiting party, and we would be faced-- face a higher rate than today, ultimately increasing our cost. For these reasons, Union Pacific Railroad is opposed to LB815. We thank you for the opportunity to comment. So this is a tax increase. I totally support ethanol, I think it's great. The ethanol industry is doing wonderful in our state. Do we need to tax more people to try to bring more ethanol business in? And I'm going to wait for more, if we're going to have any more debate on this, maybe we're going to a vote now. But I-- as of now, I'm, I'm a no on this. Thank you.

ARCH: Senator Ibach would like to recognize some special guests. There are 45 fourth grade students from Persian [SIC] Elementary in Lexington and they are located in the north balcony. Students, if you would rise and be welcomed by your Nebraska Legislature. Seeing no one left in the queue, Senator DeKay, you're recognized to close. Senator DeKay, waives close. Colleagues, the question before the body is the adoption of AM2131. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

CLERK: 26 ayes, 0 nays on adoption of the committee amendment.

ARCH: The amendment is adopted. Seeing no one in the queue, Senator Brandt, you're recognized to close on LB815. Excuse me. Mr. Clerk.

CLERK: Senator Brandt, I have FA1015 with a note you'd withdraw.

ARCH: So ordered. Now, Senator Brandt, you're recognized to close.

BRANDT: Real quick. One, the grocers-- my LA reminded me, during the hearing there was one lobbyist that spoke for the grocers' convenience stores and, and Whitehead Oil, and they had contacted him ahead of time to pull them off of the opposed list, and that just didn't happen. And so consequently that's how it shows up on the committee statement, but they have since told us that they are neutral on this. And, I guess, ethanol is a big part of the state of Nebraska if you're outside of Lincoln and Omaha, so I would encourage everybody to vote green on this. Thank you.

ARCH: Colleagues, the question before the body is the advancement of LB815 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

CLERK: 28 ayes, 0 nays on advancement of the bill, Mr. President.

ARCH: LB815 does advance. Mr. Clerk.

CLERK: Mr. President, your Committee on Revenue, chaired by Senator von Gillern, reports LB882 to General File with committee amendments. Additionally, amendments to be printed from Senator Kauth to LB1133. New LR, LR407 from Senator McKinney, LR408 from Senator McKinney, LR409 from Senator McKinney, LR410 from Senator Dover. LR407 through LR409 will be laid over. LR410-- excuse me, the first, LR407 through LR409 will be referred to the Executive Board. LR410 will be laid over. LR411 from Senator Riepe, that will also be referred to the Executive Board. Additionally, priority motion, Senator Dover would move to recess the body until 1:00 p.m.

ARCH: Members you've heard the motion. All those in favor say aye. Opposed, nay. We are in recess.

[RECESS]

KELLY: 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: 36 ayes, 0 nays.

KELLY: Do you have any items for the record?

CLERK: I do, Mr. President. LR412 from Senator Spivey, LR413 from Senator DeBoer, LR414 from Senator Conrad, and LR415 from Senator Conrad. Those will all be referred to the Executive Board. That's all I have at this time.

KELLY: Thank you, Mr Clerk. Please proceed to the first item on the agenda.

CLERK: Mr. President, General File, LB1165, introduced by Senator von Gillern. Senator Conrad would move to indefinitely postpone the bill pursuant to Rule 6, Section 3(f).

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

von GILLERN: Thank you, Mr. President. Good afternoon, colleagues, and good afternoon, Nebraskans. I rise today to introduce LB1165 with Revenue Committee amendment AM2504, to which my remarks will be directed. You all should have an explainer on your desk. I tried to get it on one page, but I had to go over on two pages because there's so much good stuff in this bill, but hopefully that helps explain what the bill actually does. LB1165 includes important modifications to the ImagiNE and Advantage incentive programs, which are both created to retain great businesses in Nebraska and attract businesses from other states to Nebraska. Grow the Good Life Act is not special legislation. It's not about a single company. It's not about corporate welfare or giveaways. It's not about a headquarters building. It's not about a quarterly earnings report or stock price. It's about people, jobs, and communities, and more than anything, it's about that last thing I said, opportunity. It's about being competitive in the 50-state multinational marketplace in which corporations exist today, and it's creating opportunities for all Nebraskans. It's about keeping jobs here, creating jobs here, and attracting possibly thousands of others to come and enjoy the good life here in Nebraska. I'll talk about the numbers shortly, but as I do I encourage us to not get so hung up in the numbers that we forget about the people and what that means to our great state. The possibility of losing a significant employer or just as bad not growing our business community affects real people and real families who would lose livelihoods and the sense of dignity and security that come with a stable, well-paying job. Real Nebraska communities have been disrupted over the years and some very recently, often impacting those who are least able to adapt, bearing the brunt of the burden. LB1165 seeks to help in some of these situations. We owe it to Nebraskans to be proactive and work to keep our state competitive, which is exactly the point of LB1165. There are essentially two parts to the bill: The first is protecting the good life. The second is growing the good live. So let me address how an applicant would apply or would qualify for these incentives. First, the applicant must employ at least 3,000 employees to qualify. They must retain at least 90% of those employees. And they must offer a competitive suite of benefits that may include health insurance, paid time off, retirement, childcare, etcetera. This is important. They must hire a minimum of 500 new employees. And they must pay those employees an average of $100,000 annually and retain those jobs for 10 years. Most of you know that I like doing math, so do the math with me. That's $50 million in wages annually for a half billion dollars in wages over the lifetime of these incentives. So what incentives are earned for meeting those requirements? Wage retention credits in the form of tax credits valued at $5 million annually for 10 years. Notably, these credits are not available to the applicant until 2031, requiring years of compliance to qualify for the credits and to use those credits down the road. These credits may only be applied for at a rate of 5% of total payroll. So let's do some more math. It requires $100 million in payroll annually to earn the $5 million incentive, or $1 billion of payroll over the lifetime of this portion of the program. So the easy math from here is the state invests $50 million to directly insure $1 billion in payroll. That's a 20x impact on our economy, just factoring in the direct wages without considering secondary jobs or other taxes earned by the state. Applicants across Nebraska utilizing the ImagiNE incentives may access an additional 1% credit for new jobs and new employees brought to Nebraska and also for making a significant capital investment. This includes applicants to the rural manufacturing tax credit and the urban manufacturing tax credit. An applicant may also receive $5 million from the Site and Building Development Fund solely to be used for capital improvements to facilities. This can only be used at a rate of $5 per square foot, generating as much as $80 million in construction spending in the state. I ran the numbers backwards. The sales tax and income tax generated on $80 million of construction nearly pays for that $5 million incentive completely. Finally, the Nebraska Department of Labor is directed in the bill to create a grant program to support workforce retention and attraction. This is to ensure that folks who are drawn here arrive happy, get connected in their communities, and remain long-term Nebraskans who put down roots here. We hear stories all the time about folks who have transferred to Offutt Air Force Base and then choose to retire here in Nebraska because they love the good life. That is the goal of this retention piece in the legislation. We aren't looking for travelers who capture financial opportunity and then pull up stakes and move on to the next opportunity. Personally, I've moved across the nation three times in my life. I wish that someone had been intentional about welcoming me and my family to a community so that we had the opportunity to possibly put down deeper roots there. An independent economic study was done that shows the following very important and impacting facts: First, the 500 minimum jobs created by the bill will generate an additional 716 secondary jobs. Next, the Nebraska economy will see an impact of $553 million annually. Lastly, Nebraska companies will see a boost to earnings of approximately $132 million annually. My last comment with regard to numbers. The fiscal note is not completely reflective of the white copy amendment, and we'll have to wait until Select File to see those new figures reflective of the AM. In closing, I want to remind my, my colleagues, companies across the nation consider the following question every day. That question is, where is the most economical and productive place that we can live and work? And at the same time, 50 states ask a related question every day, and that question is what companies can we entice to move to our state to bring great jobs and increase the health of our economy and benefit our people? Contrary to what some in this legislative body believe and based upon mountains of evidence, corporations, companies, people, and jobs move for economic incentives and tax benefits. Some may not embrace that philosophy, but the data is there. I respectfully ask for your support for LB1165 to protect and grow our good life here in Nebraska. I'm happy to take any questions you may have and I'll speak further when the AM comes up for an opening. Thank you, Mr. President.

KELLY: Thank you, Senator von Gillern. As the Clerk stated, there is a priority motion. Senator Conrad, you're recognized to open.

CONRAD: Thank you, Mr. President. Good afternoon, colleagues. Thank you to my friend Senator von Gillern for an excellent opening on the legislation that he is bringing forward on behalf of Governor Pillen to benefit Union Pacific. I really enjoy working with the Chair of the Revenue Committee. I have nothing but admiration and respect for his business acumen and for the collegiality and passion he brings to his work in this body. So my, my quarrel is not with the good senator, but rather with the timing and substance of this legislation at this point in our session and at this point in our history. I believe that this measure should be tabled. I believe that this measure should be passed over. I believe that this measure should be modified, amended, or stopped because it is misguided. It fails on a policy basis. It fails on a legal basis. It fails on a practical basis. And it comes at a time when we have a significant structural budget deficit that's ballooning into the next biennium. We have yet to balance our budget. We have yet to move forward the revenue packages that are required to balance that budget, which by the way rests upon a significant tax increase. And part of the reason that we have a structural budget deficit in the short term and ballooning into the next biennium to the tune of almost a billion dollars. One of the primary factors driving that structural deficit is fiscal recklessness. Kansas-style tax cuts that benefit the largest corporations, the wealthiest individuals that are unsustainable and inequitable. And those come on top, decades of corporate incentive programs, corporate welfare programs to again aid the wealthest and the largest corporation that carry price tags in the tunes of billions of dollars and cost far more than the economic benefits that they proclaim to bring in. We have had painful discussions, and we'll have more painful discussions about cuts to programs for the disabled, cuts to special education, cuts to programs for crime victims, cuts to veterans, cuts to those experiencing homelessness, significant, painful, and deep cuts. And what do we do next? We're asked to authorize a $50 million corporate welfare sweetheart deal giveaway that I contend is special legislation to one of the largest and most powerful companies in the state and, indeed, the world. Economic development incentive packages, corporate welfare packages, are rarely a deciding factor in business decisions. The cost of firm-specific sweetheart tax incentive deals greatly outweigh the benefits. Economic incentive packages like this are redundant and incentivize activity that would have happened anyway. The research on that point is unequivocal from experts in the field and our own legislative performance audit divisions over many years. There's very troubling components in this legislation, which, again, I contend are impermissible under our constitution as special legislation, creating a closed class. Look at where this legislation was announced, a press conference at Union Pacific. Look at the committee statement, there's only one private entity that came in in support, a representative from Union Pacific. Look at the text of the legislation as introduced and amended in terms of who definitionally, definitionally-- from a definitional perspective can qualify for this new sweetheart deal. It's a closed class. It's special legislation. All of the discussion at the hearing and surrounding this bill has been because of the proposed Union Pacific merger. Those who ordained our Nebraska State Constitution had the good sense to ensure that this Legislature should be restrained and constrained from doling out special favors and picking winners and losers amongst private corporations. There is at least some argument in the broader economic development tax incentive programs that those can apply to more than one entity. There's not even an attempt to mask the fact that this is directed to one entity. Even if other corporations could meet the employment thresholds, they can't meet the definitional components that are specified in this bill. It is closed class. It is impermissible from a legal perspective. From a policy perspective, it blows an additional $50 million hole in our budget to benefit one corporation. It transfers-- it has the audacity to transfer, transfer $5 million from our state's General Fund, wash it through a few cash accounts and send it to one corporation so that we can-- the Nebraska taxpayers can pay for remodeling their headquarters with discussions about new carpet. It has the audacity to put forward a program paid for with $300,000 of taxpayer funds, boasting about a white glove concierge experience. And that's from the Governor's representatives and their testimony at the committee level. That's from fact sheet that was passed out by industry representatives in support of this measure. Those are just a few of the most audacious things in this legislation. But there's also concerning aspects as to transferability, as to confidentiality, as to waiver of penalty, as to impermissible limits on legislative oversight. And it goes without saying, but it must be said: When you talk about but for behavior analysis on economic incentive packages, it couldn't be more clear than in this particular example. Union Pacific has announced, when they announced the merger and the filings they made with the federal government, they intend to make their headquarters in Nebraska, now and in perpetuity. They said the same thing at the hearing. They're planning to have their headquarters remain in Nebraska, which is a great thing. They're planning, if the merger is successful, to bring more people to Nebraska, which is a great thing. They've already made that commitment on the record, in the press, to the federal government, and I take them at their word. They don't need the taxpayers' help to do that. And by the way, they're already getting it with favorable tax rates for the most wealthy corporate execs. Favorable tax rates for the corporate entity itself. A favorable litigation environment that favors business, as Nebraska has ranked in that regard many times. A strong quality of life from a hardworking, fair-minded workforce, a safe environment, a favorable regulatory environment, a great cost of living, low unemployment, a central geography. These are the things that they have the benefit as well, and they don't need a sweetheart deal of $50 million plus $5 million plus $300 million to do what they're already going to do. And it comes at the wrong time, and it sends the wrong message, and it lifts legal, policy, and practical problems that are deserving of debate and deliberation. I ask for your favorable consideration of this serious motion. Thank you, Mr. President.

KELLY: Thank you, Senator Conrad. Senator Bostar would like to recognize guests in the north balcony, fourth graders from Christ Lincoln School in Lincoln. Please stand and be recognized by the Nebraska Legislature. Senator Raybould, you're recognized to speak.

RAYBOULD: Thank you, Mr. President. Good afternoon, colleagues. Good afternoon, fellow Nebraskans watching us on TV. You know, normally I stand in support of all business incentives because we need to create economic growth for our state. That is what our consultants have told us loudly and clearly. But I'm not so sure about this, this initiative that is being proposed. I want to take a step back. First of all, I want to thank Speaker Arch for sharing his really kind comments about Senator Clements last week. I really took those to heart, acknowledging that Senator Clements made a very tough decision and put his duties and the budget before his own personal beliefs on a single issue, choosing instead to direct relief towards childcare subsidies to keep parents in the workforce. I want to say thank you to Senator Clements for your leadership and for being so honorable. The challenge before us today is really, why aren't we all acting like Senator Clements? We all have to make these very tough decisions on trying to get our budget to balance and find compromises and solutions that will address our budget deficit. I have been a business leader my entire career. And I look to the leadership of our chamber, my local Lincoln Chamber of Commerce, and I'm saddened. I feel like they have been lacking in stepping up and taking a leadership role and offering great suggestions and guidance on how best we can get through this fiscal crisis together, working together, coming up with sound solutions together. I'm frustrated, too, when there are solutions. We are presented with another business incentive that is worthy. However, who is going to pay for it in our fiscal deficit? Who is going come up with the funds? I firmly believe that everyone should have skin in the game. And I have seen that more of our departments and agencies have demonstrated that. They have seen their budgets decimated in many cases because they have agreed to work together to help get us through this crisis. And I ask again, how are we going to pay for this? Is the business community doing and putting up and cooperating in coming up with solutions? Again, where is their leadership on forgoing further income tax rate reductions to allow the budget to move forward with more predictability and stability? That's what businesses look at when they do their site selection. That attracts businesses. Here are two things that cannot be true, two things that cannot be true: you can not keep pushing corporate and income taxes that continue to reduce our revenue base and then turn around and ask for more business incentives to grow our state's economy while not speaking out against the devastating cuts to services and amenities that attract the very businesses and families we hope to relocate to our state. In other words, you cannot have your cake and eat it too because the math just doesn't add up. We have heard folks say time and time again, you have to have skin in the game. If you want more investment incentive dollars, why are business leaders not advocating and advising the Legislature of a balanced fiscal approach? Why is there no level of concern to stabilize our current fiscal crisis? We clearly have a revenue problem, and now it is, it is a compounding math problem. I know Senator von Gillern had said we just can't do the easy button.

Well, if it would-- if this were as easy as we'd like to think, we would have solved this in 2024, when several of us introduced amendments to, to course correct what we were seeing happening in our state of Nebraska. Can you imagine if someone came before the Revenue Committee today saying I have a bill that deals with income taxes, but we're going to see a loss of revenue of $250 million this year, next year $450 million, and $850 million the following year. Every-- that person would be laughed out and escorted out of the Revenue Committee if someone presented that today. Thank you, Mr. President. I'll have more to say.

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

JACOBSON: Thank you, Mr. President. First of all I want to thank Senator von Gillern for working with all-- everyone involved to bring this bill. This will be the most transformative bill that we could possibly bring to make a real difference in Nebraska's future. If we sit back and do nothing and allow those jobs to stay in Atlanta or worse yet have UP at some point move their headquarters out of Nebraska, we would have a huge, huge hole. People are complaining about the cuts that have taken place to different programs, but we won't be talking about cuts in the future, we'll be talking total elimination of these programs if we aren't going to take the steps to grow our state. To sit back and that incentives don't matter is sticking your head in the sand. All you got to do is look at the mass exodus to people, high-income people out of, out of New York City, out of Washington State, out of California. Where are they going? Many of them are going to states that have zero income tax. To suggest that incentives and taxes don't matter, is an absolutely ridiculous statement to make. We can read anecdotal evidence from certain publications that have a bent on trying to justify what makes no sense at all. But people are going to go where the lower costs are at. When you look at where Norfolk Southern has their headquarters in Atlanta now, UP could very easily just leave that down there, leave those employees there, they'll pay the income taxes, they'll pay the property taxes, they'll pay the sales taxes in the state of Georgia, and we'll sit here saying, gee, we could have had that here. What Senator von Gillern's laid out and what this bill lays out is that there aren't any incentive dollars going out until 2031. That they're coming here, they're going to pay the income taxes, pay the sales taxes, pay the property taxes before we lay out a penny. We're going to give them back part of the money that they're going pay us. This is a self-funding incentive. We're not writing a big check and hoping that they come. We're laying out the incentives along with clawbacks if, if they should leave in the future. This is well-crafted bill, well thought out. You have chambers throughout the state, many of whom won't have a direct impact, will not be directly impacted from this, but they see that this is the model that we need to use to grow our state. We need more people living in Nebraska, we need a broader tax base, and we get that when we bring more people here who are going to buy homes, bring their families here, make purchases, pay sales tax, pay property taxes, and pay income taxes. These jobs are over $100,000 a year. I know that infuriates a lot of people. Oh, my god, let's go tax the rich. They will pay taxes and we'll get them here for a fraction of what we have to lay out. This is an incredibly well-thought-out plan. I am so glad that we have the Union Pacific here today. We need to take the steps to continue to make this a welcoming place for them to more employees and create the incentives for them to, to relocate more employees here. Look at the handouts that Senator von Gillern has sent out. There's no question that the state of Georgia and Atlanta, in particular, are doing everything they can to incent employees to stay there, to incent the UP to keep the current employees there and bring more. So instead of talking to people who have never done-- never owned a business, never operated a business, never made a payroll, know nothing about business, but yet they're experts on how business works are probably not the right people to listen to.

KELLY: That's your time, Senator.

JACOBSON: Thank you, Mr. President.

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

M. CAVANAUGH: Thank you, Mr. President. Well, so far, Senator Conrad has spoken. She ran a business for 8 years. Senator Raybould, I believe her whole family owns a large business. I actually owned a business when I first started here a few years ago, and I had to separate from my business partners for reasons we don't have to get into. So I'm not really sure what Senator Jacobson's talking about because many of us own-- oh, Senator DeBoer you have not owned a business? Well, OK. Have you talked already? You haven't. So I guess when you get up to talk, Senator DeBoer, we should not listen to you because you've never owned a business. I'll still listen to you but Senator Jacobson won't. Would Senator von Gillern yield to a question?

KELLY: Senator von Gillern, will you yield to a question?

von GILLERN: Yes.

M. CAVANAUGH: Thank you, Senator von Gillern. I'm looking at AM2504, and I don't-- I apologize, if you have it in front of you, I'm looking at the bottom, the bottom of page 10 and the top of page 11, starting at line 30-ish. It talks about doing a joint hearing in front of Appropriations, Revenue. So my question/my concern is the, the fact that there needs-- supplemental information must be requested by three or more committee members. Is there a reason that we are restricting any senator's ability to access information?

von GILLERN: No. Well, actually, I've got-- and I've got mine marked up. You can see it's highlighted and written on here. It requires in section above the lines that you mentioned, up on line 24, it requires that we jointly submit electronically an annual report to the Legislature no later than October 31.

M. CAVANAUGH: Right.

von GILLERN: And then December 15, the hearing of the joint committees.

M. CAVANAUGH: But for any supplemental information, it must be a request made by three members of the committees.

von GILLERN: I, I don't know where that language came from. If that's a sticking point, that certainly is something that could be, could be altered very easily.

M. CAVANAUGH: Yeah, I, I would say that that's a sticking point, because we do have, like, an oversight committee and our job is oversight, so I wouldn't want to codify a restriction on our ability, so.

von GILLERN: Sure. No, it's a good catch. Thank you.

M. CAVANAUGH: Thank you, I appreciate it. That was really the crux of my question, so appreciate you taking the time to answer, and I'm sure it's something we can discuss between now and the next round of debate and see if we can hammer out some language that's more-- I don't know what the word is-- agreeable. There we go. I, I have other concerns more broadly and philosophically about this bill that I would like to discuss. I am kind of processing, besides the slight that some of us aren't business owners so we're not qualified to have this debate from Senator Jacobson, I'm also trying to process other things that he said about the significance and importance of incentives. As a former business owner and a current legislator and somebody who pays attention to the Auditor's reports, I do have concerns about the, the prudence of our incentives, and I don't think that incentives are necessarily a bad thing, but I also have been through this a few times before. And promises were made on the floor of the Legislature about the, the necessity of the incentives and how it was going to impact our economic bottom line. And those promises have not played out the way that they were said to have been so necessary. So I'm reticent to do something again in this vein without having a robust conversation and maybe one where we're not disparaging people's backgrounds in business, but whether-- more just like, let's all come to the table and discuss how this is going to benefit the state, especially at a time where we are looking at the green sheet and everybody's concerned about the green sheet. So I just hope that we can have maybe a little bit less hostile conversation moving forward. Thank you, Mr. President.

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

ANDERSEN: Thank you, Mr. President. Would Senator von Gillern yield to a question?

KELLY: Senator von Gillern, will you yield?

von GILLERN: Yes.

ANDERSEN: Thank you, Senator von Gillern. Normally, what we see with incentives and grants and awards and all that stuff is, is those are all, like, front-loaded with the companies. And we hope that they actually deliver on what they said that they're going to deliver and everything else. May piggyback a little bit on what Senator Jacobson had commented. Can you, can you comment about this? It seems like they don't actually get paid the incentives until they actually perform the work. So it's-- you know, it's not one of those things where you hope it comes to bear. If it doesn't come to bear, they don't get it. Is that, is that accurate?

von GILLERN: Yeah, that's, that's accurate with regards to the, to the tax incentives. The Building and Site Development Fund [SIC], it's a little bit different, but let me respond to your question initially.

The-- this-- and this was in response to, I shouldn't say it was in a response to it, but it's, it's certainly with respect to some of the concerns that the Auditor has raised recently and, and the fact that some incentives were paid out to companies that shouldn't have been paid out to and maybe the timing was not proper. One of the things that really impressed me in the language of this bill as it came together was the fact that the applicant does not receive the credits for as much as 6 years after they have spent their own dollars. So they must-- they, they have to comply with the agreement for 6 years before they can even begin using the credits. And then they have 10 years to use the credits, they can't use them all in one year, they have 10 years use the credit. That was another challenge, another problem with ImagiNE and, and Advantage Act was the fact that we never knew, knew when the credits were going to be utilized. So they've got 10 years to utilize the credits. So, actually, the last credit would potentially not be used till 2041. Might be earned in 2026 or 2027, but they couldn't use it till possibly 2041.

ANDERSEN: Thank you, Senator von Gillern. Thank you for bringing the bill. I think it's, I think it's fantastic, very smartly devised. Thank you, Mr. President.

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

DeBOER: Thank you, Mr. President. I wonder if Senator von Gillern would yield to some questions?

KELLY: Senator von Gillern, will you yield?

von GILLERN: Yes.

DeBOER: So, Senator von Gillern, you know what I'm going to ask you, but I already told you that--

von GILLERN: Which I appreciate greatly.

DeBOER: --the redecorating fee is the thing that I'm having issues with. Can you talk to me about the redecorating fee and why you think that's a good idea?

von GILLERN: Well, just to be clear, redecorating fee is how you are referring to this, not how the bill, nor the Building and Site Development Fund [SIC] refers to it. Agree?

DeBOER: Sure.

von GILLERN: OK, all right. So what, what the bill says is that $5 per square foot will be granted through the Site and Building Development Fund. That can be applied to, I'll use your term now, redecorating, renovation, infrastructure improvements. I, I know by talking to the, the representatives that a large part of what they're going to do and the renovation is, is to bring the building, building up to energy management codes. So they will-- they'll be using occupancy sensors and upgrading HVAC systems and technology systems. I don't-- and, frankly, I don't know if they're going to re-carpet or re-drape at all, because I think their needs are so much greater in some of those, some of those areas. The, the estimate that I worked back into, they've not given me this number, but just from the construction world, if they do a modest renovation in that building downtown, it's a million square feet. And $80 a square foot is a pretty reasonable number for a modest renovation. So, again, follow me, you know, I love the math. $80 million, about 60-- $80 million construction project, about 60% of that will be materials. So that's $48 million, 7% of that in Omaha, it's about $3.5 million. And then you'll have income tax on the labor. The balance, I ran the numbers backwards, it comes up to about $4 or $4.5 million in direct tax revenue on the work that they'll do to offset that $5 million credit.

DeBOER: So we'll still kind of lose on the deal.

von GILLERN: Excuse me?

DeBOER: We'll still kind of lose on a deal if it's $4 million on the 5.

von GILLERN: Well, again, if, if you retain 5,000 jobs in Nebraska, I don't know that that's losing on the deal, but that's-- and, and that's the overarching view that I'm taking to all of this.

DeBOER: I get that. Was there anyone who asked for this money for the renovation of the site, the redecorating?

von GILLERN: Was any-- I'm sorry?

DeBOER: Did anyone specifically ask, we need to have this ability to renovate this site?

von GILLERN: I know it was a request, I was not part of those conversations or those, those direct meetings.

DeBOER: And what is the justification for the renovation?

von GILLERN: The justification for the renovation?

DeBOER: Yeah, like, why do they need the fees from us? See, here's what I'm-- and I, and I mentioned this to you before.

von GILLERN: Sure.

DeBOER: If it's $80 a square foot and we're giving them $5, it doesn't seem like much of an incentive. Like, it's a small amount. It's not like we're making--

von GILLERN: Well, but on the other hand, you said $5 million is a lot of money, which it is.

DeBOER: It is a lot of money, but I'm saying it's not much of an incentive in terms of the total cost of their project. So, like, does that actually incentivize them to make the change or is this a change they would make anyways?

von GILLERN: So, again, this-- these funds come from the Site and Building Development Fund, which if we had-- and let's just look at a little different scenario for an example. Let's say a company came to us and said that we want to relocate in Nebraska, and we're going to, you know, I'm making this up, we're going to hire 1,000 people. We would say, yeah, we want you to come here, by the way, we've got this cool thing called Site and Building Development Fund. Well, what does that do? Well, it-- we might give you money to buy a site. We might buy a site for, for a, a company that's relocating to, to Nebraska. You know, the, the, the challenge with this, and Senator Conrad brought it up, and it's a valid question to ask, is, is they're already here, should we be doing something for a company that's already here? And I think what we've got to wrestle out in our heads is what is the potential for them to go, and what if they did go?

DeBOER: So that's sort of my question with this redevelop-- site redevelopment, reconfiguration, whatever fees. Like, is this something that they need to stay?

von GILLERN: I've been told yes it is.

DeBOER: But-- that absent this they might leave?

von GILLERN: I've been told that this was part of a package that was agreeable for incentives to retain them in the state of Nebraska.

DeBOER: OK, thank you for answering my questions.

von GILLERN: You bet. Thank you.

DeBOER: And, you know, this is something that this part is really hard for me to swallow right now. But I do understand the benefit of the overall package in some ways so I'm struggling a little bit on this one today. Thank you, Mr. President.

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

J. CAVANAUGH: Thank you, Mr. President. So I, like Senator DeBoer, also struggling with this one. But I did just notice, as I stood up, Senator Brandt did hand out the Nebraska Ethanol Board, I think it was the list of the ethanol refineries for-- I think that was Senator Juarez's question about where is the ethanol plant. So we should have that on our desks. So, yeah, incentives are, are a tough one. I think that there is a rightfully concern about companies leaving as we experienced in the last decade in Nebraska, we lost-- ConAgra moved to Chicago, and, what's it called, Cabela's merged with Bass Pro and, and left. And we see, you know, that, that has a detrimental impact on our-- on the jobs, the high-paying jobs that Senator Jacobson was talking about, $100,000 jobs. And which we are, of course, trying to find ways to create more high-paying jobs with-- for people in our community and, certainly, keeping some here is a good thing, bringing some more in is another good thing. And it's just that these incentives are concern-- always a concern because it becomes like a, a race and we see it most-- I say it's clearest in sports. So we see recently Kansas and Missouri in an arms race for incentives to who's going to have the Kansas City Chiefs. We're hearing about it, I think, with the Bears potentially moving to Indiana. And in Washington D.C., I think, the Commanders, potentially, they're trying to get them to move into the city, and Maryland trying to keep them in Maryland. And Atlanta itself had a famous historical conflict on this, where the city of Atlanta chose not to pursue incentives, or the incentives that were being sought by the Atlanta Braves, and they moved to Cobb County outside of Atlanta. And so you see this competition where places get played off of each other. We just heard that this bill is not for one entity itself. Though, if we don't pass this bill, that entity maybe would leave or has said that they wouldn't stay. And, of course, we're competing when it comes to Union Pacific with the state of Georgia, who does engage in, in some aggressive incentives. And I think Senator von Gillern passed out this state of George incentives, I think it's from the Atlanta Journal Constitution. Constitution? I think that's right. I got it right. Thank you. A $700 million direct grant to the state provided a direct grant through the Georgia Department of Economic Development to support the relocation and retention of nearly 2,900 jobs, and this is about Norfolk Southern moving its headquarters to Atlanta. And then job tax credits, the company was eligible for millions of dollars in, in state tax credits for new jobs created. Headquarters tax credit offered $2,500 to $5,000 annually per new full-time employee for up to 5 years. And I think Senator von Gillern must have done this math, and I'm not going to do it again, but that's $7.25 million up to $14.5 million. So-- and then there's more on here, but, you know, the point is that Georgia, of course, has, has played this game before, and especially in this particular industry and with these particular companies. And the-- I think the, the ultimate question is what is the balance between the amount of money that we're willing to put out, and what is that return on that investment? And we have that conversation a lot about money that we are potentially putting out, and the-- I'm going to run out of time-- but the hard part at the moment, of course, is the fiscal note on this while we're looking at all of these, you know, we haven't moved forward a balanced budget yet this year. We have a structural deficit going into the future. Some of the incentives in this are prospective in out years, which maybe exacerbates the current issue that we're facing with the structural deficits. And so maybe this is a very well-structured incentive program and that it's very ingenious in, in how it's structured. But there's still questions about what is the right thing for us to do when we are competing with other states like this? And at what point do you draw the line, you know, and say we're not going to play that game? I guess that'd be considered unilateral disarmament, which is probably, in, in these situations, not a great idea. So, yeah, like Senator DeBoer struggling on this one. Oh, I'll push my light and talk later. Thank you, Mr. President.

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

RAYBOULD: Thank you, Mr. President. Just to follow up on Senator Machaela Cavanaugh's comments, you know, sadly, it's still true today. Lots of women still have to justify their credibility in, in many industries. You know, I've, I've lived through that, having done commercial construction for 37 years. I have to prove that I know the industry inside and out. I'm, I'm used to that. But I think Senator Jacobson did not hear my initial comments. I've always been very supportive of business incentives, but this one is somewhat questionable in light of our current situation. It's, it's transactional. We think a business incentive like this will benefit our fellow Nebraskans. I think, and many of my colleagues here think, the business community should have some skin in the game and be willing to work on trying to stabilize our budget deficit. Senator Jacobson dismissed, as a lot of folks often do, sound economic studies that show clearly, and I handed it out to you all before, but I'll get you copies of it again, that the, the reason why businesses or individuals leave our state is not because of the high income tax. That is actually to the contrary, there is a small limited number of people who do that, but it's insignificant when it impacts economic development of a community. Senator John Cavanaugh kind of stole my thunder on a couple of things. You know, we've been down this pathway before. And, at times, you would think that we would learn these lessons by now. You know, I know that with ConAgra, we really did multiple things to get and encourage them to stay in Omaha and in our state of Nebraska. But, oftentimes, those business decisions are clearly out of our control, no matter how many incentives that we throw down at them. Think of what happened in Lexington with the Tyson plant. There are some business decisions that really dictate where you go and how you operate your business that has nothing to do with any incentive that may be thrown at you. You would think that we would have learned the lessons from Kansas and Louisiana. They went down the same rabbit hole of bad fiscal decisions. You know, they cut, cut, cut, and then they raided their educational land trust funds, sold some of the property, and then they threw business incentive after business incentive. We can talk about this some more, but that is not the right solution for us at this time. I firmly believe in business incentives, and I know the consultants that Senator von Gillern and many in this, this room had attended their presentation. One of the things that they said very clearly, you cannot cut your way to prosperity. Yet, here we are slashing and cutting away on critical services and amenities that have made our state great. Those are what attract businesses and industries to our state. They also were very strongly surprised that when we did the accelerated income tax rate reduction that we didn't backfill that revenue loss. They said this is the first time we have ever seen a state do something like that without adding additional sales tax increase here, or looking at removing some exemptions there, there was none of that, or creative ways of expanding our revenue base. That is how some of these communities that are successful nowadays were able to do it. I gave you a handout, and I know I won't have enough time to go through it, but it's also the same handout that our consultants provided. You know, they talk about Nebraska's population growth. We're at 23rd, which is really not bad. We're right in the middle of the pack. But with our labor growth, it's at 29th percent. They say, looking beyond employment and wages and onto growth in the state's gross domestic product, GDP, Nebraska ranks last. You heard that. Nebraska ranks last at 50th in the United States with a negative GDP growth in the first quarter. Now, I will be the first one to admit the economist and our consultants only gave us limited quarters and that is not a statistically sound way of looking at it, but we often reference New York. New York and California have had a population decrease, but if you look at their GDP, gross domestic product, of that state, their growth, their economic engine, they're pretty darn solid. They're pretty damn solid and is something that we would hopefully aspire to. The other thing that consultants mention to us is that what is that one thing that makes our state great? Take that one thing or two things that make our state and run with it, run with it, market it. Thank you, Mr. President.

KELLY: Thank you, Senator Raybould. Senator Ibach would like to recognize guests in the north balcony, fourth graders from Pershing Elementary in Lexington. Please stand and be recognized by the Nebraska Legislature. Senator Conrad, you're recognized to speak.

CONRAD: Thank you, Mr. President. Good afternoon, colleagues, and special shout out to our young friends from Lexington. There's actually some good things in this legislation to help out the community of, of Lexing-- of Lexington that I'm very supportive of. But the parts that I continue to have serious concerns, opposition, and reservations about is the sweetheart deal for Union Pacific. And just to start off here, I think it's really important to note that it's not just progressive voices that have concerns about the impacts and ballooning effects of corporate welfare and incentive programs, both here in Nebraska and across the country. Conservative leaders and free-market advocates from Charles Koch to Paul Ryan to the Cato Institute to CEOs of major corporations featured on the Tax Foundation blogs and otherwise, have all spoken out against programs like this. Quoting from a Times news article in August 2015, the headline: Charles Koch urges conservatives to skip corporate welfare. And goes on detail how these businesses could face negative ramifications if they continue taking government subsidies, mandates, and special privileges that exacerbate income inequality and that move towards a two-tiered society, destroying opportunity for the disadvantaged and creating welfare for the rich. The misguided policies like this create a permanent underclass, crippling our economy, corrupting the business community. And what they are doing is against free enterprise. So that's just some leading voices from the right, from conservative leaders and successful business leaders against corporate welfare and sweetheart deal programs like this. But it's not just those voices from beyond the borders of our beloved Nebraska, it's also voices from leading conservatives in Nebraska. When you go back and you look at the analysis and reports and the reception of previous corporate incentive programs, you will see criticism from undeniable conservative leaders like then State Senator Tom Briese, who went on to do a great job as our State Treasurer. You will see skepticism from people like Senator Linehan, who chaired the Nebraska Revenue Committee ably for years. And, more recently, you can read op-eds from our good friend Senator Steve Erdman, specifically opposed to this specific measure and laying out the conservative case, why? You can go back and you can look, over a year ago, the conservative leader, the incredible State Auditor Mike Foley sent us and made public, over about a year ago, a wide-ranging letter and analysis with 12 policy recommendations detailing the massive fiscal impact of corporate welfare programs and giving a roadmap to ensure less waste, fraud, and abuse, more accountability, more appropriate balance decision-making when it comes to how these programs impact our bottom line and our communities and our economies. And just a few months ago, a few weeks ago, Auditor Foley then again followed up to detail how, of course, well-designed corporate incentive programs can serve a beneficial program, but they need to be weighed carefully by policymakers because they're blowing a budget, a hole in the budget at the state level and the local level. And I think that that conservative criticism of this anti-free market, sweetheart corporate welfare approach should be heeded. And I join those brave leaders who have spoken out. When on earth are Nebraska leaders going to come together and say, hey, corporate Nebraska, stop fleecing us. We're going to take these funds and make investments in our state, and we're going to give true and lasting property tax relief to the moms and dads in north Lincoln and the farmers in greater Nebraska who need it. And the bolder standing in our way are these huge corporations that don't need our money to refinish their buildings and don't need our money to bring in jobs because they've already committed to do that on the record in the press and in government filings.

KELLY: That's your time, Senator.

CONRAD: Thank you, Mr. President.

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

SPIVEY: Thank you, Mr. President. And appreciate the conversation happening this afternoon and yield my time to Senator Raybould.

KELLY: Senator Raybould, 4 minutes, 53 seconds.

RAYBOULD: Thank you, Senator Spivey. Thank you, Mr. President. You know, I wanted to, to have you reference the, the handout that I provided, which is from our consultants that have briefed us on our concern. The sad thing is, you know, we're ranked 50th in terms of negative GDP growth, at, at least in the, the quarters that the consultants gave us. And then if we look at the cohorts in, in the Midwest, we're not even-- the cities of Omaha and Lincoln, which is really our economic engine for job growth generators, those type of industries of the primary class that are way up on the economic food chain, retailers were further down on that economic food chain. We feed on those manufacturing industries, those high-tech industries. So that is where we're falling short. And the consultants recommended business incentives. They certainly did recommend business incentives. But when they knew our situation, they also had expressed concern how we allowed our revenue base to be shrunk up so much that we can't offer these meaningful economic development incentives that will attract and retain folks that want to come to our state. But in order to do that we really do need to have a strategic plan to be able to, to tap into that marketplace to really find that niche that we can actually draw people and businesses and companies to our state. And then, you know, we often reference, you know, and disparage, you know, New York and California, but even if you look at some of the handouts I provided to you, you know, they are actually faring better than the state of Nebraska. And I think that's, that's important. Whenever you get some economic data, you have to look at the totality of the data. You also have to scrutinize the source and where it came from. That is critically important. I want to just go on and talk a little bit about what we should be doing, and I have, like I said, I've been a firm believer since I was on the Lincoln Chamber of Commerce Board of Directors. I was on the Community Health Board of Trustees. It's important. You have to be able to offer incentives. We're in a very competitive market plate and I've-- marketplace, and I've handed out the map of showing how our cohorts around us, the income tax rate they charge and the sales tax rate they charge. You know, we have cut our income taxes so that we are worth looking at compared to Iowa and to

Kansas. Kansas has increased their income tax rate, as you know. I've shared with you the stories how Kansas made some pretty fatal fiscal mistakes in the past and they're still trying to dig out from it. But I just want to go back to some of the comments Speaker Arch made about our constitutional duty. You know, we're reminded again and again, our constitutional duty is to support and approve a balanced budget. He, he didn't put a, a caveat on it, or like only this year, that you have to worry about doing a balanced budget. I think we should all be beholding to think of the future, not just this year, but what about the next biennium? I know we have seen some bleak numbers that are going to put us even further behind. And I, I firmly believe that our business leaders and our business community, some of the brightest, sharpest minds, can offer some solutions. And one of that is to really reflect on our constitutional duties. You know, some of us can pick and choose on these constitutional duties, making them perhaps secondary to our quest to get that balanced budget. Sometimes I question their reasoning that we can disregard certain clear and specific fiscal guardrails, protections on certain funds like the Environmental Trust Funds, our veterans funds, the Nebraska Board of Educational Lands and Funds. You know, we had, I guess, our run-in last week about that one, and we had no qualms or concerns about taking $42 million, $44 million from BELF, the Bureau of Educational Land Funds [SIC], to balance our budget. That has never been done in, in a 149-year history of those funds being in existence. Thank you, Mr. President.

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

MOSER: Thank you, Mr. President, and good afternoon, colleagues and Nebraskans watching along. This bill has one particular company that would benefit from it, but-- that we've been talking about for the most part, but there are over a hundred companies that could qualify for some part of this bill so it's not just all about the biggest prospect, there are others also. Back to the biggest prospect, someone said, well, they're here, they're probably going to stay here, there's no point in offering any incentives. You know in any relationship, whether it's family, marriage, business, you need to work on your relationship. And if you lean on your contract too much and you ignore or don't support the other part of the relationship, your relationship could suffer. And so, you know, keeping the Union Pacific here is a great, great goal. Another thing that we've overlooked, we've been looking at the economics of all the employees and how much they pay and all those things. But, also, the Union Pacific has been very generous through their foundation and, and in other ways to community projects. They-- to celebrate the, the Union Pacific's anniversary of, oh, probably 10 years ago or so, they brought the whole Omaha Symphony Orchestra from Omaha to Columbus just to publicize the fact that they have a lot of presence in Columbus and to thank Columbus for all the workers and all the support. And I-- you know, I thought that was great. I was on the board of one of the nonprofits that helped organize it, but I think again, a lot of nonprofits in Omaha could be looking for support if the Union Pacific moved out of Nebraska. Yes, they've been here a long time, they're, they're almost like family, but you still need to work on the relationship. And we appreciate their presence. I appreciate their generosity. I appreciate the, the employees that they have. A lot of those employees live in Columbus, and they shop in stores in Columbus. My own included. And, you know, I just think that the, the importance of the Union Pacific, you know, just cannot be overstated. Look at the presence that they have on the College World Series, how they support that. I mean, there are other things that they support. But without that support, would the College World Series come back again? Well, maybe, maybe they'd get support from somebody else. But, you know, there's-- there are a lot of things to like about the Union Pacific. And, and despite the protestations of some of my colleagues, I think this bill is a good bill. I'm going to support it and I'm not going to vote for the indefinitely postpone, obviously, and I encourage my colleagues to support the underlying bill LB1165. Thank you.

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

IBACH: Thank you very much, Mr. President. I just want to jump on and I'll be really brief. This bill really isn't about just UP. Even though the hearing-- the Revenue hearing was really, really enlightening and really, really telling about the consequences of not supporting this, because those are, those are obvious and Senator von Gillern touched on those in his opening statement, but I can speak how this actually could help other cities in Nebraska like Sidney. I mean, we lost Cabela's. Maybe if we had had something like this in place at that time, we could have secured them. Lexington, I have a piece-- an amendment to this that speaks to how this bill can help Lexington. Norfolk has had issues before. I think we have to think in broader terms and not just about, you know, the consequences, even though those are great, to just one, one industry or one company. I was speaking with one of my commodity groups a couple weeks ago at one of our meetings and, and he, he brought up the fact that we had a company that wanted to come to Lexington, but he couldn't find any incentives or any real programs that spoke to bringing them here. However, Kansas had some really good incentive programs and if it was going to come back to-- come down to Nebraska or Lexington or Nebraska or Kansas that day, Kansas was going to win. And so I think when you put that in-- this in, in even more broad perspective, when you look at, at companies like ConAgra or UP, when you put it in even, in, in even bigger consequences, this really is, is good, good legislation. And for me, I, I visited with Senator von Gillern several times about this. This really is an ROI issue for me. Because when you invest in good things, good things come back to you. And this, this bill, in my perspective, the, the tertiary return on growing our population, which the Governor has spoken about several times when we grow our, our population, we secure additional jobs. We grow our local county and state sales tax revenues. The income tax revenue could be, could be huge. And so, really, this just is good legislation and, and I think it's just securing what Nebraska is and what we want it to be in the future. With that, I do support LB1165, and I hope that you will too. Thank you, Mr. President.

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

STORM: Thank you very much. I support LB1165, it's a good bill. And I want to thank Senator von Gillern and the Revenue Committee for the time they put into this. Look at the states that are losing population: the West Coast, the northeast, California, New York, Illinois. California lost 216,000 people last year, moved out of that state. Why? Why are people leaving California? One thing is high taxes. You live there, you're going to pay very high taxes, loss of freedom, high crime. And where are those, where are those people and those companies moving to? They're moving to the south, the southeast, some in the Midwest. And I tell people money will travel. If you're a company and you have money and you can keep more of your money, you will travel, you don't want to give your money away. And so that's very critical, I think people need to understand that. And Nebraska is very much in competition. We're in competition for companies. We're in competition to keep companies here, have companies moving here, and Nebraska must compete. LB1165 allows us to compete. And throughout this whole session, my stance has been, as you know, we're not going to raise taxes. Raising taxes drives people out of this state. It discourages people to move to Nebraska. Who wants to, who wants to move a high-tax state? Who wants move to California? Who wants to move to New York City? They don't. So my answer to that is if, if-- you know, I have to have an answer if we're not going to raise taxes, how do we, how do we increase our economy? And what we do is it's very simple. You have to grow your economy. You have add jobs. You have to increase the tax base. That's how you lower the overall taxes in the state. You have to bring companies in here. You have to bring people in here, they have to share a tax burden. We have to keep companies in here like Berkshire Hathaway, Union Pacific. Valmont Industries, First National Bank, Nelnet, ACI Worldwide, Buckle, Warner Enterprises, Lindsay, Great Plains. We have to make sure those companies stay here and we have to attract other companies to come here. Nebraska should be a destination state for all the people who want to leave and companies from the West and East Coast. They should look at this state. Nebraska's a great state. So I would say, you know, LB1165 is a two-way street. It's not a one-way street. I've heard some of my colleagues talk about how this is just a one-way street. Corporate welfare, just handing everything to everybody. It very much is a 2-way street, people, companies bring jobs here. They keep jobs here, high-paying jobs for several years and they receive tax credits. That is how we lower our taxes in this state, is to increase our tax base. Very, very important. Thank you.

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

HUNT: Thank you, Mr. President. Good afternoon, colleagues and Nebraskans. 2:22 p.m. It feels like a lucky time. I advocate for a more discretionary approach to tax incentives, and I think that's a pretty conservative viewpoint honestly, and I'm not the only one who holds that viewpoint. Late last month, our former colleague, Senator Steve Erdman, published this op-ed titled: Incentive programs are part of Nebraska's state spending problem. And in it, he cites research that found, quote, state and local efforts to attract firms to their regions through tax incentives have largely proven ineffective in boosting population or employment. And I think that that's a good point. Also in late January, former Senator John Stinner published an op-ed titled: Nebraska has no budget crisis. And in it, he shares his views about a number of factors contributing to our budget issues, one of which being the Legislature's, quote, gradual chipping away of the ImagiNE Nebraska Act's original guardrails and saying that the current landscape of the act's implementation has been, quote, almost unrecognizable when compared to those original intentions. Just a few weeks ago, Auditor Foley shared a report and a letter to the Department of Revenue outlining his concerns with the Nebraska Advantage and ImagiNE Nebraska Acts. And Auditor Mike Foley's findings include that the two programs have resulted in nearly $1.2 billion in lost state and local tax revenue over the past 4 years. His office found that companies are collecting incentives and then closing their Nebraska operations and eliminating jobs. And according to Foley's letter, participating companies have been allowed to uninvest in Nebraska, yet continue to receive incentive payments. Millions of dollars in state and local tax refunds have allegedly been paid to businesses with inactive projects because under current law, a company can earn tax incentives under the act for a qualifying project with no requirement to maintain or continue the project. One of Auditor Foley's primary concerns is that we're shelling out money to companies that eventually reduce business in our state or stop doing business in out state. He said, quote, these two examples necessarily raise serious questions about the efficacy of Nebraska's current tax incentive policy. It's almost as if we are begging companies to take unfair advantage of us. Without some assurance, which is currently nonexistent, that projects and jobs for which tax incentives are awarded will remain ongoing for a designated period of time, this will continue to occur. Businesses will take the money and run while taxpayers are left holding the bag. So while we're receiving all kinds of reassurances about the guardrails and the safeguards and how well written and how carefully written LB1165 is, all we need to do, colleagues, is look into our very recent history. You know, these are, these are incentive programs that I had the opportunity to vote on in my time here. And we can already see how conservative voices in our state, some of whom advocated at the time for these policies, are now coming to share regret because of the way, as Auditor Foley said, taxpayers are left holding the bag. In addition, people have brought up rankings on the floor, you know, where, where Nebraska's ranked in taxes and quality of life, all these different things, making sure Nebraska is open for business. And sometimes the solutions are very, very expensive, hundreds of millions of dollars. But, you know, what doesn't cost any money? Things like LGBTQ workplace equality, things like welcoming our immigrant and refugee neighbors, things like taking advantage of federal incentives for food and housing assistance, which Nebraska has failed to do. There's something we can do to attract qualified workers, and that's offering them a great place to live. And we score the states on livability, including factors like crime rate, quality of health care, the level of health insurance coverage, the overall health of the population, and in almost every ranking on those things, Nebraska is falling. And so I think rather than giving specific companies a blank check to do renovations or whatever to attract talent which it's already a great company, Union Pacific, a lot of people want to work there, and they have great workplace policies on these things,--

KELLY: That's your time, Senator.

HUNT: --I think there are quality of life issues that we should focus on instead.

KELLY: Thank you, Senator Hunt.

HUNT: Thank you, Mr. President.

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

CLOUSE: Thank you, Mr. President. I appreciate the opportunity to speak a little bit to this particular topic. I agree with some of the comments that Senator Hunt mentioned as she was quoting some of risk associated with incentives. I totally agree with that. Those incentives have to be managed and they have to be audited because there is a certain amount of risk that comes with that. So while we're talking about risk, let's talk about gambling. You know, this is something that this body did not want to do. We are not going to have expanded gambling. It's, it's just too much risk for our citizens, and gambling is just a bad thing. So what are we doing with this particular bill? This is a huge risk, and the way that you improve your risk is with guardrails. And I think LB1165 improves our odds in this particular issue. Free enterprise works. And as we've done this many years-- or many times over the years in, in my particular community, free enterprise worked until you get to the 11th hour when decisions need to be made. And when you're doing economic development, I learned a long time ago that you never talk about how great your community is, you know, good schools, great parks, amenities, all those types of things. Why did you do that? Every community saying the same thing. So I think what you need to do is really ask yourself, what's so great about our community? What's so great about Omaha? Why would anybody want to leave Omaha? Then you have to do some soul searching and say, why would anybody want to move to Omaha? Why would anybody want to move to Lincoln? Why would anyone want to leave Lincoln? Why would everybody want to move to Kearney or leave Kearney? Those are things that you're faced with all the time. And if you get too caught up on talking about how great your community is, you're losing the sight of how competitive it is out there in the real world. And when you're doing economic development, there are a lot of things there that come into play. And just the love of your community often is the difference between being successful or losing a large employer. We used the Site and Building Fund as a necessary tool for some of the projects that we had in our community. It worked, but we also made sure that the incentives were used properly and that it was effective and they weren't abused. So I think when you look at how this Site and Building Fund initiative is set up, I think you look the guardrails, I think LB1165 produces that. We also had situations in Kearney where some of our larger employers, they were being courted. That happens. If you don't think it does, you've never been involved in this type of economic development world. We were able to hold off one of our largest corporate citizens and we were able keep them in our community, but we had to be creative and we had to find some incentives and sweeten the pot because why? The other people going after them more, the other states were, were just throwing out incentives right and left, so we had to be creative in order to keep them. We also had a large business or enterprise we were working on. We lost it and it had nothing to do with the community. What it had to do was the incentives that Iowa, the state incentives that Iowa offered were better than the state incentives that Nebraska offered. So our community did everything possible within our means and we still lost it. So I would say that the world of economic development, you do lose community, it's not all about recruiting. It doesn't matter how great you think your community is in the real world, there is a checklist and they're marking them, and the bottom line on that checklist is what's in it for the company that's either looking or moving. So I think you have to put some incentives in there, but you also put the guardrails in place so that you don't sell the, sell the farm, so to speak. So I think LB165 has those guardrails, and I think it's something that we need to be supportive of, and I do plan to support it. I would also yield time to Senator von Gillern if he'd like it.

ARCH: Senator von Gillern, will you yield?

von GILLERN: Yes. How much time do I get?

ARCH: 1 minute.

von GILLERN: Thank you. Just a couple of quick comments to-- I don't want to get in the business of rebutting everything that's been said, but I need to add a little clarity. The Auditor's report was brought up several times with regards to the incentive letters that he sent in February of '25 and then again February of '26. On February 17 of this year, we actually held a briefing regarding LR1-- to go over LR126 and address some of the things that the Auditor had raised in his, in his letters of concern. Senator Conrad and Senator Hunt both raised some questions about that just notably neither one of them were at the hearing so I don't know that they-- if they had the time or took the time to read the reports but, but the reports pointed out that or the LR pointed out that the issues were within the Advantage program which expired in 2021. ImagiNE was created-- when ImagiNE was created it resolved many of those issues and I'll add more later.

ARCH: Time, Senator.

von GILLERN: Thank you, Mr. President.

ARCH: Senator John Cavanaugh, you're rec-- excuse me. Mr. Clerk, for an announcement.

CLERK: Mr. President, the Health and Human Services Committee will meet now in executive session under the north balcony, HHS now under the north balcony. Thank you.

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

J. CAVANAUGH: Thank you, Mr. President. I, I appreciate the clarification from Senator von Gillern. And I, of course, agree with what folks are saying, Senator Clouse was saying, other than I, I do disagree, I think my community is the best and that everybody can see that and that it's not just my bias. I do think Omaha is great. But, but I, I agree with the idea that, you know, incentives, we do need to participate. We have to show up and we have to make offers and we have to compete to draw people there because there definitely are folks who haven't had the opportunity to experience how great Omaha is and how great it is to live in our communities and raise a family and, and own a home and all those things. And, and that to get people to move to Nebraska from some of these other places is a little-- it can be a little difficult to just persuade people to even give it a chance. So I understand that having lived in other places myself and have people not really understand what are the virtues of Nebraska. But I have had my friends come and visit and they all think it's-- it is great and I've actually had friends consider moving here who grew up in places like Texas or Vermont or other places on the coast who have come and visited Nebraska and thought this is really a great place and that they would consider coming if they could find the right situation, which, of course, includes a job. And so I, I do think that is a serious consideration, is that we need to have the welcome mat out and we need to incentivize people to come here. But I think that there is real serious concern when we do have incentives that I think exactly what Senator von Gillern just talked about, which is that this was about the problems in the Advantage Act that then were remedied in the ImagiNE Act. And the fact that we can give out incentives that have problems if we don't-- aren't conscious of that and are very circumspect when we are, are passing them, and that we shouldn't rush just to pass incentives because we really feel like we need to. To put out that welcome mat, we should be very cautious and thoughtful and deliberate and ensure that those-- that the incentives do actually yield that return on investment, that we can afford them, that we are offering out incentives that we could afford to, to hand out, which is one of the concerns with the upfront costs here. And then, of course, whether the things that we are giving people incentives for really do drive someone's decision-making. You know, it's the sort of a but for test that we talk about in a lot of things, but are folks-- are we giving somebody incentive that was already going to move here and we are now making-- you know, giving away money that we didn't need to because somebody was going to come here. And so that was a conversation that Senator DeBoer and Senator von Gillern were having, I thought was really interesting, which is about the Site and Building Fund money for $5 a square foot, I think it was, and whether that is enough that it actually makes a difference, and then whether-- or if it's just something that's, like, nice to have and that a company is going to come here anyway, and then, then they're also getting that. And so, as Senator von Gillern correctly pointed out, it's $5 million, which is real money. And so $5 million, even if it's at $5 a square foot, I think, is a substantial incentive. But, again, the, the concern about incentives is not whether or not they are necessary. It's whether or not this particular one is the right structure, the right return on investment. And, and, of course, in, in every situation, I am concerned about the sort of hostage taking of a threat of a company leaving and then us being pitted against another state for specific incentives. But I did-- one part of the bill that I was reading as we're sitting here, and I'm going to run out of time, but I, I think I'm reading the right amendment, AM2504 is maybe the amendment we will end up getting to, and there's a section in here that I'm going to talk about just quickly that is on page 13 of AM2504, which is expanding the ability to access financial assistance for arenas that are larger than 16,000 seats, and then it essentially allows for cities of the primary class to access incentives for arenas over 16,000 seats. And I'm sure there's some history into why the number of seats in an arena specifically is in statute. If anybody has insight into that, I'm curious and would like to hear the background on why there's this interesting, specific carve out for 16,000 seat arenas unless you're in a city of the primary class. So if somebody has an answer, I'd love to hear it. And--

ARCH: Time, Senator. Senator Juarez, you're recognized to speak.

JUAREZ: Thank you, Mr. President. Good afternoon everyone and good afternoon again to everyone online. Believe it or not, I think that on this bill, I'm actually going to get up three times today and use all my time slots. That's probably a shock to my colleagues and it's actually a shock to myself because I usually don't do that. Another thing that I want to state on the outright, to be transparent, is I, I assume everyone knows I've never been a business owner. So we'll put qualifications on the quality of my thoughts and remarks since I've never been a business owner. But the amazing thing to me about that comment that was made on the floor today is I was looking at this information that Senator Raybould passed out, and I'm grateful for the information she always provides to us, and Nebraska's population growth ranks 23rd, and our growth in labor force ranks 29th, and we're 50th, the bottom in the U.S. on our gross domestic product. And to me that says quite a lot about all of the talented business owners in this state. Just my opinion. The other thing I wanted to make a comment about that I've heard people state on the floor is about relationships and about respect. Those are a couple of the words that I have heard this week, and what's important to try to attract people to come to Nebraska. Well, definitely, I would agree that it's about how we treat one another. And I can tell you that in my community, I don't feel that we've been treated really well. And I wanted to take time right now, as brief as I have left, to discuss with you the consequences of my priority bill LB1034. My bill was to have a judicial warrant from ICE agents if they would approach our school grounds. And that bill didn't even make it out of committee. And I wanted to share with the community what the results were on this vote because I know many people expressed their support. I was grateful that Senator Conrad and Senator Hunt did support me on the bill. And Senators Lonowski, Meyer, Murman, and Sanders did not. And interestingly enough, I asked my staff to find out some statistics for me because I was just curious about the sensitivity of our committee members on this issue. And I found out that Chairman Murman, who is District 38, has about 6% of population of Hispanic and Latinos. Our Vice Chair Senator Hughes, District 24, hers is about 4.4%. Senator Meyer, District 17, he has 27%. Senator Sanders, District 45, has 15%. And the only teacher that was on our committee, Senator Lonowski, he actually has 11% Hispanic, Latino in District 33. And, yet, I couldn't get the support to get this bill to come out to the floor when I really tried to stress to the committee the safety issues that I thought were important. Now granted we have someone newly appointed to Homeland Security who might make some positive changes in this country, and I'm really hoping for that. Obviously, I can't get anything accomplished at the state level, so all I can do is hope at the federal. I had the safe spaces bill, immigrants not wearing masks, and I heard on the news about how the ICE agents at the airport weren't wearing masks. So, again, maybe that's another positive sign that we could look forward to. Now when we think about, again, how we're using the workforce in this state, where are some of the members of my community at?

ARCH: Time, Senator.

JUAREZ: Thank you.

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

FREDRICKSON: Thank you, Mr. President, and good afternoon, colleagues, and good afternoon, Nebraskans. So I've been appreciative of this debate. I'm certainly listening really closely to a lot of what's being said. And, obviously, there's conversation about this bill here on the floor, but there's, as many of you know, tons of conversation that's been happening, both leading up to this bill, but, frankly, leading up this session. This is, I think, conversations around this started probably about over a year ago, if, if not longer. And so I, I appreciate all the work that certainly has gone into that. And, you know, obviously many stakeholders and perspectives have been taken into consideration here. And, you know, I wanted to share a little bit about some of my thinking kind of, you know, yes, like the specifics about this bill, but, again, kind of a bit more general about the idea of incentive packages and, and how we sort of legislate as it relates to that. And so, you know, components of this piece of legislation that I am particularly drawn to or I think are some of its strengths are the facts that, you know, you, you have to-- in order to receive the incentive, you have to deliver on the jobs. You have to actually deliver the measurable in order for the incentive to be realized for you. And so, you know, that I think is just wise legislating. You know, we don't want to be giving away an incentive or, or state resources if, if, if industry is not actually delivering on what we're expecting of them. I, I do also like that it has pretty strict clawback measures in there. You know, that is something that, again, if we're going to be incentivizing business, we want to make sure that, again, if in fact those deliverables are not being met that we have the ability as a state to, to claw back when, when necessary. Couple things that are concerning to me are kind of universally, you know, obviously the, the fiscal situation we're in as, as a state. You know, this whole session we've been talking about the budget. This is certainly a challenging time for, for all Nebraskans and certainly for the state. And so, you know, that's, that's just the reality of, of the climate we're in right now is something that we have to consider. And, and so the timing is something that's a bit, you know, kind of questionable. Another concern has always been that, you know, I always think about your everyday Nebraskan. So the folks who are working at these jobs, you know, how are we making sure that they aren't left behind and that everyday folks are also being, you know, included in, in, in, in what, in what we're lifting up. And I spoke with a few kind of old school folks, both in the Rotunda, lobbyists, but as well as former members of the Legislature who've been here when different business incentive packages had been passed and, you know, a lot of times they talked about how business incentives historically had been really balanced with kind of other pieces of legislation that really lift up your everyday person as well. And that kind of brings me to a little bit of the conversation that I wanted to have, which is the childcare component of this piece of legislation. So we have had a few-- we've had-- historically, we've had some childcare incentives built into some of the business incentives here, but this, this bill LB1165 looks at that a bit closer. And I'm wondering if Senator von Gillern might yield to a question related to that?

KELLY: Senator von Gillern, would you yield to a question?

von GILLERN: Yes.

FREDRICKSON: Thank you, Senator von Gillern. So I'm, I'm wondering, can you maybe describe the childcare component of this bill a little bit more so people can understand it?

von GILLERN: Sure. So previously under the ImagiNE Act, the employer could, could earn childcare tax credits, but it was restricted to where the employer had to utilize them on site. So-- and there are a handful of, of large employers that qualified for ImagiNE and that went to the time and effort and expense to, to build and, and operate a childcare facility on site, but that number was not nearly as large and it did not provide as great of a benefit as it potentially could. So what LB1165 does, is it, it opens up that childcare usage to an employer to grant that credit to an employee to be used at any location. So if you work for an employer that qualifies for ImagiNE credit, you can now utilize that credit for childcare expenses at the facility of your choosing.

FREDRICKSON: And thank you, Senator von Gillern. I know we're in the yellow here, but if-- I don't know if you can explain this quickly, but, you know, so how would that look for, like, an [INAUDIBLE]? So let's say I work for an employer that qualifies for this. I have childcare. What does that look like for me?

von GILLERN: I believe it can be-- it could be a payroll deduction, or a payroll addition, it could be a reimbursement, it could be a tax credit. And before we run out of time, I do want to mention that would apply to 112 applicants as of June of 2025, 112 companies that would be able to do that.

FREDRICKSON: OK, and so does the business have the discretion on how they do that, whether it's payroll or whatever?

von GILLERN: You know what, I need to look into that, but I'll let you know. I'm not sure exactly on the mechanics of it, but that's a great question.

FREDRICKSON: OK. All right, sounds good. Thank you, Senator von Gillern.

von GILLERN: Thank you.

FREDRICKSON: Thank you.

KELLY: Thank you, Senators. Senator Raybould, you're recognized to speak. This is your third time on the motion.

RAYBOULD: Thank you, Mr. President. You know, Senator Juarez raised a very important point about Nebraska's ranked 40th-- or 50th, sorry, 50th, last in our GDP growth. And I think, you know, it's, it's reasonable to ask, you know, how have our business incentives been working? You know, we've had the Advantage Act. We've had ImagiNE. Then why is Nebraska ranked 50th in our gross domestic product? I want to be clear, there's other factors that have been contributing to this. But, you know, these are certainly very reasonable questions that business-minded people want to ask. What is the return on investment? Are we growing our state? Are we going our economy? And even more, the necessary auditing that should be done. I know I certainly advocated for that when I was on the Board of Directors of the Lincoln Chamber of Commerce or another question to ask, you could look at it, like, where would Nebraska be if we hadn't had the Advantage Act or the ImagiNE Act? You know, my big issue has been in summation, business leaders need to step up to the plate, they need to figure out how to enhance our revenue generator so we can pay for these incentives to better position our state on a trajectory of true economic growth. And that means, literally meaning, let's, let's slow down the accelerated income tax rate reduction. Here is actually what our consultants told us. And I'm going to skip to the third one first. Unlike what we have been hearing from my colleagues, what is driving people away from our state? This is what the consultants told many of our fellow colleagues here. Among the biggest drivers in determining who leaves and who moves to a state, is the availability of quality primary jobs. This is what it's saying about Nebraska. With a lack of primary job opportunities and Nebraskans continuing to lose discretionary income, individuals and families will continue to leave the state for better job opportunities in other states. The lack of primarily job opportunities and slow wage growth are among the main reasons Nebraska is losing its educated workforce, a.k.a, brain drain. With limited quality job opportunities upon graduation, too many young Nebraskans are leaving the state for job opportunities in other states, losing young adults to other states comes at a very high price as they end up building a family in another state. Any time a state's residents are leaving because of a lack of primary job opportunities and are low wage growth, that state will also struggle to attract new people to the state for the same reasons it's losing its residents. Continued improvements to Nebraska's tax structure will level the playing field, with the other states competing for quality primary jobs and people. Well, fellow Nebraskans, we have done that. We have done our accelerated income tax rate reduction, and we are pretty competitive with our current cohorts. But yet the, the analysis from the last quarter of 2025, first quarter of 2026 shows that we're failing, even with our cohorts in being in our ability to compete. I want to get back to our responsibilities as legislatures. And I don't-- I really apologize, colleagues, I don't mean to sound preachy. I just, I just feel that when we look and pick and choose bills and initiatives that we want to support, I think sometimes we, we just want to pick and chose what part of the constitution we want to enforce when it comes to our legislative duties. If I'm not mistaken, we swore an oath to preserve and protect our constitution. We have a clear constitutional duty to provide funding for public schools, K-12. There's clear constitutional language on Board of Educational Lands and Funds. Our Nebraska forefathers were thinking of many generations and not just a single budget deficit. The educational land trust funds have not been raided in the history of this plan in 149 years. Our forefathers are thinking and planning for the future of all children in the long term. Here we are just looking at getting through the budget this month without planning for the next biennium. So the question is, are we gambling with the good life? Are we really growing the good life with some of these business incentives? You know, hoping and praying that our forecasters issue a more improved outlook, which I certainly hope so. But we're still facing-- our agriculture industry is facing so many impediments beyond their control.

KELLY: That's your time, Senator.

RAYBOULD: Thank you, Mr. President.

KELLY: Thank you, Senator Raybould. Senator Conrad, you're recognized to speak. This will be your last time before your close.

CONRAD: Thank you, Mr. President, and good afternoon, colleagues. I appreciate the good dialogue thus far. For those that haven't had an opportunity to work with me, maybe you don't know, I am kind of old school. I like to do things hard copy. I, I like to process information that way. And while I was unable to attend the briefing that Senator von Gillern put on in regards to his interim study analyzing tax incentive programs, I absolutely read the report that he shared with the body in regards to those findings and have it all kinds of marked up and in my binder here today. So I, I was not able to attend the hearing. We have late start school for our little one so it makes it tricky sometimes, because I like to be there for him in the morning, to catch meetings before session. Colleagues, one thing that I want to make sure to lift up here because nobody has really provided any sort of clear response in this regard is our constitution prevents us from enacting special legislation that provides any sort of exclusive right or benefit or franchise, etcetera, to any private, individual, or corporation. And one way that courts assess that, whether or not we've run afoul of that restriction on legislative authority and power, is if the legislation itself creates a closed class. If you look at the definition in the measure, and in the measure as amended, it has very specific language as to the number of employees, as to whether or not they're undergoing a merger, a merger within a specific, very time-limited component, where their headquarters has been located for the past X amount of years. Again, the announcement for this measure was held at UP. There was one representative from private industry on hand at the committee level in support of this measure from Union Pacific. Looking at related news stories around this measure, it was indicated that groups like HDR or Kiewit may benefit from this. They don't meet the criteria. A quick Google search will show you that they're not in any sort of anticipated merger, particularly in that time-limited time. So there's really no question that this has serious legal issues before it. Nobody has been able to describe how this is not special legislation. In fact, the chorus of voices singing the praises of Union Pacific and Union Pacific only make my point in that regard. And, friends, no matter how you feel about Union Pacific, and I think they are an iconic company, and I'm glad they are in Nebraska, I just don't think they need corporate welfare to continue their good work. But no matter what your feelings might be in that regard, whether it's the Hall of Fame legislation that's seeking to induct Dr. Tom Osborne, or whether it is this corporate welfare package for UP, we can't pass special legislation. And there's no other entity that qualifies through the specific definition contained in the measure or the measure as amended. And no one has talked about any other corporation that could meet that definition. And the ones that have been mentioned in the press actually don't meet that definition because they're not anticipating a merger within the qualified time frame. And if you can't answer that question, you shouldn't advance the legislation. You should take the motion seriously. Because, again, no matter how we may feel about a specific company or about corporate welfare, in general, we are prohibited by the state constitution from passing special legislation. One way special legislation is evidenced is through a closed class, which I contend is clearly closed in regards to the measure before you. Thank you, Mr. President.

KELLY: Thank you, Senator Conrad. Senator Hardin would like to recognize several guests seated under the north balcony from the Taiwanese Director General Debby Huang and Natalia Wang, both of Taiwan. Please stand and be recognized by the Nebraska Legislature. Senator Hallstrom, you're recognized to speak.

HALLSTROM: Mr. President, members, I rise in support of LB1165 and in opposition to Senator Conrad's motion to indefinitely postpone. I was enthused just for a moment. I thought I heard Senator Conrad say that this legislation is special. And I agree that this legislation is special and it's special for all of the reasons that Senator von Gillern outlined in his opening and that Senator Jacobson followed up with in his comments. Then I found out that she's suggesting that it's special legislation, a different concept, a legal concept having to do with constitutionality. And even though lawyers are prone to disagree with one another from time to time, this one is definitely one of those areas in which I take exception, strong exception, to her suggestion that this is clearly special legislation. I don't think it's clearly special legislation, far from it. It is not special legislation. If you read the bill, you have to look at what the class is to determine whether or not it's a closed class. A closed class means that there's only one result that can come about from the way that a statute is drafted. So you look at AM2504, it talks about a large in-state employer when there is a material change in ownership or control pursuant to a merger or business combination with a company located outside of the state. Tell me that only, and forever more, only applies to one company. It certainly does not. Senator Conrad tried to frame the narrative that HDR and Kiewit don't have any plans right now, and they couldn't possibly have a plan to merge or combine with an out-of-state company by the timelines that are set forth there. But you know what? I don't know, she doesn't know whether there's another company waiting in the wings that's going to satisfy that criteria or that requirement. And the special legislation and the closed class does not apply to an instant in time. It's not a snapshot of where we are at one particular moment. Case in point, look at the city of Omaha, the city of Omaha is a city of the metropolitan class. The city of Lincoln is a city of the primary class. There have been arguments in the past that since there's only one class-- city of the metropolitan class, it must be a closed class. The determinations have been to the contrary, however, because you don't look at it in isolation or in a snapshot, you look at the possibility that other communities, Lincoln, primary class today could grow into a metropolitan class based on exceeding the population threshold to inch their way up into that class. So to suggest that just because at an instant in time there could arguably only be one company, and by the way one company that we know about, sometimes companies aren't out broadcasting the fact that they're going to merge or combine with another company. So I don't think that the arguments hold water. And if you look at the other definitional criteria under Section 3(3), change in ownership and control, we talk about maintaining headquarters within the state for at least 10 years. There's obviously more than one company that satisfies that criteria and so forth and so on. So, obviously, as lawyers, we can have a legitimate difference of opinion. I trust and respect that, but you've heard what my opinion is in this regard. And with that, I turn any remaining time over to Senator von Gillern.

KELLY: Senator von Gillern, 55 seconds.

von GILLERN: Thank you. I would add to Senator Hallstrom's comments and draw attention to page 44, and I'll just read a few of these lines. This is existing statute, things that were approved by previous legislations. Line 6: A grant to a city of the second class that is served by two first-class railroads, that is within 15 miles of two state borders, and that partners with public power utilities for purposes of expanding electrical system capacities and enhancing redundancy and resilience. I'll drop down to another one: Improve the value of cities of the second class that have partnered with the U.S. Department of Defense or its contractors for upgrades to ground-based nuclear deterrence. Here's another one: A grant to a city of the first class located in the third congressional district if the property previously housed a university or college that is no longer extant and if the improvement and revitalization of the real property is for the purpose of supporting--

KELLY: That's time, Senator.

von GILLERN: --the housing. I encourage you to read page 44. Thank you, Mr. President.

KELLY: Thank you, Senator von Gillern. Senator Strommen, you're recognized to speak.

STROMMEN: Thank you, Mr. President. I thought I'd just get up and talk a little bit about economic development, because that is, after all, what we're talking about here. Economic development's benefits, really, they reach far beyond business recruitment. It's kind of the conversation we're having. Strengthens communities, expands opportunities, builds long-term stability for families across the state. First and foremost, economic development creates jobs, not temporary opportunities. It's sustainable, good-paying jobs that allow people to support their families, buy homes, invest in their communities. Every new employer, every expansion, every small business that opens its doors adds another layer of stability to our local economies. Second, it grows our tax base, which is one of the things that we talk about down here quite often. Expanding the tax base, it grows our tax base without raising taxes. When we bring in new businesses and support existing ones, we broaden the base of those contributing to our communities. That means more resources for schools, for infrastructure, for public safety, without placing additional burden on the people who are already here. It's one of the few tools we have that allows us to strengthen public service while maintaining fiscal responsibility. Third, economic development revitalizes communities, especially in rural areas. We've all seen towns that have struggled when opportunities dry up. We've also seen what happens when investment returns. Main streets come back to life, new housing is built, young people begin to see a reason to stay or come home. Again, the brain drain argument, we want people to stay here and we want to come back here. Economic development helps preserve not just economies but a way of life. It drives innovation and resilience, diversity, a diverse economy is a strong economy when we attract a range of industries, agriculture, energy manufacturing, technology, whatever it may be, we reduce the risk and create flexibility. That kind of resilience matters, especially in times of economic uncertainty. Finally, economic development is about competitiveness. We are not operating in a vacuum. Other states, as mentioned before, are competing for the same jobs, the same businesses, the same talent. If we're not intentional about creating a welcoming, predictable, and efficient environment, those opportunities will simply go elsewhere, and we see it every day. Benefits that matter the most: economic development gives people the choice, choice to stay in their hometowns, choice to start businesses, choice to build a future close to family, rather than being forced to leave to find, find opportunity, want that opportunity to stay here in the state. And that's really what we're talking about. So as we consider policies that impact economic development, I would encourage us to think broadly, not just about the immediate impact, but also the long-term benefits about the families who depend on a strong economy and about the communities that are counting on us to get this right, because when, when we invest in economic development we are investing in people and we're investing in Nebraska. And that is always worth doing. I yield the rest of my time to Senator von Gillern.

KELLY: Senator von Gillern, 1 minute, 42 seconds.

von GILLERN: Thank you, Mr. President. I'll finish the comment that I was beginning to make earlier regarding the Auditor's report towards incentives in LR126. We did that briefing on February 17, and it was, it was very-- it was fascinating for me to have to really dig into the information and, and see what the, what the programs do and, and what they yield. And many times folks get caught up in the cost of the program, don't look at the return on investment. So that was one of things we looked at. But, first, let me address the Auditor's letters that were sent out. Both of the letters that were sent out by the Auditor, both in February of 2025 and February of 2026, were with regards to issues with the Advantage program, which expired in 2021. The ImagiNE Nebraska Act took place-- it started to take over in 2021 and carries forward to the present. There were two issues that were raised in his most recent letter in 2026. Both which related to Advantage and both were one-off unique incidences. One had to do with the bankruptcy. Another had to with a firm that, that moved out of state. Neither of those programs or neither of those situations apply under the ImagiNE Act. But let me, let me-- here's the real-- where the rubber meets the road. Nebraska Advantage, the history of Advantage, the cost of Advantage has been $3.82 billion, yielding a benefit of $31.13 billion, which is 8.2 times ROI. That does not count secondary employment. ImagiNE so far has cost $1.6 billion and has benefited 1-- $14.8 billion. Again, total capital investment, 15,000 new full-time employees.

KELLY: That's your time, Senator.

von GILLERN: Thank you, Mr. President.

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

McKINNEY: Thank you, Mr. President, and thank you, colleagues. Currently, I support the motion to IPP. I think this is an interesting conversation. I actually had a resolution drafted. Kind of centered around a lot of this conversation about making our state more competitive and things like that. So my study that I'll introduce when-- I think I'll get it back sometime. The purpose of this resolution is to propose an interim study to examine strategies, policies, and investments that cities, villages, and the state of Nebraska may use to make the state more attractive to young people but not limited to students, young professionals, entrepreneurs, and [INAUDIBLE] families. The study shall evaluate the factors influencing whether young people choose to remain, relocate or leave Nebraska and identify opportunities to strengthen talent retention, workforce development, and community vitality across the state. The study shall include, but not limited to, an analysis of current demographic trends related to young people in Nebraska, including retention rates, out-migration patterns, and regional disparities between rural and urban communities. An evaluation of job availability, wage competitive, career pathways, and alignment between education systems and workforce needs, including opportunities in emerging industries, an assessment of housing availability, affordability, and accessibility for young people, including rental and home ownership opportunities, a review of factors such as arts and culture, entertainment, public spaces, transportation, and overall livability that influences decisions of young people. An examination at kindergarten through grade 12, postsecondary, and workforce training systems, including partnerships with colleges, universities, and employers to retain graduates in Nebraska. There's some more, and, oh, I guess I'll finish. An evaluation of resources, capital access, support systems available to young entrepreneurs and small business startups, an examination of opportunities for young people to engage in civic life, leadership development, and community decision-making, and identification analysis of best practices from other states and regions that have successfully attracted and retained young people, identification of system-- systemic economic or cultural barriers that discourage young people from staying or moving into the state of Nebraska. I think this is important because we're talking about providing incentives and that being catalyst to attract people to the state of Nebraska or even retain people. I think it's an interesting conversation. I just think the problem with it, if I'm being honest, is that we're having conversations about cutting funding for developmental disabilities and special education and those type of things this year. I just think, in a lot of ways, it is tone deaf. And I know some people have said to me that there's no time better than now. And I think I've heard that multiple times since I've been in the Legislature. But it's the other things that we're not, you know, providing to Nebraskans. And I always say, like, when people say, look, what should we do to attract people to, to the state of Nebraska? I mean, one, we're in the middle of the country. We say no to just about everything that our neighboring states are doing, whether we like it or love it, they're doing it, but the state of Nebraska is saying no. Legalize marijuana, no. Legalize medical cannabis, no, but the voters said yes and we're going to slow roll that. Sports betting, let's do that, no. All the other things that other people are doing to make themselves more attractive, we're saying no to and the only thing we're putting on a table is tax incentives and we're one of a few that are building a prison in 2026. I don't think that attracts people. We should be investing in-- we could invest $350 million in attracting people instead of incarcerating them. I'm just saying we need to have a real conversation. And that's the purpose of my interim study. There's-- it's, it's broader than let's get this tax incentive to attract 500 people, $50 million investment, essentially maybe. And I, I think we need to broaden this conversation because it's, yes, people want jobs. Yes, we need livable wage jobs and all, all those type of things. But our priorities are not aligned, and that's the problem, and I think that's why a lot of people are pushing back. Thank you.

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

MOSER: Thank you, Mr. President. Good afternoon again, colleagues and Nebraskans. The bill we're discussing today could potentially help over a hundred different companies. At the top of the list-- though it's kind of the company that we're talking the most about is Union Pacific. They do business all across the state. You follow the main line, it goes through Fremont, Schuyler, Columbus, Grand Island. They have a huge yard in North Platte. Their economic presence in Nebraska is huge. And I think we should nurture this relationship. They don't really necessarily-- the aid that they would get through this bill is not necessarily going to make them a lot of money. I think it's more about the appreciation and the, the relationship that we want to have with them. And, again, I want to emphasize not just their economic force and what business they do in Nebraska, and all across the country for that matter, but their charitable gifts are important. They're in-- their support of nonprofits both in Omaha and all over is very important. So keeping this economic source of business in Nebraska and keeping their headquarters here so that they have a local presence to manage all the employees they have in Nebraska I think is really important. With that, I would offer any time I have left to Senator von Gillern if he would like.

KELLY: Thank you, Senator Moser. Senator von Gillern, 2 minutes, 59 seconds.

von GILLERN: Thank you, Mr. President. One thing I do-- wanted to kind of issue a disclaimer or a caveat, a good question that I was asked off mic was, do I still have ties to the construction industry and is that any motivation here? For clarity, I left my role in the construction industry December 31 of 2022. I was sworn in here, I think it was January 3 of 2023. I've done consulting on two projects that were both out of state in the past 4 years or 3 years and have no ties to any construction company here in Omaha as far as an employee or a consultant. So there's no, there's no motivation for me to be pushing this other than I love construction and development and growth. So on the term growth, that reminds me I want to-- I'm sorry, Senator Raybould isn't in here. I'll repeat it when she comes back. I agree with her 1,000%. We cannot cut our way out of a deficit or out of financial challenge, we have to grow our way out, and this is, this is a great way to grow our way out of challenges. If we, if we had the opportunity to do this 100 more times, we should take it. I mean, obviously, we've got limits on the program and we've got limits to what we could afford as a state financially. But, but the return on investment on this is so phenomenal, we should take advantage of this and every other opportunity that we have. Let me see, I've got notes all over the place. Which one do I want to hit next here? The comments about the GDP growth that Senator Raybould issued a copy of here, which we have on our desks, I think it's interesting and, frankly, a little bit sad that she picked literally the worst quarter since 2022 to highlight in this handout. And to build her arguments upon, and Senator Juarez has also made comments with regards to the information that Senator Raybould passed out here. Literally, first quarter of 2025 is the worst quarter in the state of Nebraska since the first quarter-- well, I just searched back to 2022 because I wanted to make it relevant. Really fascinating is the second quarter of 2022, we went from 50th ranking to the 6th best ranking in the nation. We went from minus 6% to plus 5.2%. So we went from, you know, first quarter in what is largely an ag economy state like Nebraska, January through March is typically not the best quarter in any ag state. So, so that's kind of a no-brainer to pick that one if you want to pick a bad number. Second quarter, 6th best in the nation. So let's look at a broader picture when we're talking about statistics, and I think that would be helpful. Thank you, Mr. President.

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

HUNT: Thank you, Mr. President. I'm going to be honest with you, I can be convinced politically that we need a tax incentive program. And, you know, for ImagiNE Nebraska, for the Advantage Act, I've been a part of a lot of those conversations. And it might shock you to learn that I was actually a much more important part of some of those conversations than, than I would be today, than, than you would see me be in this body here. But I can be convinced politically that to attract and retain talent we have to have strong businesses. And in order to have strong businesses we have to attract them as well, and they want free taxpayer money in order to do that. I get it. I get that this matters superficially to corporations. And ideally we would just not have an incentives program at all, and Nebraska would be a place like many other states where, you know, companies do see this as a place that's worth putting down roots without the free giveaways from taxpayers. And, in fact, of course, that's what it was like in Nebraska. That is what it like when a lot of these legacy companies in

Nebraska did get started. They did not need handouts from taxpayers in order to be incentivized to do that. But if we are to have an incentives program, it should not be one that is unnecessarily generous. If we are going to pay businesses to be in Nebraska, we should be careful that we're not using taxpayer dollars to pay businesses to do things that they were going to do anyway. And we need to make sure that we have transparency and accountability for those dollars with caps and a limit on taxpayer benefits and guardrails. And I also think that we should be holding the businesses that take these incentives to a higher standard. We've, over the years, had a lot of negotiations about making sure that these companies have robust benefits, that they're paying a living wage, all kinds of things like that. But I think we should also talk about making sure that there's racial and gender equity on their boards of directors, or that we expect these companies to have an inclusive LGBTQ policy in their hiring and their staffing, gender pay transparency. If we're giving out these money-- these monies-- if we're given out this money or making these investments, these are expectations that I think we should have of these companies. What I do believe is that companies don't need this money. They don't this, and they profit by pitting states against each other for the best incentive offer, leaving states like Nebraska with less funding for investments for its people, and long-term economic drivers like infrastructure and education, and when those corporations benefit from tax credits and incentives, but then pay a wage so low that families depend on government assistance, that's not an overall win for Nebraska. And I'm not saying that's necessarily what's happening in this case. I'm saying this is the pattern that we see over and over, is that we are taking the money out of the pockets of the taxpayers, handing it to corporations, and then none of that ends up trickling down to the people who are suffering most in our state. And the corporations who ask for these handouts know that. And you know what? You know, using my cynical brain, which is easy for me to do, they're kind of smart to do that, aren't they? If I was the CEO of a Fortune 500 company in Nebraska, I would have my hand out here all the time. Anyway, if Nebraska took economic development seriously, we could do many things to bring people to Nebraska that would not cost us as much as this bill, that would cost us not as much as all of the economic incentive programs we have given to corporations have cost in the last decades, and it wouldn't be corporate welfare. My position is that we just can't keep offering companies handouts at the expense of services in our state. And when people have the opportunity to build a strong foundation, when they know they can get a quality education, health care, fair wages, that's what makes our economy stronger, not special legislation for certain corporations. And it frustrates me to hear politicians talk about grand plans for economic growth. Here's what it's going to pay out to, here's what we can see definitely if we invest this money this way, given how our state fails to support working families that we do have. Who do they think is doing all this labor? Who do they think is fulfilling all these jobs? The lack of support and political will to advocate for better workplace policies in this Legislature, family leave, equal pay, flexible schedules, these are the things that make it harder for workers to get ahead. And I don't think that we should offload the responsibility for that work to corporations and just pay them to have their businesses here in Nebraska because we trust them to take better care of their workers than they can themselves with their own money. I think it's better to leave that money in the pockets of the workers.

KELLY: That's your time, Senator Hunt.

HUNT: Thank you, Mr. President.

KELLY: Mr. Clerk, for items for the record.

CLERK: Thank you, Mr. President. Your Committee on Banking, Commerce and Insurance, chaired by Senator Jacobson, reports LB1083 to General File with committee amendments. New LR, LR416 from Senator Machaela Cavanaugh. That will be laid over. LR417 from the Urban Affairs Committee, LR418 from the Urban Affairs Committee, LR419 from the Urban Affairs committee, LR420 from the Urban Affairs Committee, LR421 from the Urban Affairs-- or excuse me, from Senator Storer. Those will all be referred to the Executive Board. That's all I have at this time, Mr. President.

KELLY: Thank you, Mr. Clerk. Returning to the queue, Senator John Cavanaugh, you're recognized to speak. This is your third opportunity on the motion.

J. CAVANAUGH: Thank you, Mr. President. Good afternoon, colleagues. So I was going to talk a little bit more about this portion of the amendment on the arena and had an opportunity to talk to some folks in historical context. So in the early 2000s, the city of Omaha built a new arena that was, at that time, called, I think, the Omaha Arena. And then it was called the CHI Center. No, then it was called the Quest Center, and then it was CenturyLink, and then it was CHI, and so it had all these names. And I do remember famously at the time the

Omaha World-Herald refused to give it its corporate sponsorship name and only called it the Omaha Arena in the newspaper. So if you do go on the library and search stories about the CHI or the Quest or the CenturyLink, make sure you search Omaha Arena in the early 2000s. Anyway, so Omaha built this new arena and had a turnback tax incentive for it. And then fast forward a few years, and Lincoln was looking to build a new arena and wanted to gain access to the similar instrument to help them finance their arena. And so they needed a change in statute to allow them to do that. And it was, in a negotiated sort of way, allowed for a smaller arena than Omaha built because Omaha had built a-- initially built a 15,000-seat arena. And then added seats to get to what is now the 17,500 seats, or 18,000 or so seats for concerts. So 17,500 or so for sporting events, 18,000 more concerts. So that's what happened there. So I think what's happening now is Pinnacle Bank has been open since-- well, the premier concert at Pinnacle Bank was September 13, 2013, and it was Michael Bluble [SIC]. And I think if you ask Senator Ballard, he would tell you that he was there. Although, I'm not sure he was being honest with me when he said that. So have to ask Senator Ballard directly. And so the Pinnacle Bank opened and is now, obviously I think everybody has seen that the Husker basketball popular this year and filling it up. And I think there's a lot of opportunity for progress there. The thing I did want to talk about-- well, actually I was going to list off-- I was going through the top concerts that had ever been performed there and one of them was October 20, 2017, Garth Brooks, which I think is after his ill-fated Chris Gaines experiment. But I just wanted to mention that. So the NCAA Tournament is going on right now and Omaha had the NCAA Tournament 2 years ago, so 2024, and I think Omaha is slated to have it again next year. And Lincoln, I don't think has had the NCAA Tournament in kind of a long time. I would hope that if we pass this section and allow a city of the primary class to add extra seats, that perhaps Lincoln would get eligible, would be able to be big enough to draw in the NCAA Tournament. So I just pulled up one, this is Common Sense Institute of Oregon has a study, March Madness, nothing but net, the local economic gains from March Madness in Portland. Portland hosted the first and second round of the NCAA Tournament, March 19-21, 2026, at the Moda Center drawing an estimated 25,000 out--of-town visitors to the city. CSI estimates total direct visitor spending of approximately $21.9 million over the event weekend, distributed across lodging, dining, transportation, retail, entertainment. Using the REMI model for Oregon, the spending shock translates into an estimated $31 million boost in local GDP value added and approximately $17.3 million in personal income. These are ballpark estimates and assume a typical visitor behaves in-- behavior for a multi-day sporting event in the context, Portland's travel industry totaled $5.5 billion. So-- but, anyway, there's a potential of tens of millions of dollars and impact-- I'm going to run out of time-- for having these big events that Omaha has had the great opportunity to have, and in the spirit of saying, well, we should be trying to lift up everybody, I think it would be great. It would be fun for Lincoln to have the NCAA tournament, but it would be a good economic driver in allowing them to add these extra seats to do that. So I just thought that was interesting context, and I do think that Omaha has the tournament next year so hopefully we can all go to Omaha and not be in session on that Thursday, Friday next year. Thank you, Mr. President.

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

JUAREZ: Thank you very much. And I am still undecided on how I'm going to be voting on LB1165. Although, again, I am listening to everyone and all of the valuable comments that they're making today. Now, before I forget, since this isn't my first time to speak today and I could be in big trouble, I wanted you guys to know that 38 years ago today at 9:01 a.m. I was a little busy. I need to wish a happy birthday to my daughter Rachel. And, man, would I have been in so much trouble had I forgotten this. And look at, here it is, my third [SIC] time and I even had to write it so I wouldn't forget it because I get so focused on what I want to say to the group. But that's the most important news of the day. Thank you. So another comment that I wanted to make-- thanks, guys-- to remind you about that I think I've mentioned in the past, is when we talk about the railroads, it really does hit the heart. Besides the fact that everyone knows I'm a passenger rail fan, both of my grandfathers worked on the railroads on both sides of the family. And that's how we ended up immigrating into the country was with those railroad jobs. So it is truly something that I support. And I did want to make a comment in regards to Union Pacific as a major employer, employer in our state. I mean, obviously I am well aware of the history of this business entity. And there's no doubt the quality of the contributions that they have made to Omaha and, obviously, to the whole state. And I know it has provided good jobs, the philanthropy that they provide, especially to, I'll mention, the College World Series, because I am a College World Series season ticket holder since 2017. And that is definitely the sport that I love, and I always like to promote that when I can, too. But the one thing that I will say, and that is, I guess, my critical comment of the company is that I'm not sure that they're very supportive of my passenger rail ID. And that's OK. You know, everybody can have their opinion, right? And I got to tell you, though, I'm not going to let that reality deter me. I just keep in mind what happened with David and Goliath and try to feel positive about the long-term aspects of the project. Another comment that I wanted to make, because I didn't get to finish up when I was on the mic last time in regards to the immigrants in the community, is that I wanted to remind folks about the income that is coming right now at the ICE detention facility. The contract is 2 years running through September 29 of 2027, and the state gets $2.46 million per month. Daily rates is $269.17 per detainee. There was $5.9 million spent so far for facility renovations. And, again, we have our Governor who has stated that he wants to operate government like a business and I guess that's the kind of revenue we're considering in our state. One aspect of the types of revenues that we're receiving. And I do want you to know that immigrants pay hundreds of millions of dollars in taxes, federal, state, and local. Undocumented immigrants specifically provide $43 million in state and local taxes per year, $58.8 million in federal taxes. So I think that that's a pretty positive impact that we have on our revenues. And I wanted to make a comment also in regards to what I heard on Nebraska Public Radio on my drive in this morning on housing topic, specifically Omaha was highlighted because a father said that two of his children were each paying $1,400 in rent per month just for an apartment.

KELLY: That's your time, Senator.

JUAREZ: Thank you.

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

HOLDCROFT: Question.

KELLY: The question has been called. Do I see five hands? I do. The question is, shall debate cease? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 28 ayes, 5 nays to cease debate, Mr. President.

KELLY: Debate does cease. Senator Conrad, you're recognized to close on your priority motion.

CONRAD: Thank you, Mr. President. Good afternoon, colleagues. Number one, I want to thank my friend Senator von Gillern for his leadership in regards to this issue. It's been a pleasure to negotiate the terms of this debate with him. And it actually reminds me a lot of the good old days, my, my first 8 years in the Legislature, where people with a strong and legitimate point of view could work together to build the record and have a thoughtful discussion about important issues that are impacting our state. So, again, I want to thank him. I think that his leadership has been on display throughout this, and it has set the tone for what thus far has been a very good, very substantive debate. And I anticipate it will be as we move forward into this evening and through the remainder of the session on this bill. Again, colleagues, I think this measure, this is a serious motion to indefinitely postpone this measure. Look no further than your green sheet. Look no further than the agenda before us today. We're on Day 49 of a 60-day session. By rule, we need to get our budget passed and moved by Day 50. We haven't done that. We haven't done that because the state is under severe financial duress, in part due to significant tax cuts that benefit the wealthiest individuals and the biggest corporations, like the ones seeking special legislation and privileges contained in LB1165. So there's already benefits under the Property Tax Credit Program. There's already benefits under the income tax cuts. There's already benefits under special and extraordinary capital gains and S-Corps and SALT, and the list goes on and on in terms of corporate tax loopholes we could close to address this budget deficit, but no. And instead of being able to have a balanced budget and have an eye to the future with a looming almost billion-dollar shortfall, we're digging in the wrong direction. We're giving a $50 million giveaway to one of the largest, most prosperous companies in the state, in the country, if not the world. With billions of dollars in capitalization, with billions of dollars in profit, paying their CEO almost $18 million just last year, and they're coming to the Nebraska taxpayer asking for more, $50 million more, including $5 million, a direct transfer from our General Fund to this company to remodel and redecorate their office at a time when we're cutting funds for the disabled and the veterans and the homeless and kids with special education needs. That's irresponsible from a fiscal perspective and a moral perspective. If you look at the legal issues, our constitution in Article III, Section 18, prevents special legislation, and it lists a laundry list of therein-- of those examples therein. And my friend Senator Hallstrom was right, Section 2 lifts up a general legislative purpose, but then he failed to detail the specific definitions in Section 3, which only apply to this one company in terms of how long their headquarters has been in Nebraska, in terms of the exact number of full-time employees they have. In fact, it lists their implied enterprise value of a specific dollar amount. It lists a pending merger between the time of January 1, 2026 and December 31, 2028. No other company has stepped forward to indicate that they are going to qualify for this proposal. There's significant problems when it comes to legislative oversight being curtailed. And I, I, I, I think Senator von Gillern is willing to work with myself and Senator Cavanaugh to address that oversight. There have been questions about whether or not there are strict enforceability or clawback provisions within this legislation. I contend that there are not. There's a very broad grant of discretion to the Tax Commissioner to waive failure to meet benchmarks. It says that the retention credits are not transferable except for that they are, and then it lists a bunch of loopholes for how that would play out. I understand what proponents of this measure are trying to do. I disagree with their methods. I disagree with their timing. Friends, this sends the wrong message. We're cutting our budget. It's still out of balance. We're going to have to suspend the rules. We're raising fees left and right. We're raising regressive taxes.

KELLY: That's time, Senator.

CONRAD: And you're asking for a $50 billion [SIC] giveaway to a big corporation. Thank you, Mr. President.

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

CLERK: 6 ayes, 27 nays on the motion, Mr. President.

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

CLERK: Mr. President, General File, LB1165, introduced by Senator von Gillern. It's a bill for an act relating to revenue and tax-- excuse me, introduced by Senator von Gillern at the request of the Governor. It's a bill for an act relating to revenue and taxation; changes provisions relating to change in control and ownership of the Key Employer and Jobs Retention Act; changes provisions relating to the credit percentage under the ImagiNE Nebraska Act; defines a term and provides for capital improvement grants to certain employers under the Site and Building Development Act; creates a grant program managed by the Department of Labor to provide additional support to certain employers experiencing a change of ownership and control to retain or attract workforce in the state; harmonize provisions; provides severability; repeals the original section; declares an emergency. The bill was read for the first time on January 20 of this year, and referred to the Revenue Committee. That committee placed the bill on General File with committee amendments, Mr. President.

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

von GILLERN: Thank you, Mr. President. Hopefully, folks have been following along with the discussion here because I'm not going to do another opening on the AM. I covered really the white copy amendment on my initial opening statement but I will take this time to address some of the things that have come up in conversation and in the, in the good debate that's occurred over the last couple of hours. Been some great questions. I think there's been a few things that need to be, need to be restated or clarified. One of the things that Senator Conrad just recently mentioned, and Senator Hunt mentioned also, which I agree with entirely, is the need for transparency and accountability. The bill, LB1165-- ImagiNE already calls for audit requirements. LB1165 in some ways enhances that and increases those audit requirements. There's a great level of transparency involved with how the tax credits are accrued and how they are provided. The, the level of documentation that's required from the Department of Revenue in order to achieve those credits is very strict. I've had personal conversations with the director about how that works and they are 1,000% on board with, with giving us all the information we need to be comfortable with the issuance of those credits and how they're utilized. And, again, I'm going to kind of shotgun through my notes here. So if this seems fractured, I'm sorry, but just responding to different comments that were made. Another comment that was made about legislative oversight, Senator Machaela Cavanaugh and I had a good conversation, and Senator Conrad also about the question she had with regards to the joint hearing required between the Revenue Committee and the Appropriations Committee and how to maybe make that language better, which I'm fully on board with, with working towards. The-- let's see here, what else? I don't want to be a downer, but some of the conversations have, and rightfully so, revolved around the but for argument. But for the incentives will, will an applicant or a large employer leave the state of Nebraska? And there's a scientific comment that says you can't prove a negative, but, but we do our best to try and look at the-- look at that-- the situation. Just a few reminders, and these have already been said: ConAgra left Omaha, 1,500 jobs. Cabela's left Sidney, 2,000 jobs, decimated that city. Tyson, most recently, leaving Lexington, 3,000 job. So let me ask you to imagine--

you don't have to imagine those. They've already happened. But think about this. If Kawasaki left Lincoln, that's 3,000 jobs. Do you think if Kawasaki announced that tomorrow, that would be a negative impact to the city that we're in right now? The university employs 6,000 people in Nebraska. If the university said we're cutting our operations in half, that would definitely be a negative impact. Probably the most relative example-- or relevant example, excuse me, of, of what we're talking about here is what was done with Fiserv a number of years ago in Omaha. Fiserv was former First Data. They were bought. It was threatened that they would move. They said we'd like to stay, and an incentive program was worked out with Fiserv. That's 4,100 jobs that stayed in Omaha and easily could have left. I mentioned in my opening statement at the hearing, the Revenue hearing for LB1165, and some people disagreed with what I said, not-- that it was not factual but didn't like the tone of it, but I said if you think Governor Kemp from Georgia has not been to Omaha to talk to the folks at UP, I'm betting you're wrong. And one of the interesting things is the Governor of Georgia has authority that with regards to development that we do not have in the state of Nebraska, that our Governor does not have. Which, again, leans back-- lends back to the conversation on we should have legislative oversight. We do have legislative oversight here, the state of Georgia does not. They do not require legislation of any kind for their Governor to go out and cut a deal with somebody and, and move a, a significant company there. Some of the handouts that I gave out where there was a article that's been referred to already from the Atlanta Journal about Norfolk Southern's headquarters in Atlanta. And what they spent to get them there, and what the spent on their facility. The, the reality is we didn't create this environment with the other 50 states, as far as trying to attract businesses to their state, but it is a reality, and it's a reality that we live in. And if we contract, if we don't play in that reality, if we do not join that, that-- I don't want to call it a game, because it's not a game. It's a very high stakes game with people's lives and people's livings at stake. But if we don't, if we don't get in that, then we're going to lose. And folks will come, and they will entice great companies in the state of Nebraska to leave. Continuing through my notes, again, I want to reiterate this again. And Senator Raybould is back in the room now. I said earlier that I agreed with her entirely. We can't cut our way to prosperity. We have to grow our way out of it. And we grow our out by retaining good businesses and attracting good businesses. On a, on a funnier, less serious note, I, I did chuckle a little bit when I heard Senator Conrad and Senator Hunt compliment Senator Erdman's work, and I'm not sure I heard that in the years that he was here, but I'm sure he's smiling right now in Bayard if he's listening. I know, I know you're friends, I know you're friends. It made me smile, which is great. We need to smile more here. Let's see here, the building fund we talked about. More transparency we talked about. I'm not sure I'm going to take any more time on my opening. I think I'll-- I'm happy to take any other questions as, as time goes on and address any part of the bill. So I will yield the remainder of my time, Mr. President. Thank you.

KELLY: Thank you, Senator von Gillern. Mr. Clerk.

CLERK: Mr. President, Senator Conrad would move to bracket the bill with MO380.

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

CONRAD: Thank you, Mr. President. Good afternoon, colleagues, and, indeed, shout out to our mutual good friend Senator Erdman. I really enjoyed serving with both him and his son, had the opportunity to do that and still enjoy staying in touch with them and particularly sharing the, the fishing update with the senior Senator Erdman. That's something that, that we enjoy staying and touch with. Friends, I, again, appreciate and understand that the business community, which does a really good job of leveraging their power and influence, has been able to find a lot of support for this measure across the political spectrum, and I'm facing a steeper uphill battle than I normally am in the Legislature. And that's OK. I did not agree with the substance of what my friend, then Senator Slama, was trying to do in terms of voter ID, but she essentially launched a one-woman filibuster to try and make the implementation of that more stringent because she believed so strongly in it. The major economic development, corporate incentive, corporate welfare programs that have touched our state happened beyond my time in the Legislature, really. There's been some small modifications thereof during my 12 years, but LB775 clearly predates my service. Advantage happened right before I got here at the last go-around, and ImagiNE happened when I was in constitutional retirement and term limited a, a few years ago. But the point being is I am grateful for the fact that we do have a vibrant business community in Nebraska. But I, I really feel very, very strongly that this economic policy is misguided. And the analysis in terms of whether or not there is a strong economic benefit, of course, can be debated, has been debated, will be debated. But when you look at information from universities, from leading economic experts, and from our own legislative performance audit offices looking at these issues and the Nebraska State Auditor looking at these issues, you can see that there is not a strong return on investment. In fact, we end up paying out way more in these corporate welfare incentive programs than we receive in taxes paid. And, again, this is a preferential tax treatment to the largest corporations and the most wealthy, that everyday working people don't have the benefit of. One of the, the issues I think in terms of how our tax code is so topsy-turvy is that we treat wealth in a very different way than we treat work. And it makes it harder to find equity in our tax code, and it makes it harder to ensure that we can make investments in things like our roads and public safety and our schools and our natural environment and health care and housing and job training and all the things that go into making our beloved Nebraska a great place. It makes it harder to balance things, including equity in our tax code and investments in our state when we're giving away the farm, literally, to the biggest corporations. Billions out the doors under existing corporate welfare programs that would more than balance our budget and actually allow for meaningful property tax relief, not the property tax belief that we're trying to provide that most Nebraskans aren't actually feeling because of the increased valuations, etcetera. There's an opportunity for a grand bargain, a left-right bargain, an urban-rural bargain that says, you know what, these big corporations can stand on their own, and they don't need our significant support in this regard. But you know who does need our support? The constituents who sent us here. And so we can move some of the big boulders on our budget and balance sheets that are directly related to these unaffordable, inequitable, unsustainable, corporate welfare programs that now come after they've already received huge tax cuts on individual income tax and corporate tax. Perhaps it was a different ask or a different equation before that happened, but now it's happened. And if the business community is not going to have the vision and good sense to show leadership in that regard, at some point, state leaders have to stand in their power and learn to say no. Whether it's a big corporation like Tenaska coming in to chip away at public power and fleece our natural resources for big data centers and big tech. Whether it's a big corporation like UP asking for another $50 million on top of the preferential tax treatment they're already receiving, and we can't even balance our budget. If we can't say no today, as we literally have an unbudget-- an unbalanced budget, when will we ever say no to these big corporations? And how do we defend that to the moms and dads who are fighting to get basic care for their disabled kids? How do we defend that to the property taxpayers in our district that said you keep promising property tax relief, where is it? It's out the door. It's in the bottom line for a company that's highly successful for good reason that doesn't need our money in this regard. And other states and other localities have learned that. And we have seen promises made and promises broken. We don't have to guess. Right here in Nebraska, give us a sweetheart deal. Hey, ConAgro, we'll give you a sweetheart deal. Stay here. They didn't. A company like Tyson received millions of dollars in incentives through Advantage Act and state and local economic incentives, and they left without warning. Not even with warning. And we're trying to clean that up with Senator Ibach's WARN Act. We're trying to clean that up with a small piece of this larger budgetary or this larger revenue bill to help communities like Lexington who are caught literally holding the bag after Tyson took advantage of our tax code and pulled up without warning. Same thing for ConAgra. And UP has already been clear, we're not leaving. They said it in the press. They said it at the hearing. They said it in filings to the federal government in relation to the proposed merger. I take them at their word. Why don't you? We'll have an opportunity to discuss in greater detail some particularly troubling aspects of this legislation. I have substantive amendments filed to strike the direct transfer from our general funds through some cash fund machinations that go directly to benefit new carpet and renovations at a corporate headquarters. I've got substantive amendments that strike what's been described by the Governor's Office and proponents of this bill as white glove concierge services to assist the employees and executives at UP. That's not my opinion or characterization, that's derived from the record. And it comes at a time when we're making deep and painful cuts on critical human services. And it comes at a time where we're nickel and diming everyday Nebraskans to death with increased fees. Another one passed this morning, hitting the ag community. I think it's misguided and ill-timed. Thank you, Mr. President.

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

LIPPINCOTT: Thank you, sir. I'll be voting green on LB1165. This legislation refines existing tools, the Key Employer and Jobs Retention Act, the ImagiNE Nebraska Act, and also the Site and Building Deployment [SIC] Act, while creating targeted grant programs to retain and attract high-quality jobs. In an era of fierce interstate and international competition for talent and investment, LB1165 positions Nebraska as a proactive leader committed to protecting livelihoods, boosting wages, and fostering long-term prosperity. At its core, LB1165 modernizes incentives for large employers, particularly those facing mergers or changes in ownership and control. It clarifies eligibility under the Key Employer and Jobs Retention Act for companies headquartered in Nebraska with substantial full-time employment that combine with out-of-state entities. This ensures that major operations such as those with thousands of Nebraska workers can access enhanced wage retention credits and performance-based tax incentives. For instance, the bill increases credits for retaining jobs and hiring new full-time employees at competitive wages, often $90,000 annually or more, while requiring companies to meet strict benchmarks like retaining 90% of their workforce and providing robust benefits. These are not blank checks. They are pay for performance measures that demand measurable results in job creation and economic contribution. The bill also strengthens the ImagiNE Nebraska Act by adjusting credit percentages for wages and investments, adding a 1% bonus for jobs filled by new residents, relocating to our great state. This directly addresses our state's talent shortage by encouraging both retention of existing workers and attraction of skilled professionals from elsewhere. Additionally, LB1165 expands the Site and Building Development Act to include capital improvement grants up to $5 per square foot for qualified projects. A new development-- a new Department of Labor managed grant program further supports workforce retention and recruitment during ownership transitions. These provisions prioritize high-impact headquarter operations while expanding allowable uses of economic development funds for tangible infrastructure upgrades. Critics may label these incentives as corporate welfare, but such claims overlook the human stakes. Nebraska's economy relies on major employers that anchor communities, support small businesses, and generate tax revenue far exceeding incentive costs. In a competitive landscape where states like Texas and Florida aggressively court relocations, failing to adopt risk, losing thousands of high-paying jobs, family incomes, and community vitality, LB1165 explicitly is about people protecting Nebraska families from disruption during corporate mergers, creating pathways for 500 to 1,000 new private sector positions, and signaling to the nation that our state values growth and opportunity. Business leaders from the Greater Omaha Chamber and Lincoln Chamber have testified in strong support highlighting how these tools will help Nebraska grow the good life for residents. In conclusion, LB1165 is essential legislation for a thriving future, it safeguards jobs, attracts talent, and reinforces our state's reputation as a business friendly heartland. By modernizing incentives with accountability and vision, it invests in Nebraska's greatest asset, our people, ensuring that the good life remains not just a slogan but sustainability reality for generations. Lawmakers should pass this bill to secure economic resilience and opportunity across the Cornhusker State. Thank you, sir.

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

McKINNEY: Thank you, Mr. President. So, you know, a lot of talk about Georgia today. So I was doing some simple research, just trying to, you know, see why would somebody want to go to Georgia and not Nebraska? So one, one thing I saw was just the climate and the lifestyle appeal of Georgia; two, was economic opportunity and industry diversity. Our state has few high-growth sectors. Population density, better culture overall. I mean, they have Atlanta and amenities. Transportation and connectivity. Our public transportation is not the greatest in the state. The city of Omaha is doing a streetcar so that might help a little bit, but that's-- those are four. Another is perceived opportunity in growth momentum. A lot of people that I talk to, especially a lot of my friends who are doing great in Texas and other states, saw a ceiling in the state of Nebraska. They, they felt like there was no opportunity or honestly it was no opportunity. They left the state of Nebraska and have been thriving ever since. And there is story after story after story from many people that leave the state because of opportunity and the ability to grow, whether that's in corporate America, whether that's in the public sector, whether that's to grow as an entrepreneur or small business. So I think we need to think about those things, you know, how are we incentivizing growth for small business owners, entrepreneurs, people who want to do great things in our state that are doing those in other states? One time I went to Atlanta on a trip, and it was this lady with this toy company, and she's doing great in Atlanta, making a lot of money, selling toys. Guess where, guess where she's from? She's from Omaha. But she had to leave the state to get her toy company to be successful. And it's story after story like that. How are we making sure that this lady with this toy company, and, and it's-- I'm forgetting the name and I'm going to find it, but how are we make sure people like that could stay in the state and grow those businesses in the state? That's what we need to be looking at. You know, we need improve our urban experiences. We need to have industry diversification. I talk about this a lot. We need to look into tech, creative, cultural, and more innovation districts. We need to shift the narrative from just trying to stay stable and keep jobs in the state and actually start thinking about how are we increasing real opportunity. We shouldn't just be talking about less retained. We should be talking about how do we grow from within and out. Yes, I don't want jobs to leave the state. I don't think anybody does. I don't think anyone wants to be in a position that Lexington is in. But we need to have a macro conversation about a lot of stuff that has passed in this Legislature since I've been in this Legislature. And we could go all day about that, and I would tell you many of those things do not make our state attractive. It is not just tax incentives that are, are, are the good thing or the bad thing or the thing that's keeping people from staying or coming. I'm just saying, we need to have a self-check, look in the mirror, you know, like Michael Jackson said, and figure out what we have been doing over this last 5 years or 6 years I've been here. We need more connectivity and talent pipelines, whether that's for our education systems, it's for our-- just any system. How do you get into corporate America in, in Nebraska? How do get these jobs? How are we making sure that a company that needs a tax incentive that is a mile away from the highest poverty district is reaching back into that district and making sure jobs are created for those people? That's what we need to be talking about. That's how you grow the state. That's how you make it more attractive. And just saying this is going to solve it is, is just, I think, missing the point. But, you know, I'll come back with more and I'm going to find out what that toy company is and she is from Nebraska and she could have been here but we don't provide enough opportunities for people like that and that's the problem. Thank you.

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

PROKOP: Thank you, Mr. President. And when I walked into the Chamber this morning, I was not expecting to get both a Michael Buble reference on the floor and a Michael Jackson reference, so. So what a, what a day we've, we've had here in the Nebraska Legislature. I'm going to pivot a little bit from the discussion on Union Pacific and talk a little about a provision in this bill that I worked on. So AM2504 contains my bill LB1192, which was advanced unanimously from the Revenue Committee with no opposition at the hearing. LB1192 would modify a provision with the convention-- within the Convention Center Facility Financing (Assistance) Act. More directly, the bill's goal is to lift the arbitrary seating capacity cap at 16,000 that was put on Pinnacle Bank Arena seating capacity design when that bill was passed back in 2008. So Pinnacle Bank Arena is in my legislative district and this bill really would allow the team at PBA to start conversations on, on when and what kind of expansion might even be possible. My understanding really is with the current law in place, those discussions weren't even begun in earnest just because of the cap. And

I think, obviously, great timing after the historic run that the Husker basketball teams have in the NCAA Tournament. And they've been, obviously, selling out every game this season, and, and tickets have been in high demand. So just I think an understanding on the legislative history on this and, and why this is necessary. So the seating cap was put in place back as part of that turnback tax bill in 2008. So it was actually Senator Bill Avery's priority bill that year, and he wanted to make sure that they had access to-- that, that city of Lincoln had access to the Convention Center Act. And as things played out, that's when the cap got put on in order to as, as part of a deal that was made between Lincoln and Omaha, because this was referenced earlier by Senator John Cavanaugh. The Quest Center was in place and there was concerns about what that might do for, for, for Quest Center. But since the arena was, was built and went into operations in 2013, we've got 13 years of, of great data of shows, of great shows, great sporting events taking place and, and I think bringing a lot of value for entertainment and providing a lot of great value for Nebraska's entertainment dollar, both Lincoln and Omaha, as, as those-- both those arenas have been really successful. So, again, you know, I just remind folks this bill didn't have any opposition at the hearing. It had strong support from the Lincoln Chamber, the city of Lincoln, the Lincoln Convention and Visitors Bureau, and, and from Husker Athletics. They came in and all spoke really highly as to why removing the seating cap is important so that we can begin those discussions. So I-- again, I would, I would encourage a, a green vote on AM2504. I'm supporting LB1165, and, obviously, coming up on Thursday, Go Big Red. Thank you, Mr. President.

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

CONRAD: Thank you, Mr. President. Good afternoon, colleagues. I want to lift up a couple of additional questions and concerns about tax incentive programs, in general, and this specific special legislation for Union Pacific. So I want to start off by noting we had-- we've had multiple performance audits on our corporate incentive programs through the Nebraska Legislature over the years. And they have been unequivocal that Nebraska taxpayers are footing the bill to the tune of sometimes hundreds of thousands of dollars per job created. And most likely under a but for scenario, those jobs would have created regardless of the economic incentive. And that's a, a, a pretty bad return on investment for Nebraska taxpayers and from our legislative performance audit looking at these issues over many years. Again, I want to talk about some of the issues and analysis and policy recommendations that Auditor Foley lifted up about a year ago in addition to detailing the significant negative impacts on not only the state's bottom line but the local communities bottom line which, by the way, local reps don't even have somebody voting on these tax credit programs, these corporate welfare programs, these incentive programs in the state house. But they're left literally holding the bag in terms of many of these implications. But in addition to the dollars and cents, Auditor Foley laid out actually 12 specific policy recommendations over the course of a, a significant report: how we can ensure better value for the taxpayer, rein in these out of control programs, ensure more planning and uniformity and clarity for state and local budgetary purposes, reduce waste, fraud, and abuse. And my question, friends, and I'm not a member of the Revenue Committee, maybe I should have tried to muscle my way into it with some legislation or with some interim studies, but there's 12 policy recommendations here, and we'll have plenty of time to go through them all in the next many hours, but none of these have been adopted, or in my understanding even introduced or entertained. And these commonsense proposals from our own State Auditor that would make our incentive programs work better put actual guardrails, not rhetorical guardrails on some of these programs, are not contained in present in this legislation or this legislation as amended. The first policy recommendation that the Auditor put before us was to consider whether allowing the accumulation of unlimited amounts of investments and compensation credits, so far totaling $2.6 billion and potentially increasing by hundreds of millions of dollars more to be used for tax incentives, whether or not that's consistent with the intent of these acts and beneficial for the overall economic health of the state. Friends, we have heard debates in this body just this year, fine-tuned scrutiny on small expenditures, significant scrutiny on small expenditures that benefit the working poor or those in need of safety net services, yet here, something with a $2.6 billion price tag and growing by hundreds of millions of dollars more plus the $50 million that we're giving out in this measure. We don't know whether or not this is beneficial to the overall economic health of the state. The Auditor then went on to provide a second recommendation, asking whether the Legislature should consider allowing the use of unlimited amounts of investment and compensation credits for tax incentives as both consistent with the intent of the act and the overall economic health of the state. First, he details the state impact, then he details the impact on municipalities under the second recommendation, which we're starting to hear more and more from our partners and local government about how these programs put a lot more pressure on property taxpayers.

KELLY: That's your time, Senator.

CONRAD: Make it harder. Thank you, Mr. President.

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

HUNT: Thank you, Mr. President. Good afternoon, colleagues. I wanted to share a letter that I got from a constituent. I wasn't-- I'm not-- you know, I, I don't want the bill to pass. I don't have 8 hours in me either. And, you know, so you're not going to hear me for 8 hours and I wasn't going to punch in again. But I got this letter from a constituent and it feels right to share. She says-- I know her kind of socially. Like, I know from around the neighborhood and stuff. My district is small. It's, it's pretty densely populated, so I know a lot of people in my district just because it's a small area and I'm pretty active there. You know, I, I go to restaurants every night because I don't cook, famously. I go the bar because I drink a lot, famously. I have the businesses and so I'm always around. My kid goes to school there so I am around and I know the people in the district and I kind of know this girl, but not that well. But she messaged me and she said: It bothers me to hear conservative baby boomers discuss tax incentives to attract more young workers without acknowledging how their conservative social views scare them off. None of my friends moved away because of taxes. They left in large part because they couldn't stand remaining in a state so full of racism, sexism, homophobia, and transphobia. Why would an open-minded young person want to stay if they don't feel safe and they feel as though it'll never change? We're lucky to have so many advocates fighting the good fight and many people move back when they look at the low cost of living and high-quality education. But I understand why others give up and leave. As a young person who got out of Nebraska as soon as I could after college, and then in parentheses, and then came back to enjoy our awesome compared to other cities cost of living, I left not because of taxes. I left this state because-- I left because this state tells young people repeatedly through aggressive policy and discourse that they are not welcome to stay here and try to improve their communities. Any pushback, any hope for progress gets shut down. Young people want to live in places with good health care, affordable education, and places that value LGBTQ equity and fight back against racism and push for equity across racial lines. Nebraska's not doing that, so of course we're leaving. So I thank her for reaching out to me and sharing that. This does reflect a lot of the views of people in my district who I hear share positions like this when they come up to me in the world, and they talk to me about the work that we're doing in here. And, you know, I think probably no matter what side of the aisle you're on, no matter your political persuasion is, whether you're talking about me, who's on the far left, or one of my colleagues who is on the super far right, I bet people come up you in public and they go, how's it going? You know, they have the tone, or they say, ah, so you're surviving down there? You know, in Lincoln or whatever. You know, obviously, Nebraskans have the impression that we are failing in some way, regardless of their political persuasion. And I'm telling you from my constituents, this is the type of thing that I'm hearing, is that we are always tripping over ourselves to reward wealth, because we want them to stay. But we do so little for the workers and the labor force and the everyday people in Nebraska who build that wealth for those people, who build the success for these corporations. And as I was saying last time, I think that I trust people in Nebraska to be able to keep more of their tax money in their pocket and decide how to use that money to better, you know, their own quality of life rather than taking that money and paying companies to stay in Nebraska with their money. I do think that there are valid reasons to invest in business incentives, but I think that we have to be very mindful against, you know, basically offering corporate handouts at the expense of other services and also paying businesses to be in Nebraska when we're incentivizing them to do things that they were going to do anyway. So there has to be a limit to when these corporations come to us with their handout and eventually we just have to tell them no. And I do think that's a conservative position, and I do think that that's a position in favor of the taxpayer. We know that there are so many bills that many of us introduced this year that had a fiscal note. However small, I know that, I know that we're very mindful not to have big, big expensive bills this year, because these are tough times that we are in with our budget.

KELLY: That's your time, Senator.

HUNT: Thank you, Mr. President.

KELLY: Thank you, Senator Hunt. Mr. Clerk, items for the record.

CLERK: Thank you, Mr. President. Amendments to be printed from Senator Hardin to LB912. New LR, LR3-- excuse me, LR422 from Senator Rountree. That will be referred to the Executive Board [SIC]. Additionally, communication from the Speaker referring LR2-- LR422 to the Reference Committee for reference to the appropriate standing committee, and a reference report from the Reference Committee with a suggested reference to the Education Committee. New LR, LR423 from Senator Rountree, LR424 from Senator-- that'll be referred to the Executive Board. LR424 from Senator Fredrickson. That will be laid over. LR425 from Senator Hardin, LR426 from Senator Hardin, LR427 from Senator Riepe, LR428 from Senator Lonowski, LR429 from Senator Clouse and LR430 from Senator Clouse, LR431 from Senator Raybould. Those will all be referred to the Executive Board. Notice of hearing from the Education Committee. That's all I have at this time.

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

J. CAVANAUGH: Thank you, Mr. President. Good afternoon, colleagues. I was just trying to pull up this article, but maybe I'll have to push my mic to get on again because it's not loading. I'll just give you-- the, the top line is-- the headline of the story is Sport-Extortion: Causes, Consequences, and Solutions. So article about what I was talking about earlier, which is the, the idea of the incentive competition between sports franchises, as we've seen in Kansas City, Kansas-- no, Kansas City, Missouri. And I think it's Overland Park, Kansas, I'm not sure. One of those counties on the Kansas side trying to get the Chiefs to move, and things like in D.C. where Northern Virginia was trying to the Wizards and the Capitals to move to Northern Virginia, and Washington, D. C. was trying to get the Commanders to move into Washington from Landover, Maryland, and we've seen the Bears, I guess, Gary, Indiana, is trying to get the Bears to move Gary, and we're seeing in Atlanta where Cobb County, the Braves moved out of Atlanta to Cobb County, so this sort of competition and, and race to give more and more incentives. I think we even saw it a little bit when we built the downtown baseball stadium here in Omaha and the Storm Chasers ended up moving out to Werner Park because they weren't-- didn't feel sufficiently incentivized to stay there. But I did appreciate Senator Prokop answering some of the questions about the Pinnacle Bank Arena. And I was just-- was, was looking up another article, of course, on that. It was the top 10 concerts, most memorable concerts at Pinnacle Bank Arena, and they go from November 9, 2013 for Pink, November 23, 2013 for Elton John, '14 for Paul McCartney, Fleetwood Mac, Neil Young and then Carrie Underwood and, of course, I did mention Garth Brooks post Chris Gaines and then Kendrick Lamar and then Lorde and Odessa in 2018. But the thing that I note here that jumps out to me is that's, like, 8 years since the most recent memorable concert and, you know, with the venues I think there's a-- new is better, [INAUDIBLE], and so, like, a venue opened, this venue opened in 2013 with Michael Buble, not, not Bluble but Buble. I was told I mispronounced it before. And then he performed on the fifth anniversary in 2019, but it does look like, you know, maybe the shows have-- they haven't been drawing the bigger shows and the more glamor shows in, in close to a decade and so an update maybe helps with that as well in addition to the ability to have more folks for basketball games and other events and potentially get the NCAA Tournament. So I agree on that being a, a-- on whole a good thing. I was told that maybe one of the reasons that Lincoln has trouble getting the NCAA Tournament is that their airport is too small and their hotel accommodations are not sufficient for the folks at the NCAA to bring in a tournament. And so that had me, of course, thinking about we have this aspiration, the aspiration that I've articulated for Lincoln's arena of getting NCAA Tournament and we make some sort of change and, and investment and we forget to address the other things around it. And I think this is a little bit of what Senator Hunt has been talking about, which is you can throw, you know, incentives at an issue, get white glove, or whatever it was, transportation or moving services, and you can get, as Senator DeBoer called it, I, I think it was interior design money, or I can't remember exactly what the word was, but it was Site and Building Fund money for things, changes. But if you still have a problem where people have a negative preconception about your community because of other issues, that does become a problem. And so the thing Senator Hunt is talking about is a lot of folks leave Nebraska, young, young people leave for college and don't want to come back because they feel that it's not a welcoming place for people that are like them or people like their friends or folks who are not exactly the same as everybody sees or, or-- in our community. And so you can put a bunch of effort into trying to draw people here through incentives, but people still have to want to live here. And so I think there is a great product in terms of the quality of life in Nebraska. And, you know, I love my neighborhood and my community and think it is very welcoming, but I can understand why some people would feel that Nebraska, as a whole, is not a welcoming place to certain communities. So I'll push my light. Thank you, Mr. President.

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

GUERECA: Thank you, Mr. President. Good afternoon, colleagues. My first time hopping on the mic, but been listening to the conversation, felt I should chime in. I, I really want to echo the comments that Senator McKinney, Senator Hunt, and Senator Cavanaugh just talked about. It's great that we're getting creative to find ways to keep amazing Nebraska businesses here. It's great to get creative to find ways to attract more high-paying jobs. And to literally copy what Senator Cavanaugh just said, you can create the jobs, but if young people don't want to move to Nebraska to fill those jobs, then these tax credits will have gone to waste. And it's something that I harp about on the mic a lot, but it's true. The first thing a young professional is going to do when they get a job offer to come work at Omaha and Lincoln and Grand Island and Columbus and Kearney, they're going to Google Nebraska. And if what they see, colleagues, instead of, you know, amazing nature, beautiful scenery, outdoor activities, art, culture, things to do, you know, the happiest city ranking, if what they instead see is arguments over fringe social issues, then that will turn them away because it's what our young people that graduate from our amazing Nebraska universities have to deal with. And that's why we see brain drain here in Nebraska because they don't see a welcoming environment to come live the good life. So we have to do both, colleagues. We have to create a business environment to attract businesses, but if we're not doing the flip side, if we aren't doing the work of creating an environment where young people are drawn to Nebraska, if the idea that comes to their head what they think of a Nebraska town or a Nebraska city is, wow, amazing sports fans, beautiful nature, there's great art, there's culture there, there's good standard of living. All those things have to be there, because that's what we're competing against. I think Senator Clouse made that point. Everywhere, everywhere is great, everywhere is great. And that's what we're competing against. We're competing against Atlanta. We're competing against New York, against Chicago. I don't know how many young people every year, graduating from UNL, graduating from Creighton, from UNO, from Kearney, go to Chicago. If we're not doing the work here to create that environment, to create the culture, to create a society where they want to stay here, where they feel like they can thrive, where they feel like they see themselves reaching that good life, that we can throw all the millions of dollars we want at economic incentives, but we need, we need the worker, we need the young people. We need the young family to want to come to bring their kids here to have good public schools, to have great recreational activities, to have a good life. That's what it's about. And that's not unique to the urban areas. The want to have that good life, to have a good, enriched life, is evident in every corner of the state, colleagues. We have to be doing both. We have to be doing them both, because if we don't, we're going to fall flat. So let's think about that when we take up these interesting issues that are going to do nothing but give us bad headlines and cost us talented young people from coming here and cost talented young people for wanting to stay at their home. Thank you, Mr. President.

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

McKINNEY: Thank you, Mr. President. So I found that toy company. It is the Brown Box Toy Company. They actually got some great things that, you know, help young people do STEM and other things. It's actually amazing. But, you know, how are we attracting companies like that with founders and owners that are from the state to come back here? I'm sure there's a bunch of individuals from Nebraska that own different companies doing other great things. I think we need a program to say come back home, bring your business back home. That's what we need, something like that to attract business owners and entrepreneurs that started businesses maybe had to leave or had to leave to even start the business because the lack of opportunities. How are we creating incentives to say, Nebraskan, comeback home, we got you? We should be doing things like that. I think people would probably be more on board with something like that, you know, you're attracting Nebraskans to come back home and bring their businesses back home, which brings jobs, increases revenue, those type of things. And, I mean, it's Nebraskans, because, you know, when we pass stuff around here we have to make sure that people are based in the state and are from the state and all those type of things. So I'm just saying those are the questions. You know, I said previously, you know, the top five reasons why people might choose Georgia over Nebraska are climate and lifestyle appeal, economic opportunity and industry diversity, population density, culture and amenities, transportation and connectivity. It's a big one. If you don't have a car, you probably are going to struggle a lot to get around in the state of Nebraska, or even in the city of Omaha. And that's just a fact that I think, you know, is the reason, part of the reason behind the streetcar project to make moving from midtown to downtown a little more easier, I guess that's part of the sale. And people want to probably party from midtown to downtown on a late night. And then just other perceived opportunity and growth momentum. When you think about the state of Nebraska, honestly, close your eyes and say, what would attract me to come here? Close your eyes and do that. What would keep me in the state? We have many young people who are graduating high school or about to graduate high school, about to finish up college degrees and those type of things. What are we saying as a state to them when they walk across those stages and say stay here, we got you? That's what we should work on. I wish-- I couldn't get a request in, but I'll figure out a way to bring a bill probably. I'll put it in my notepad to say we need to create the Come Back Home Tax Incentive Program for Nebraskans who left the state, who created businesses, and those type of things, to bring the business, their families, and themselves back to the state and do those things here. And we should figure out a concierge program for Nebraskans that left the state, that own businesses that are being successful in other states, and we should bring them back here. That's what we should do. You know, I get really frustrated when I'm watching college sports and I see Nebraskans playing for other teams. And I always wonder, why isn't this person a Husker? Just this past weekend, Isaac Trumble, who went to Millard South, won the heavyweight championship at the Nebraska Division I Wrestling Championships for North Carolina State University. And I-- and a part of me is, like, why wasn't he a Husker? What was missed? How can we have a kid from our state be a national wrestling champ, and he did it for the North Carolina State University and not the University of Nebraska-Lincoln? We need to figure these things out. Why do we have successful business owners from the state that are not in the state? That's what we need to be figuring out. We need a tax incentive, again, the Come Back Home Program. I think we should really do it. I, I think that makes sense, it probably would help with property tax relief and a whole, whole bunch of other things. So let's work on that in the interim because I think we need more things than just this. Thank you.

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

RAYBOULD: Thank you, Mr. President. I, I really appreciate Senator McKinney's idea. I think when we do-- to hire directors or managers, we really seek out former Nebraskans because they know and love our state and are oftentimes looking for opportunities to move back to be closer to families. And, and that is a, a tremendous asset to so many businesses here if we reach out to former Nebraskans and come up with a, a nice cohesive message and package. So I have some questions for Senator von Gillern, I let him know that in advance. But as I look at the packet from our consultants, you know, they, they laid out in pretty stark terms the deficits that we have as we compare to a lot of Midwest cohorts in trying to compete and get businesses and jobs, particularly those of the primary class and not necessarily the small, mid-sized businesses that Senator McKinney was talking about. But maybe we are shooting a little bit too high. I don't know, because some of the competitors that we are facing have, shall we say, deeper pockets and deeper incentive package that they're willing to offer these companies that it's just something, you know, way out of our league, and primarily because we have a deficit that we're dealing with. But speaking of deficits, this is what the consultant said about the state of Nebraska, that we have 68,156 shortage of workforce. We need 68,156 more workers to our state. But importantly, they, they said that the missed wage growth is $11.3 billion, that's with a B, $11.3 billion. And then the missed tax revenue just from that cohort of, of people was $600 to $800 million. So we have a lot to make up, and I'm wondering if-- you know, why, why we are not faring better? And I think that's what-- we worked with the consultants to come up-- like, why aren't we doing as well as Colorado Springs in Colorado? What, what is, what is Colorado Springs, Colorado doing better than us? And I think those are the questions and, and introspection that we need to embrace. But now here comes the questions for Senator von Gillern if he would yield to a few questions about the fiscal note?

KELLY: Senator von Gillern, will you yield?

von GILLERN: Yes.

RAYBOULD: Thank you, Senator von Gillern. I'm looking at the very last page in the fiscal note, and it has fiscal year 2026 through 2027, and then it goes all the way down to 2032 to 2033. And it seems like, OK, for this, this coming year, we're going to take $5 million from the Site and Building Fund as part of the transaction that we're working on and talking about. But then can you tell me on the General Fund side, it says we're going to take $8.7 million this year from the General Fund. Does that make sense to you?

von GILLERN: Well, as you and I spoke, this is, this is actually based on the white, or excuse me, the green copy, and we're working on the white copy amendment, so. And I, I admitted to you, I kept looking for a new fiscal note yesterday, and then I realized, no, we don't get one until we get on Select. So we really don't have a fiscal note that's, that's reflective of the white copy amendment that we're talking about today. So I don't-- I'm not sure I want to dig too far into this knowing that it's not reflective of what we're doing and there were some changes in between and I, I believe the Site and Building Fund, we know what that is. The, the other, the 8.7 for '26-27, I believe that-- and I'm, I'm speculating that that's reflective of the credits that are available to companies that are utilizing the ImagiNE credits today. So, interestingly, this lends to a different part of the discussion we've been having about whether this is special legislation. I think those are costs that were reflective of companies that are currently receiving credits through the rural manufacturing grant and the, or not-- the rural manufacturing credit program and the urban manufacturing credit program, and also the childcare credit program, the childcare credits, and how those would be disbursed. But, but I-- that's my conjecture at this point without knowing what the, the new fiscal note would say.

RAYBOULD: So, yeah, I, I do think that's confusing, because wouldn't, wouldn't some of those numbers already be accounted for and, like, have a placeholder and earmarked?

von GILLERN: They were, but as part of LB1165--

KELLY: That's time, Senators.

RAYBOULD: OK.

von GILLERN: Yep

RAYBOULD: Thank you, Senator von Gillern.

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

CONRAD: Thank you, Mr. President, and good afternoon, almost evening, colleagues. I want to continue to draw the body's attention to some of the analysis and finding from State Auditor Foley that should provide food for thought, pause for concern and consideration, in regards to this massive additional expansion of an economic development corporate welfare program to benefit one large iconic and legacy company. But as noted in the February 17, 2026 letters to the Legislature and that was publicized largely, Auditor Foley details how, because there is a lack of guardrails on the previous, and, by the way, still in existence corporate tax packages that continue to impact our bottom line on, on the state and local level, that we're still paying out incentives to companies that declared bankruptcy. We are still paying out incentives to companies that literally left the state. We are seeing that, overall, there was $295 million in tax abatements doled out just in fiscal year 2025, representing 10% of the state's General Fund balance, not to mention an equivalent to 42% of the appropriations that we provide in its entirety to the University of Nebraska for that year, just to give scale in terms of how big these corporate incentive programs are. We have been seeing detrimental impacts to our bottom lines, resulting in $1.2 billion, $1.2 billion in lost revenue over the past 4 fiscal years alone. In just the last 4 fiscal years, we lost $1.2 billion. And the same folks that benefit from these preferential tax treatments are also the primary beneficiaries of the reduction in the individual income and corporate taxation. And they get benefits like-- that other folks don't get like extraordinary-- literally it's called extraordinary capital gains to match the white glove concierge service herein. Auditor Foley asked us to say, for example, take into account in his third policy recommendation not only the impact to the state bottom line, but the impact to the local governments. In just recent years, we've seen $160 million in local sales tax revenues denied to municipalities who, again, don't have a say and how these programs are structured. And that put more pressure on local property taxpayers and sometimes come without a lot of warning. And my inbox is starting to fill up with local elected officials who are saying thank you for raising this. And they're sharing examples of specific large corporations that have utilized those programs as designed and as permitted under the law, but are really causing a lot of headache and heartache for local government. And blowing holes in their budget and putting more pressure on services and property taxes. And these aren't wild-eyed liberals. These are very conservative local elected officials who are raising similar concerns about the return on investment, the dollars and cents, the sustainability, the pressure and shift to other taxpayers, the pressure and shift on local government services, the same issues we're talking about on the state level. The Auditor then goes on to note in policy recommendation four in his letter from last year in analysis that the Legislature should consider whether $1.8 billion, billion, or more in future unrestrained investment and compensation credits being earned and used to obtain tax incentives as projected by the department are sustainable and reflective--

KELLY: That's your time, Senator.

CONRAD: --of a sound approach to Nebraska's economic development. Thank you.

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

ROUNTREE: Good afternoon and thank you, Mr. President. Good afternoon, colleagues, and good afternoon to those that are watching online and to everyone else that is present today. Today, two significant events happened. This is still right in line with the discussion that we've been having here on this particular bill, but we had an opportunity to host our middle school JAG program students. JAG is Jobs for America's Graduates Nebraska. And we also had an opportunity to attend a press conference and host the Nebraska Disability Advocacy Day. So I'll talk about that one a little later. But I want to talk about our JAG program, this middle school seventh and eighth grade students, really as we talk about developing our workforce and incentives and things we're talking about now, and I've listened to us talk about what would keep our members in Nebraska, but I have great hope. As I listen to these young students from the Bryan Middle School that is in my district, Bryan High School will be here on Thursday, the JAG students as well. But these young students had a chance to express, first, each one of them wrote a letter to me. And most of you senators have probably already gotten yours as well, but these students really had a chance to talk about what the JAG program meant to them and how they view it. So the first student said: This is my first year in JAG program, in the JAG program, and I'm excited to share how it has positively impacted my education and learning. They've talked about all of the skills that they've learned, teamwork, different careers, communication skills, establishing goals, and especially patience, developing patience. But, unequivocally, each one of these members gave the greatest praise for their teacher Ms. Clark. And I listened to Senator Hallstrom's invocation this morning and he talked about the journey. He also talked about giving people the flowers while they're yet here, putting your hands on, wrap around, give them a hug and let them know how much you love them because life is fleeting. And so these young students, each one gave the greatest praise to their teacher Ms. Clark, and they said, listen, in conclusion, JAG is the best possible class in this school. Everyone deserves to have a teacher like Ms. Clark because, and I like this, is she is the best teacher in the whole school district, also known as OPS. So that's given some praise and given some flowers while she's there, and I accentuated that too, so I was really appreciative of her. But this student also said: This summer my dad is going to take me to roofing and I learn how much I would get paid, the job duties, and, lastly, what skills I will need. So this is part of that workforce development. Another student said they enjoy the project-based learning. They'd only gone to one field trip so far this year and it was fun. They learned about careers on Senator Wordekemper. They learned about careers in firefighting and EMS. JAG class allows students to talk and build relationships. They also said the teacher is very nice and, get this, never gets mad. She's the kindest teacher in the world so that is why I enjoy JAG. Another young lady says she's a seventh grader at the middle school, it's her first year, but she's had a great positive experience learning about her education and future goals. They've had so much fun participating in activities and field trips, and they went to the Bellevue Fire Department and the SOHO Hair Academy. So they're out and about, did a service activity at an animal shelter, and then called in organizations to ask for food that they could donate for one of their parties and they all believed in coming together and being one together. Another individual said they're an eighth grader in the program at the middle school and the program has not only been fun but it's been life changing. These are seventh and eighth graders talking about life changing but yet their great joy is to be here and hopefully as they matriculate into their programs and their job careers that they will want to stay here in Nebraska and be part of what we are talking about today. But I'm going to close with this one. They said the greatest thing was going to a celebration. But if all the people aren't there, then there's no need to go. But being there with all of the people is really what made JAG a great opportunity. And so they learned so much more. But I see my light is on and I'll go ahead and give back any time that I have. But it was a great heartwarming experience for me to see these young seventh and eighth graders really prepared for life and being able to enter into our workforce as Nebraskans. Thank you so much, Mr. President.

DORN: Thank you, Senator Rountree. Senator Quick, you're recognized to speak.

QUICK: Thank you, Mr. President, and good afternoon, colleagues. You know, as far as LB1165, I believe I'm supportive of this bill actually, and also of the, of the amendment. I'm going to talk a little bit about, you know, Senator Juarez talked about being part of the-- trying to get us back into the Midwest Interstate Passenger Rail Compact and some of her other work on passenger rail. When I was in my first 4 years, 2017 through 2021, when I first came in, we were part of the compact. And Senator Walz and myself served as the legislative representatives on that, on that compact. And then from that point on, they did let me continue to be part of that, even though we had been sunset out. And from that point, I know I had worked over those 4 years to remove that sunset so we could be part of that again. You know, at the time it was only like $15,000 a year for the dues. I thought that was a, a small price to pay to have a voice at the table for, you know, making sure that passenger rail safety was important to our state. We have the Amtrak that runs through our state, it goes on the Burlington tracks. Actually, it goes through-- we've traveled on the Amtrak about three times, my wife and I, to different locations, Chicago and Glenwood Springs, Colorado. It was a great experience for us. And one of the things as far as being on that compact, what it did was the Amtrak, it travels on freight lines. So we wanted to make sure that having those upgrades and make sure those freight lines were up to passenger lines, you know, safety standards. That was really the important part of that. We'd go out to D.C., we got to meet with our federal representatives out there, as well as we had a briefing, each one of us had a part to play. We all did participate in the briefing for the congressional staff. And then we also had the opportunity to meet with the, the Amtrak-- head of Amtrak and then FRA Director at the time. This last year, you know, for me I had a, a bill that was-- it's still in committee in, in the Transportation Committee, it had to do with the train ID where if there's a, a train accident, maybe someone is hurt or, or killed in an accident. The engineers names are usually released in the public, you know, public transcripts and we wanted to have those redacted so that at least at that time they weren't put out in public notice unless the families requested them. They could request them. Another thing that, you know, for Grand Island, we've had some really-- received quite a few dollars that would help with, with upgrades, infrastructure upgrades and rail safety. In 2023, we received over $15 million in grants for infrastructure upgrades out at the Army Ammunition Plant for the Cathcart Rail. And so that was a big thing for Grand Island. It was an economic development-- those are economic dollars and really helped them do their upgrades and really was beneficial. In 2025, Grand Island received $600,000 and-- to do a-- for-- in a grant to do a rail crossing safety study. And I think, you know, in my time working with the Midwest Interstate Passenger Rail and ProRail Nebraska officials, that's one thing I even learned about, like Lincoln, Nebraska, where they had money that they raised within their community. I think it was, I can't remember, I think it was called a rail and safety-- rail safety improvement district. And they were able to work on rail safety within the community where they could maybe change some crossings so that, you know, you could get across town easier or make it safer for pedestrians to get from one side of the track to the other without having to actually go across the track. So whether that was an overpass for just pedestrians or an overpass for, for car safety or just maybe moving that intersection to a different location, I know that was also part of that. So I think this study for Grand Island is going to be really important, especially for our east side of town, where we've had-- have some-- we haven't maybe had the accidents there but we've had blockages of the trains because sometimes when they come in on the east side of town and so that's been a real frustration for people in our community. So I think looking at probably several crossings across--

DORN: Time.

QUICK: Thank you, Mr. President

DORN: Thank you, Senator Quick. Senator Machaela Cavanaugh, you're recognized to speak.

M. CAVANAUGH: Thank you, Mr. President. So I've been on and off listening to the conversation around this and I actually took a call from, well, a former constituent because redistricting, to talk about this bill. And I am genuinely undecided. I've never been a big supporter of tax incentives, though I understand the rationale behind them and why people consider them an important piece of the economic landscape. What I said to my former constituent and will share with you all is that the, the timing of this is what I'm really struggling with because I understand very much the impetus with the merger and UP and Atlanta and all of those things. But I've spent the last 2 years sitting through committee hearings and committee meetings talking about cuts to the budget and to-- not just to the budget, but to things that I very deeply, personally, morally, feel an obligation to advocate for. And I haven't been super successful in those efforts and I haven't seen a lot of my colleagues recognize that we can't cut our way to prosperity on the backs of the most low-income vulnerable people. And so while I appreciate what LB1165 could do for the economy and to help grow business and to help grow jobs, and I think that's wonderful if that is to come to fruition. If that were to work out, that'd be fantastic. I'm here for that. But at the same time, we're fighting to keep funding for pediatric cancer in the budget. We're fighting to keep funding at the level that we're at right now, which is not spectacular, childcare subsidies for our low-income workforce. The entire time I've been here, never been able to get anything done on TANF to expand eligibility or payments. People who are on TANF, temporary assistance to needy families, have to make under like $7,000 a year. They have to make less than us to qualify, and their payments are like, I don't even remember, $100, $200 a month. They're not getting rich off of it. They're not even really barely surviving. And I've never been able to get the Legislature to take seriously increasing their monthly payments or increasing their eligibility. And so when I'm faced with things like LB1165, I can't divorce these issues from each other. I don't have that ability. I can't look at what this could do as an economic driver for our state while also watching us cut developmental disability and age and disabled waiver funding. I can't have the conversations that I've had today out in the Rotunda with the families that I have and then come and vote green for this knowing that my priority bill doesn't even do enough for them. We have to do better. And you can't ask me to vote for this and not fight for them. You have to fight for them if you want me to vote for this. Thank you, Mr. President.

DORN: Thank you, Senator Cavanaugh. Senator Hunt, you're recognized to speak.

HUNT: Thank you, Mr. President. My staff reminded me that we have a bill languishing, as they do, in Health and Human Services Committee that's sort of in the theme of obstructing things that will tangibly help people's lives that are free, that costs nothing to taxpayers in Nebraska, and nothing to the Legislature, the General Fund, whatever. I have LB734, which is a bill that would undo some of the newly implemented work requirements for eligibility for SNAP for three specific groups of Nebraskans who were not previously subject to these requirements until Congress passed HR1, the big, beautiful bill. And those groups include veterans, the homeless, and young people who are aging out of foster care. HR1 imposed a whole bunch of changes to SNAP. And one of those changes was to impose new work requirements on these three groups that have been historically exempted from those work requirements. So kids aging out of foster care, homeless, veterans. And as a result, many of the people in those groups have lost access to crucial food assistance in Nebraska that they depend on because of different health conditions like PTSD or other mental and physical disabilities. And according to the most recent data from the USDA, SNAP enrollment is down in Nebraska over 9%. And 9% doesn't sound like a lot, but it is a lot. It's 13,882 fewer enrollees between December 24 and December 25 from last year. So given the economic conditions, we can presume that those nearly 14,000 Nebraskans are not voluntarily declining the assistance. It's not that they don't want it, it's not that they don't want to sign up with food and housing costs continuing to soar and grow. And that's only from the end of last year when HR1 changes, we're just starting to take effect. So those numbers are probably even bigger now because we're 3 months into the year, so we can assume that more Nebraskans are continuing to lose access to food assistance due to these unnecessary SNAP restrictions created by HR1. And Nebraska has the choice to opt out of most of these. Senator Rountree also has LB843 to waive new requirements for immigrants and refugees. And that's also stuck in committee with no fiscal note. So we have to-- you know, I don't, I don't really have an illusion that LB1165 isn't going to move forward. I think it probably will. But I think that it would be a good thing for us to come together, as would be customary, and put together kind of a package. And within that package should be some things like LB734, like LB843 from Senator Rountree, that do improve the lives of Nebraskans at absolutely no cost, as opposed to bills like LB1165 that do reach into the pockets of taxpayers, and then take that money and give it directly to corporations to pay them to stay in Nebraska, which I don't really think we need to do in order to retain these companies in our state. I think it's nice. I think if we were in a time of budget surplus, if we still had the party punch bowl of COVID funds, of ARPA funds that we could reach into and throw around as we did several years ago, maybe something like this would be way, way, way down on the priority list of things that we can do with the money. But in 2026, with the fiscal situation the way it is in our state, I think that looking to the things that we can that have zero fiscal note, why don't we do that first. Doesn't that make sense? I can tell you a little bit more about what LB734 would do. This is the SNAP bill I talked about. It would remove this new federally imposed barrier to the temporary safety net that SNAP provides for these individuals. Again, veterans, homeless, kids aging out of foster care. And it would restore Nebraska back to the status quo. So, basically, it would say all these new requirements that you have to do. All the new bureaucracy, all the new paperwork, you guys know I hate that. You don't have to do that anymore, we're just going to go back to how it was. And it's not like Nebraska had the most, you know, flexible, generous food assistance policies in the first place. They have been eroded yearly in my experience here in the Legislature. Every year we've got a bill to roll back SNAP. We did one last year, in fact. And now the federal government is doing this dirty work for us, but Nebraska can opt out of that and we can still take advantage of these SNAP funds for especially our veterans who deserve it so much at no cost to Nebraska taxpayers. So that's something I think that we should look at seriously.

DORN: Time.

HUNT: This is accomplished by directing the Department of Health and Human Services to apply for a waiver. Thank you, Mr. President.

DORN: Thank you, Senator Hunt. Senator Juarez, you're recognized to speak.

JUAREZ: Thank you, Mr. President. I definitely lost track of time and was surprised to see that I was up next to speak. And I was trying to get my thoughts together here on, on this bill that we have before us, LB1165. Believe me, I have been looking at it. And I have-- you know, I really have concerns about the financial aspects of this bill, even if it is going to happen in the future. You know, it's even a little bit more leery when our future is such an unknown. And I wish that I felt so much more positive about what the future holds for us, but believe me, the, the last thing that I feel is positive. I think that if there wasn't so much going on at the federal level, especially with the idea of the Iran war going on right now and really what's going to happen there and the, the potential boots on the ground, that could happen there. I mean, it's just, it's just such a huge concern for me, let alone, of course, how Russia is still going on with their war. I just, you know, have concerns about what's going to be the impact in our, in our own country, and I think of something even that may seem small to other people's concerns, but I worry about our education department. You know, is that going to stay intact or is that going to be dismantled at the federal level? That's just another concern that I have. And with all of these issues that are before us and not knowing what's going to happen tomorrow, as I've stated previously, I mean, look at the activities with ICE and being at our airports now. I mean Homeland Security got plenty of money. Is that where it should have been put? No. Is this the right way, right journey for our own funds in the future and activities is to, to support this incentive for a major employer in our state? I just don't know, I just don't know the answer to that. I'm just not, I'm just not comfortable with it. And then I look at other issues that our state is facing and thinking about the data center. And how we're going to move forward with that. Are we going to go forward with it and have the revenue come from that project? Again, another issue that the residents of our state reach out to me, and there's definitely plenty of concern, and, and people don't want it. And especially of concern is protecting our, our water resources. Because we know that the water, the quality of our water in this state is so precious. Then I even had someone contact me. Again, this might seem simple in someone else's eyes, but I have a woman who wants to talk to me about the assisted living facilities in our state. And I'm sure what she's going to do is give me a ear full about complaints on our assisted living. And, yet, we're cutting back on our support in Medicaid for the disabled community. I mean, the list just goes on and on and on and it really is difficult to stomach what we want to provide to corporate America when you have all of these issues that affect the residents in our state. And then I look at something as small as my little bill was on financial literacy, 150 grand, you know, we're looking at all these big dollar topics here, and we don't want to support financial literacy in our state. To me, it's not how we should be managing business. I think that that is something that should be primary, so everyone feels educated and comfortable on a topic like financial literacy. Thank you.

DORN: Thank you, Senator Juarez. Senator John Cavanaugh, you're recognized to speak.

J. CAVANAUGH: Thank you, Mr. President. So I did get the article pulled up that I talked about last time, which is called Sport Extortion: Causes, Consequences, and Solutions, written by Jack Berger. And so I thought I would give a shout out. Jack Berger is a JD candidate, class of 2026, Northwestern Pritzker School of Law. Thank you, editors of the Northwestern Journal of Law and Social Policy for their thoughts, feedback, and encouragement throughout the publication process. So this is a law student who's graduating this May, I assume is when Northwestern has their graduations, and wrote their law review note on this subject matter, which law review note is something people write when they are on the law review and they write an article that then potentially gets published. The best ones-- the best one gets published so congratulations to Jack, and thank you for your contribution to the study of this subject. So this is the modern U.S. stadium development model enables, quote, sport extortion, a phenomenon known in which franchise owners leverage artificial scarcity, antitrust carve outs, and credible relocation threats to extract public subsidies that deliver negligible public benefit. So that's kind of the abstract beginning of this. And I thought that was a really interesting sentence because there are similar things at play here, which is obviously leveraging the scarcity, the potential scarcity of losing these employees and then the, the credible relocation threats. And that's always what we're talking about in incentives is the threat that someone is going to relocate to another community. I did want to point out, you know, not that Jack asked me for my constructive criticisms, but you missed an opportunity to create a portmanteau, which is where you put two words together, of sport extortion and create sportortion, which in my opinion, for the, for the transcribers, should be s-p-o-r-t-o-r-i-t-i-o-n, sportorition, you think? Sportortion, maybe it's s-p-o-r-t-o-r-t-i-o-n, sportortion. Well, anyway, this is one of the great questions that, that scholars can resolve in the future, but I do think that Jack should have at least taken an attempt at resolving it in his law review note. So, Jack, if you, if you are listening or somebody tells you, please reach out. So he goes on in the actual substance of the article: The imbalance of negotiation power between franchise and host city. The root cause of teams in the United States having the power to threaten relocation for a better stadium deal is simply supply and demand. There are not enough teams to meet the demand from cities that want and could theoretically support a team. Cities without teams are willing to provide public funding and persuade a franchise to move there. Many local politicians, that's us, and business leaders, that the folks out in the lobby, often believe that persuading a major franchise to relocate to their city is good for the city. The inverse is also true. Politicians are willing to ignore the negative data on, on publicly funded stadiums because they fear the political backlash of losing the city's beloved local team. So, obviously, not the same thing as a sports franchise moving but it does hit on some of the themes that are going on here, which is the illusory benefits, the fear of losing some marquee business like a Union Pacific, and the just sort of rush to do things because we all want to be seen as being successful in either retaining or bringing to town. So skipping over a lot, obviously, I think Jack probably worked very hard on this 22-page article and there's a lot more in here. But the conclusion: Sport extortion or, or sportortion-- this is-- that's my editorializing-- has undoubtedly harmed the American taxpayer. A local politician-- as local politicians easily cave to the wishes of team owners the collective action problem and monopoly power that sport franchises create lead to overspending on nonuse benefits that most citizens do not value. Analysis of the true effects of stadium building reveals that stadiums provide marginal benefit and under certain circumstances may harm the communities where they are built. Well, I don't know, maybe this is changing my opinion on Senator Prokop's portion for expanding the arena. Unless action is taken to prevent sport extortion, it will continue to harm cities. There are solutions to the current situation, but politicians and taxpayers must act to avoid exploitation. So, obviously, not a perfect analogy to what we're talking about here, but I do think there are some similarities in engaging in, in this sort of attempt to bring in businesses or keep businesses and they-- oh, I'm out of time. Well, I'll finish my thought later.

DORN: Time.

J. CAVANAUGH: Thank you, Mr. President.

DORN: Thank you, Senator John Cavanaugh. Senator Guereca, you're recognized to speak.

GUERECA: Thank you, Mr. President. Colleagues, I spoke a little bit about, you know, obviously, the, the need for creating opportunities to retain businesses and creating opportunities to entice. But also talking about how we need to create that state that folks want to come live in. Create that state, that culture, that ethos of, you know, whoever you are, if you're willing to come here, if you're willing to work hard, if you're willing to, you know, put in that honest day's work, thrive, if you willing to take that risk, come to Nebraska, we have good jobs, we have a good environment. You can start your small business, but you can also live a good life. You could raise your family in safe streets. You could raise your family in an environment where whoever you are, you could thrive. You have the opportunity to, you know, see great art, see amazing sports. All of that, all of that plays into creating an environment that folks want to move to and they have to go hand in hand. They absolutely do. When it comes to LB1165, again, I, I appreciate the-- to the guardrails that are put in place, right? There's great incentives there, but it's also asking that, you know, the companies that come here invest and deliver on their promises, because I could see where my colleagues and folks across the state are hesitant. They've seen some of the disastrous results in Tyson and in other places where we lose sight of, we lose sight of our companies, we lose sight of opportunities, and what we'll create is an environment where companies just up and leave. So I appreciate the thoughtfulness that was put into the creation of LB1165. The clawback provisions and the childcare provision is incredibly creative, and so credit to where credit is due. But we have to do better. We absolutely do, colleagues. Because if we don't, we'll have these young families Googling Nebraska, Googling what kind of society is there, what kind of culture is there? And if what they see is fringe social issue after fringe social issues, capturing the headline, eh, pass, move on. So we need to do better. But I do-- again, the, the childcare provision here is incredibly important, folks, so. It's a great conversation. I look forward to continuing the conversation, and I will-- I don't know if-- and with that, I'll yield the rest of my time.

DORN: Thank you, Senator Guereca. Senator Spivey, you're recognized to speak. Senator Rountree, you're recognized to speak.

ROUNTREE: Good evening, and thank you, Mr. President, and good evening, again, colleagues. For those that are still watching with us, we're still pressing on into the night, but I wanted to rise again to finish the second part of our great day today out in the Rotunda. I stated that we had the Nebraska Disability Advocacy Day, and I'm thankful that Senator Machaela Cavanaugh and Senator Murman were able to come out and spend time at the press conference and just to share, you know, with our Common Coalition. Messages came in and said on behalf of Common Coalition and partner organizations, we invite you and your staff to join us for the Nebraska Disability Advocacy Day on Tuesday, March 24, today. But the purpose of this day was to bring together self-advocates, families, disability organizations, providers, and allies from across Nebraska to share experiences and to connect directly with policymakers. They're very concerned about what we're doing here. It's an opportunity to hear firsthand how disability services support people in living full, thriving lives in their community. And that was their theme for this year, is live, work, play, and flourish. Definitely flourish. So we heard from a number of speakers today, their experiences and their families, and what they expected our Legislature to do. You know, as we coordinate and work with our DHHS, with the executive branch, as we discuss policy and implement policies here, they express their thoughts, their desires, and just put it down on a basic level. Some of their topics: parents are concerned about the cuts. They're concerned about caps. They're concerned about some of the AI-driven analysis and so forth that cause them to lose opportunities for continuation of the level of care that they've been receiving. And while we may sit in here sometimes, maybe a bit insulated from that, but these are real-life issues, things that are going to happen like today, tonight that brings a change and it forces them to make decisions about care, decisions about their own self-care for taking care of their child, their special needs child or family member. So these are real-life issues. So when we take opportunity to debate items in here, it's-- I'm sure that each one of us knows someone who's been in that particular position. You know, I myself have a special needs son born with Fragile X Syndrome. And just like every one of these parents, we'll sacrifice our all for the well-being of our children and our families. And they count on our Legislature to be able to help them do that. So thankful for the senators that were able to come out and talk with your constituents. I know many got called off the floor to go out and to speak. And so we take their lives to heart when we make decisions, make policy. So I just wanted to lift them up again: Ms. Wendy Anderson, Executive Director of the Common Coalition, and all of the organizations that formed that coalition that were able to come out today, and it was such a large group, and they wanted their voices heard. So they appreciate advocacy, and when they write us, Senators, and they express their concerns and desires, let's give them an opportunity to be heard, and write back and let them know that their voices are heard. So with that, Mr. President, I thank you, and I yield the remainder of my time.

ARCH: Members, the Legislature will now stand at ease until 6:00. When the Legislature returns, the queue will be Senators Quick, John Cavanaugh, and Guereca.

[EASE]

SERGEANT AT ARMS: Attention, Senators, the Legislature shall resume in 5 minutes.

ARCH: The Legislature will now resume debate. Senator Quick, you're recognized to speak.

QUICK: Thank you, Mr. President, and I'll yield my time to Senator Conrad.

ARCH: Senator Conrad, 4 minutes 55.

CONRAD: Thank you, Mr. President. Thank you to my friend Senator Quick. Hope everybody had a good dinner break, and we'll get back after it. So I'm going to, for some of the remaining time this evening and in subsequent rounds of the debate, work through the additional policy recommendations from Auditor Foley in regards to our incentive programs and recognize the fact that none of these were acted upon by the Legislature and are not present in terms of the policy proposal before us or as amended. Additionally, I'm going to take some time to go through a lengthy document that I've received from our friends in the disability rights community that coincidentally had one of their advocacy days today, wherein Nebraskans with developmental disabilities, Nebraskans with significant medical needs, once again-- and they've been here many times in the past few months-- once again took time away from family and home and their businesses and their jobs and their communities and brought our fellow Nebraska neighbors with significant developmental disabilities and medical issues to the Capitol begging for dignity, begging that we don't take the cuts in the budget that cut their services, begging to move forward Senator Machaela Cavanaugh's measure to remove the arbitrary caps on services, bring transparency to the assessment tool, strengthen appeal rights that haven't shown up on the agenda, that aren't moving. And I just want to make sure to keep my word to my constituents and to these families. And I'm going to read some of their personal stories. And I'm going to let it be clear and known that the Nebraska Legislature and the business community thinks it's more important to give an additional $50 million to one of the largest corporations in Nebraska, the country, and the world, instead of take care of the human rights and the human dignity of these Nebraskans as detailed in the personal stories they've shared with us in the committees and nothing's happened. I understand I'm not going to win this battle, but I'm going to use the time that I have available to make sure their voices are heard. And when senators say, sorry, we couldn't provide basic services, we were already providing to Nebraskans in need with developmental disabilities and physical disabilities and medical issues, we are literally cutting them. We're cutting their safety net right now because of policies like these. And instead of pulling back these policies, we're telling Nebraskans who are most vulnerable to make up the difference. And that's a conscious choice by the business community and the leadership pushing this bill because they haven't come forward with one solution for how to balance our budget. They haven't come forward with one solution to provide the existing level of care that these families and Nebraskans in need deserve and are fighting for, are begging for. But you know what they have come forward with? Their handout for individual corporate-- for individual income tax cuts, for corporate tax cuts, for tax incentive programs. Now in their third iteration. And now again for more in LB1165. $50 million more. So I'm sorry to the families and I'm not going to read their names to protect their privacy. A Nebraskan with autism and implants and intellectual delay and seizures and intermittent vomiting and incontinence who had the support they needed to stay in their home with their family and the care has been pulled out from underneath them and they're begging the Legislature to listen. And we said, I'm sorry, corporate tax incentives are more important. A Nebraskan who was on the developmental disability waitlist for 9 years finally got approved in 2023 and now, through your cuts, the rug is pulled out from underneath them and they've lost services.

ARCH: Time, Senator.

CONRAD: Thank you, Mr. President.

ARCH: Senator John Cavanaugh, you're recognized to speak and this is your third opportunity.

J. CAVANAUGH: Thank you, Mr. President. Good evening, colleagues, after the dinner break. So I was listening to what Senator Conrad was talking about, and I appreciate that context. When we're talking about every decision we make here is in-- well, when it comes to allocating resources, at least, is in conflict with, like-- with another opportunity at doing something, and so it's about what's a priority and what's, you know, what are we choosing to do, but also what are we choosing not to do. And we choose not to do a lot of things. I remember earlier in this conversation, someone was talking about the need for rural health care, to invest in rural health care, and we're losing people in our communities. So I brought a bill last year that would have put money back into a nursing training program or nursing scholarship program that would have helped more folks get into nursing programs, particularly in community colleges in our more rural communities. So like in Norfolk, North Central Community College [SIC] has a nursing program and so getting those folks and tying that to getting a scholarship for folks to go into nursing in rural Nebraska. And was something we didn't-- decided was not a priority or a resource. And, you know, Senator Hunt and others have been talking about reasons why people choose not to live places, which is, you know, what is the, the-- welcoming this-- well, welcoming a community is, but there's also opportunities to make it so people prioritizing policy that will allow young people to get a start in life and so that was-- I brought a bill last year that actually got brought by another senator this year which was a first-time homebuyer credit and was told that was too, too expensive and not something we wanted to spend money on. It was, like, $1.2 million and it would have and if folks actually were buying homes, essentially, is where if younger people-- well, it wasn't age specific, but, of course, it was people saving for a, a first-time homebuyer down payment and choose not to invest in that sort of use of resources. And so I do think it is a, a valid part of this conversation about the incentives that we're giving to large companies to keep them here or to entice them to come here is-- does need to be viewed in a balance of what are the other things we're not doing and would hopefully be thought of in a context of is there another thing we could be doing that would have maybe a greater impact in drawing people here and retaining people? You know, just giving an incentive for-- gosh darn, I forgot what Senator DeBoer called it again-- but it was like a remodel incentive, the building, building maintenance funds, incentives have allowed companies to remodel their buildings existing structures or purchase them or some money for moving, white glove concierge moving service or something like that. Those are choices that we've decided in this bill is saying this has a better appeal to draw people here than other things like caring for folks with disabilities, helping them stay in their own home. That's aside from the idea of what is an investment, of course, of somebody staying in their own home and with the, the care that they had improves the quality of their life, improves their situation, but also perhaps is less expensive than other options. So I do think those are really important points and things to think about as we're deciding what is our priority to accomplish here. I, I think that you can certainly say it is incredibly important that we keep large employers like Union Pacific in Nebraska. And the question is, is there-- is this the best way to do it? Is the most efficient way? Is it the, the, the way that represents our values the best? Is it the way that has the best return on investment? And those are questions I think we should attempt to answer as we're pursuing this. I know we've had a conversation on a lot of topics. I've talked about this sports extortion, and I have other things I would say about that, but if there's time, but going to run out of time here, I'm sure there'll be other opportunities to speak later, so.

ARCH: Time, Senator.

J. CAVANAUGH: Thank you, Mr. President.

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

CONRAD: Thank you, Mr. President. Good afternoon-- good evening, colleagues. I'm probably not going to take up the other priority motion right away because I want to move to accountability votes on the substantive amendments. I want a record vote of who stands for white glove concierge services over people with disabilities. I want a record vote for who stands for a direct transfer of $5 million from our General Fund so that UP can buy new carpet and drapes, but not stand for people with disabilities. I want a record vote on those. And let me continue to tell the stories. A 26-year-old male with Down syndrome, who also has obsessive compulsive behavior and attention deficit disorder and autism, is nonverbal, is incontinent, lives in greater Nebraska near Lexington, has had a steady level of care since birth, ripped away, ripped away in recent months because of these cuts. And these new assessment tools which facilitate the cuts. The parents terrified for their child's future. Another parent who writes in about how their son had flourished on the A&D waiver and had care ripped away and went through the public comment and filed the appeals and noted no one cares about my budget or my son, but I feel like somebody should. I want to tell the story about another Nebraskan who had a consistent care plan in place, that met their medical needs, that met their family's needs so that they could have a few moments of respite, that they could continue working, doing everything right,

right? These folks are playing by the rules, did everything right. Have a loved one with significant medical needs got hit with cuts, got hit with caps, and now the care has been pulled away from them. And that's not as important to you as new carpet at the UP headquarters. And I want a record vote on it, and we're going to have it. There's more stories from our friends in Kearney. And their kids had a car accident and they had a severe TBI because of it and their health declined. They couldn't eat or use the restroom without assistance. They've had support and a safety net for 20 years. And now the funding is cut. To your district, Senator Clouse, but you know that. And that's not as important as white glove concierge service for UP execs and their new carpet and their drapes and another $50 million payout for behavior that they have already said on the record and in legal filings that they're going to do. If there isn't a but for argument, I don't know what is. There's another story for an adult male with intellectual disabilities and Down syndrome who has autism and primary disabilities, who had a safety net in place that met their needs and their family's needs. And they lost services because of these cuts in assessment tools and budget cuts. And they hope somebody listens in state government. I'm listening. And I thank you for your bravery and your advocacy. And we'll have a clear record vote for history and for these families that you can explain to your constituents about why, in terms of setting priorities, you think a $50 million sweetheart deal to Union Pacific for behavior they've already committed to do is more important to maintaining the safety net that has served our families and our communities well. And we'll have plenty of time in the ensuing debate to work through the rest of the Auditor's recommendations to put actual guardrails on these kinds of programs,--

ARCH: Time, Senator.

CONRAD: --not rhetorical ones. Thank you, Mr. President.

ARCH: Members, the question before the body is the bracket motion. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

CLERK: 7 ayes, 30 nays on the bracket motion, Mr. President.

ARCH: The motion is not successful. Mr. Clerk.

CLERK: Mr. President, next item, Senator von Gillern would offer FA1081 to the committee amendment.

ARCH: Senator von Gillern, you're recognized to open on your floor amendment.

von GILLERN: Thank you, Mr. President. I'm just going to speak on this for a short time and then probably withdraw the amendment. I just wanted to take this opportunity to make a few comments. I wanted to restate something that was said earlier with regards to this GDP growth, because that seems to have taken on a little bit of a life of its own. If you say something over and over again, apparently it's taken as fact. Senator Raybould provided some information. I'm looking through all my notes here. I don't-- I'm not finding-- laying my hands on it right now, but she provided a, a publication that showed that in the first quarter of 2025, Nebraska ranked last in GDP growth, that we had a minus 6.1 ranking of GDP, which is obviously as bad as it gets if you're the last state. What she neglected to say was that that is the worst quarter-- I searched from 2022 to 2025-- that's the worst quarter that we had out of all of those 3 years. And in the next quarter, in quarter 2 of 2025, we had a 5.2% growth, which was the 6th best quarter in the nation, 6th-- or 6th best ranking in the nation. In the third quarter we had 5.0% GDP growth. So I, I-- just it's really-- and, and I'm probably guilty of it as anybody, we pick and choose the statistics that, that work for our argument, but that, that one doesn't work well. Pardon me. Now, the other thing I want to talk about just briefly, and I addressed this earlier and I'm just going to hit on it again, is the Auditor's report regarding incentives. And, again, we did, we did our briefing in February on LR126. LR126 was, was inspired by the letter from the Auditor in February of 2025, which was-- it was a long report with a cover letter that, that spoke very negatively about incentives, the costs of incentives, and, and some of the unintended possible outcome or possibly unintended outcomes of incentives. And I remember when that came out because I had a meeting with the Mayor of Omaha the next day and, and it-- part of the-- one of the things in that letter that was severely talked negatively about was TIF and that conversation was a little interesting. But anyway, regardless, so that inspired the, the LR to be done, the, the study to be done over the summer, which my staff did, which did a terrific job and we did a briefing on that. The, the items-- the concerns that the Auditor raised were almost entirely related to the Nebraska Advantage Act, which, again, and I mentioned this earlier, expired in 2021. So it-- it's, it's basically old news. The other point that he made, and he, and he hit on this again in his letter in February of 2026 was the negative impact to cities and municipalities of the incentives and how that was a possible unintended consequence to them. But, again, and I, and I said this publicly, and I'll say it again here, I find it fascinating that to, to date, to this date today, I have not had a city ask to meet with me, come to talk to me, I've not had lobbyist come and talk to me about the negative impact of incentives on their city's budgets. Now that, maybe that's indicative, maybe it's not, but as the Chair of the Revenue Committee, I would think that if they're going to make a stop somewhere in the building, my office would probably be close to the, to the top of the list. Because that's, obviously, certainly under our purview and something that if it was a negative impact that I would take very seriously and, and seek to, to resolve if there was anything to resolve. So, so not-- and I don't want to discount anything that the, that the Auditor raised in these reports because some of them were valid concerns that we needed to consider, but, again, most of them are old news. They're yesterday's news. We're not-- most of them had-- in fact, I'm, I'm drawing a blank on anything that was related to ImagiNE, which is our current program, other than the impact to cities and municipalities. Which, again, if that's, if that's an issue we need to be concerned about, I invite somebody to come talk to me about it and then I'm happy to have that conversation. Also with regard to incentives and the Auditor's comments was an increased level of transparency and auditability. Number one, that happened-- the ImagiNE program increased both of those over the Advantage program, so it got better under ImagiNE. And then our LB1165 has even greater transparency, in my mind, as far as what information is available and can be reviewed. So I think those were the, the most salient comments that I wanted to make before we voted, and I just wanted to take, or before we move on, I just wanted to take time to, to highlight a couple of those points. And with that, I will withdraw FA1081 and also the following amendment, Mr. Clerk. Thank you, Mr. President.

ARCH: So ordered.

CLERK: Mr. President, Senator von Gillern would withdraw both FA1081 and FA1082. Senator Conrad would move to amend with AM2881.

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

CONRAD: I'm sorry, did you say AM2881?

ARCH: AM2881.

CONRAD: OK, very good. Thank you. Thank you so much. I, I believe that this is the amendment to strike the substantive component regarding a, a $300,000 appropriation to an entity like, I guess, the Chamber of Commerce who will be the recipient to create a white glove concierge service to assist employees and executives who may moving here from, I guess, Georgia or other, other states, other communities, because UP has committed to maintain their corporate headquarters here. So I am not naive to the fact that in corporate America there are supports for recruiting top talent, helping them and their families get settled, getting ingratiated into the communities for which they'll live, finding a good neighborhood, connecting with the church that works for them, understanding, you know, the, the pros and cons of different school systems and cultural amenities and assistance with packing and assistance with moving and unpacking and all of these other different kinds of things. I understand that is part of recruitment and retention benefits and services that happen in, in corporate America. My contention is quite simple, they should pay for those themselves. They should pay for those themselves. And then I've also heard people say things like, well, it creates a website. A $300,000 website? Did anybody get, like, a breakdown of what that appropriation might look like or that grant requirement might entail? Shouldn't different visitors bureaus and the communities themselves and the chambers themselves have those kinds of resources that talk about our quality of life, that welcome new Nebraskans into our communities? I think they do. I don't understand why this additional small, but I think offensive, appropriation is contained in this package. And, again, we're cutting services for veterans. We're cutting services for the homeless. We're cutting services for kids with disabilities, for adults with disabilities. But we're finding a way to write a check to the Chamber of Commerce for white glove concierge services. These are not defined in the bill or the amendment. These are not my descriptions. This was the testimony of Governor Pillen's representative at the committee level, describing what the components of the legislation would be. I happened to watch the committee hearing because I was there for another bill. And I went back and I read the committee transcript in preparation for this debate. That's their words. The same language was utilized on the fact sheet distributed by Union Pacific and their representatives about what this legislation does and does not do. It's not defined. I think it's unnecessary. I want a record vote on who supports it. Thank you, Mr. President.

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

RAYBOULD: Thank you, Mr. President. Good evening, colleagues. You know, I'm, I'm kind of fixated on the fiscal note for LB1165. Senator von Gillern knows, because we've talked about it. And it's on the last page of the fiscal note. And I don't know if you colleagues want to look at it for LB1165, but they detail it out of fiscal year 2026 to 2027, 2027 to 2028, and it goes on all the way to 2032 to 2033. And the thing that I wanted clarified from the Fiscal Analysts, because I found the numbers to be incredibly high, and I wanted to double check and see if I was interpreting them correctly. And we, we have established that this was on the white copy. I want to be really clear that when it advances to Select, we hopefully will get greater clarity on the actual fiscal note. But I sent a quick email to the Fiscal Analyst and I said do those numbers on that last page of the fiscal note represent the-- only the increases established in LB1165 to some of the programs or do they represent that entire program? And then he responded back that, no, those increases, which to be technically correct, loss of revenue, reflect those elements only mentioned in LB6-- LB1165, and not the entirety of that incentive program. It's just the modifications that were made. And so, I mean, colleagues, if you look at that page, you can see for this fiscal year, fiscal year 2026, it lists a revenue loss of $8,760,000 plus the $5 million Site and Building Fund transfer for LB65 [SIC]. So $13 million for this, this 1 year only. And so I, I-- I'm a little troubled by that, but I, I want to keep an open mind and see what the new fiscal note would be. That's a lot for any program that has been presented before us for this session. At the very beginning of the session, I remember Speaker Arch reminding us of our deficit and the likelihood of any bill being taken up and seriously considered should not have a fiscal note if you would like to see it move forward. So, again, that is very troubling to me to see this high dollar amount and how are we going to deal with it. It's been a, it's been a tough session with a lot of cuts that we've seen to programs that we care about. But I think the comments from Senator Cavanaugh and Senator Conrad really hit home with me if you just look at the people that are being impacted by these cuts. And I know that each and every one of us in this Chamber, particularly those for the, the senators who will not be back next year, feel very deeply about the position that we're leaving our state in. I deeply care. I want to do my job to the best of my ability. This is my last session. I want to put our state in a better fiscal position. I feel like it's my sworn fiduciary duty to do so. But as we all know, we can't do this job alone. We need to have the support of our members. And that's, that's what troubles me, because, you know, when we started this year, we were like, oh, my, you know, we have a $474 million deficit and, and something that we thought was readily dealt with last year. Well, I think our, our scenario for next year, I don't want to be bleak, but it's, it's an uphill battle. Because even with the forecasters modifying their predictions, we're still looking anywhere from a $750 million to maybe $825 million deficit. And I'm, I'm troubled. Where-- what tools do we have to cut or swipe? We are, are taking funds from things that are unconstitutional. So I'm, I'm troubled by that, and I, I want to do the right thing for the people of Nebraska, always and everywhere. And no one needs to tell me what to do-- what, what that is to do, as we each know what we should do.

ARCH: Time, Senator.

RAYBOULD: 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 AM2881, getting late in the day, harder to read up there. First thing I did want to read, I had an email from a constituent who must be watching that is labeled budget priorities. So they're just contacting as a constituent, like to share their thoughts. They would like to see funding for arts and culture programs, clean water, projects and renewable energy, in general, education, including community colleges, public schools and university funding, like to see funding for disability, deaf and blind support, reducing corporate tax cuts, and ensure that veteran services continue as well as mental health services. So, you know, folks are watching and they do care about a diversity of things that are not necessarily represented in some of the things we talk about all the time. So AM2881 strikes Section 25 of AM2504. And that section sets up the Department of Labor shall establish a grant program to provide additional support for the implementation of workforce retention and workforce attraction plans. Grants should be made available to economic development organizations that assist employers experiencing a change in ownership and control as defined in subdivision (3) of Section 3 of this act. The total amount of grant funds awarded pursuant to this subsection shall not exceed $300,000 for purposes of this section, employer, it has the same meaning as in subdivision (6). The grant awards pursuant to subsection (1) of this section must be within 10-year period immediately following the change in ownership and controls defined in subsection (3). And then prior to the award of the grant pursuant to subsection (1) of the section, the economic development organization must apply to the department for grant. Grants will only be awarded to an economic development organization if such economic development organization submits to the department a retention and location plan application. It shall include the name of the application-- applicant and the contact person for such application, information regarding the applicant's qualifications as an economic development organization, a narrative description of the employer's retention and relocation plan to retain within the state or relocate to the state employees during 7 years following the change in ownership and control of the defined subdivision (3) of this act. The amount of funding requested is subject to limitations of this section and any information the department may require. The funds available for the grant in any year are-- if the funds that are available for grant in any year are insufficient to provide grants to all eligible applicants, the department shall prioritize awards to the retention and relocation plan of employer with-- of the employer with the largest average number of employees within Nebraska during the 10 years prior to the employer's change in ownership and control as defined in subdivision (3). So I know I kind of read that quickly, but I just thought that might be a little helpful. Basically, what it says is it creates a $300,000 grant over 10 years to go to an economic development organization that has submitted a plan and that can be used for relocation and retention. And so I, I, I don't know what purposes the retention money would go to if somebody was already living here. We've had this conversation where we said, you know, it'd be great to have somebody come and say when you move to this community, here's whatever, you know, here's the, the social groups you could join, churches you could join, here's help finding a, a house in a neighborhood and connecting your kids with schools and things like that. So I, I do sort of understand the need for some of those help and services. And then, of course, moving people, actually moving boxes and things like that. I think that is something. But retention, I don't know what that money would be for, for people who are already here. And then, also, if it's intended that the priority is over-- is companies that have the most employees here as opposed to it's not prioritizing bringing the most employees here. And so it would be used specifically for-- well, I don't know. I guess I don't know what it's going to be, how it's going to be used, utilized. And it does seem like in the grand scheme of things, this is a small carrot for recruitment and retention of businesses to move to Nebraska, especially since we prioritize businesses that are already in Nebraska with the most employees and moving new people here. But it does seem like something that maybe is, you know, if we're saying, well, we're really tight on funds and we have to make cuts somewhere, it does seem like the white glove concierge moving services is the place where we could stand to cut a little bit. So I'm in support of AM2881. Thank you, Mr. President.

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

McKINNEY: Thank you, Mr. President. Just rising up again and looking at this thing that was handed out. So they're going to be required to employ a minimum of 3,000 employees, offer competitive benefits that may include health care insurance, childcare, and 401K. I think it should be shall include health care insurance, childcare, and a 401K, hire a minimum 500 employees. And then pay those new employees an average of $100,000 annually for a minimum of 10 years generating $500 million in wages. I guess what I'm struggling with, or not struggling, I'm trying to understand and, OK, they're going to hire 500 new employees that are going to make 100K. Where are those new employees coming from? Where is the job program for these new employees? I'm just trying to understand what are, what are the qualifications to make a 100K? What does a person need to be able to take advantage of one of these jobs? What is the talent pool of the potential 500 new employees, especially the talent pool in the state of Nebraska? That's what I'm curious about that makeup of that 500 new employees. I think that's a good question. I, I would love to see how are they preparing people to be able to get a $100,000 job? It's a lot of money, definitely, you know, above our state's average wage, which is good. I think, you know, people should be compensated for their talents and skills, especially with our affordability crisis in, in this country and in this state. So I'm just wondering, you know, the makeup of the 500 employees, will these-- will there be an emphasis on making sure these 500 new employees are organically hired from the state or is this going to be a national talent search that would attract 500 new employees? And I think that's important because it goes back to this whole conversation about why people stay, why people go. Yes, we need to retain jobs, but we also need to retrain people. And I spoke a lot about people not feeling like there are realistic opportunities in the state to actually make a livable wage. And I'm not talking about people, you know-- and, and I want to clarify this and provide context. A lot of people that I know that moved away that are doing great, they have if not one, multiple, multiple college degrees, masters, those type of things and they still found it hard to make, you know, wages that actually compensate them for their education and what they did. They've done the work. The resumes and other places obviously stick out more than they do in this state for whatever reason. So how are we making sure we're retaining talent? Not just we need, we need to keep these jobs, but how are making sure the people that we have, the people graduated from our high schools and our colleges and universities are actually the ones taking these jobs, you know? That-- there needs to be a-- I need a clearer, a clearer understanding of who's taking the-- how are we prioritizing Nebraskans that are living in Nebraska? Since this is a retention bill, we should-- I don't know, I'll go back through the bill with their language to say there needs to be priority for people, or prioritization for people living in the state. And they need to show those numbers. And if they don't meet a certain threshold, they don't get the incentive. So let's say they need to hire 70% of people that are already in the state. And if they don't meet that, they shouldn't get the incentive. Just a thought. But that's what I'm trying to wrap my head around. Like, how are we retaining talent, not just jobs? If we're hiring 500 new employees and it's going to generate $500 million, I think the emphasis should be on Nebraskans in Nebraska. And it shouldn't just be let's do a national talent search.

ARCH: Time, Senator.

McKINNEY: Thank you.

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

RAYBOULD: Thank you, Mr. President. I wanted to take some time. I know I appreciate comments from our constituents. I think they provide great insights on our debate here and what they think and what they believe we should be doing and focusing on. This one individual spent a great deal of time and came up with 12 pages of suggested budget cuts of-- and very comprehensive recommendations from a person I believe probably had worked in state government for a number of years. I just wanted to read a few of them, just so you get a taste of, of what they're thinking and saying. And I got to tell you, it's really small print of 12 pages of very detailed recommendations. But the one I like, set a firm sunset date of 8 years for all spending laws and programs not mandated by the Nebraska Constitution. Such would force legislators to debate extending a program and to vote either way on a program that had failed. Freeze increases in legislative expenditures for one budget cycle. Legislative spending could not exceed anticipated revenues in a fiscal year. That's not a novel idea, but it's an interesting one presented. Restrict annual state spending to the increases in the consumer price index, or 3%, whichever is higher. Force all state departments and agencies to cut their annual budgets by 3%, 2%, or 1%. Require every state agency department to implement zero-based budgeting, justifying all spending every fiscal year. Stop all budget increases for agencies that fail audits. I was very intrigued by that one. I think that, that is a very interesting suggestion. Mandate performance audits in every state department and agency to determine quality of services to money spent providing them. I know a lot of states have incorporated that type of performance-based audits. It gives them a, a better handle on programs that are actually succeeding in their outcomes. So yesterday we had conversations on the YRTC and a lot of the-- the, the idea was let's just play kind of dominoes and move parts and pieces around but we forget that they're, they're youth and they're human beings, and that the focus was on saving money that way, instead of focus on the actual outcomes. So we carried on a conversation because, of course, I really geek out on stuff like that and I thought it was very interesting. And then he also raised a suggestion about, you know, transitioning from a defined benefit program to a defined contribution program, and I explained, you know, many cities and municipalities have attempted that, but it is just literally cost prohibitive because you are forced to maintain two pension programs at the same time, and just the cost of doing that to maintain those two separate pension programs for all the new hires, they come in with a defined contribution, but all the existing hires, that those existing hires have to either be paid out or that funding level has to be maintained and it's almost even double to try to do that. Many communities have looked at it. But I, I really appreciate his last comment because I think he appreciated the fact that I did read through all of his really copious suggestions on how better run our government here. And then his final word to me was, I appreciate your review of the items. And believe the deficit really needs to be mitigated, our state cannot keep digging a hole. And that, that was sort of part of my sentiments as we deal with, with our budget. And, and I don't mean to be harsh or critical, but sometimes I feel that we are all in denial about the reality of our budget and what we're trying to accomplish to put us in a better position for the next biennium. And then we're doubling down on our positions and not willing to, to reach out and compromise. I know Senator Hughes had a wonderful compromise ready to go that would have addressed a lot of issues. And then the last thing which, which made me chuckle as I read this comment is that we're digging in. We're digging into our positions and not maintaining an openness to look at real solutions. And the other thing is digging in is really just compounding the problem by looking at business incentives at this point in time. Business incentives are good, but this comes with a high price tag at a time where we don't have our fiscal house in order. We need to create that stability and predictability that businesses really care about when they operate.

ARCH: Time, Senator.

RAYBOULD: Thank you, Mr. President.

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

von GILLERN: Thank you, Mr. President. I rise opposed to AM2881. I just want to make a few comments about this. The-- this term, this term white glove concierge service, again, it's like a lot of things. It's kind of taken on a life of its own. That is a marketing term that relocation companies use. You can read all 60 or so pages of this bill, and you're not going to find that. What you're going to is that there's a budget for relocation and retention services. What that looks like is going to be a decision that's made by the applicant in the best interest of recruiting people to come to work in Omaha. It would include-- and I, and I looked at what the, the railroad did in Atlanta-- I don't even want to say the name out loud-- that what they did when they brought people there and, and in their relocation services they listed things such as a site visit for spouses and families. And I know that's incredibly important. I shared earlier that I had moved across country three times. There was a time where I moved across country and rented a home without my wife seeing it. And that was a very interesting, challenging thing to do. That'll test your marriage, I can tell you that. Relocation services, you know, physical services, such as moving and those kinds of things. Helping, helping applicants and helping potential relocatees understand things like neighborhoods, public transportation, food and culture, activities and recreation, education, health care, banking, church services, all those kinds of things are important to getting people ingrained and getting their roots down in a new community. It's, it's-- and, again, having-- we talked about this on an unrelated bill before, but the worst thing in the world is people move here and they don't like it. They don't understand it, they don’t know the way around town, they bought a home in the wrong area that's not-- isn't a good fit for them. Whatever it happens to be, they're in the wrong school district, whatever it happens to be, the worst thing to do-- that could happen is that they come here and don't want to stay here. This is all about getting people here and making sure that they turn into lifelong Nebraskans and that they're productive employees. Quickly, I did want to hit on some of the questions Senator McKinney that you asked about the employees. Senator McKinney, yep, you're still here. Page 31 from lines 14 and down talks about the additional employees and, and the short version is the applicant has to hire 500 additional employees, they have to be newly employed by that employer. The only way that they can utilize an existing employee is if they come from out of state and they transfer here. So they're motivated to hire people both from Nebraska, and it's an equal motivation from Nebraska and or out of State Nebraska and recruit those people. The best people that they could find, obviously, is what they're looking for. So just wanted to respond to a few of the questions and comments that have been made. Thank you, Mr. President.

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

CONRAD: Thank you, Mr. President. Good evening, colleagues. Appreciate the additional information from my friend Senator von Gillern. Again, there's very limited, if any, information and parameters in the statutory proposal before us in the committee amendment in regards to the utilization of that $300,000 for that specific grant program. So I do appreciate him adding some more color to what that component of the legislation might be. And I did have a chance to find that in the committee transcript, it was not readily at the, the tip of my fingers when I had the opportunity open on this. If you look at page 5 of 25 of the committee transcript that the committee hearing was held February 25, 2026, and if you look at the testimony of a name very familiar to us, Kenny Zoeller, great public servant, who was testifying on behalf of Governor Pillen's Policy Research Office and sharing Governor Pillen's support for this amendment, for this measure, he noted that the grant program would be created through the Department of Labor that will help to attract new Nebraska residents through a white glove concierge relocation and recruitment program. And, again, then that same messaging and language was utilized on a fact sheet that proponents of this measure have, have been passing out. So a few members have asked me, well, what is that grant program? What exactly does that go to? And I said, well I, I don't know. And that's why I have an amendment to take it out. It seems really out of touch and murky at best. Friends, we have turned down amendments on the budget for less, for far less, to protect services at the libraries, for example. I think that amendment lost, and I think it was like $30,000 or $40,000 to stop cuts at the library in our budget because we couldn't afford it according to this Legislature. But this Legislature is contending through this proposal and I'm giving a chance to fix it with this amendment that we can somehow afford $300,000 in new funding for a grant program to the Chamber or whoever else for a, quote unquote, white glove concierge relocation and recruitment program from the stakeholders' fact sheet pushing this forward, from the testimony in support of this measure from the Governor's representative. That's their language and messaging in terms of that component of the package. I think it should come out. Thank you, Mr. President.

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

HUNT: Thank you, Mr. President. I am listening to Senator Conrad and others in the queue who have been speaking about different cuts in the budget and how much that cut really was versus the value that taxpayers and our neighbors in Nebraska get from the services cut by those, by those changes to our budget. And not being on the Appropriations Committee and having the hard drive pretty full as I, as I call it, to, as Senator Dorn would say, brain's kind of full. So it's hard to, it's hard to keep all that in my head. And I know that Senator Conrad has spent so much time, like, accumulating research about this and following the bills and making notes. And if you go over to her desk, colleagues, you can see all the binders that she has of all the notes that she's been able to put together on bills like LB1165. And I am learning from her about, you know, the cuts to the library, how, how little money that really was compared to this incentive that we're trying to give out with LB1165 to pay businesses to stay in Nebraska using taxpayer funds. I think that there are cases where I would certainly support using taxpayer money to incentivize businesses to invest in our state, but I think that especially given our fiscal situation, those investments have to be so laser-focused targeted and they have to really have some proof that it's going to pay off. And everything that I've heard from the context around LB1165 is that the urgency is not there. These are not businesses, this is not a company that's going to leave Nebraska. And if they were, colleagues, I mean, I, I do think that there's a point where corporations come to us with their hand out, and we have to say no. People in this body talk all the time about, you know, saying these kind of infantilizing things about, about Nebraskans, about workers, about our neighbors, when they want services, when they want, you know, improved investment in different things that we have. And you say, well, sometimes you have to tell them no, like a child. I have five children and sometimes I have to tell them no, and somebody's not happy, but that's what it means to be dual leadership. And you know, I've heard people in here say things like that over the years, and the same energy has to be given to corporations and businesses that you are giving to the workers and the people who make those corporations successful. Of course the businesses are going to come to us with their hand out. They've got people earning whole six figure salaries whose job it is to literally do that. It's a revolving door in here, right? I mean, there's, there's a handful of us who are probably going to go on to do a job exactly like that after we're done with our time here in the Legislature. And they're just doing their job, which is to come to us with their hand out. And there has to come a point where we have to do our job and say no. Say look at the balance sheet. There's no money in the bank, man. I wish I could help. We gave them plenty during COVID. We give them plenty when, when times are good. But you open the wallet and a moth comes out and there comes a point where you have to say there's nothing more I can do for you. Doesn't mean we don't love you. Doesn't mean we aren't grateful for what you've done, etcetera. And it doesn't mean that we can't in the future. It's just today, it's got to be a no. I think whether you consider yourself a fiscal conservative or a defender of public services or someone who just wants to make sure that taxpayer dollars are being used wisely, LB1165 should raise some alarms for you because it sets us up for a massive loss of state revenue with no guaranteed return. It's an investment, but you know what else you could call an investment? A bet. And I don't think it's a good bet, because the company's not leaving if we don't pass this bill, and we're going to be in a worse fiscal situation if we do. Can't fund $30,000 for the library, but we can do this. It's not aligned with my values. We represent people who are worried that their kid's school is going to stay accredited, that their county has an ambulance provider that can work quickly, whether they can get their loved one to a hospital without driving 90 miles. And these are the things Nebraskans talk to us about. You all hear it, too. Not corporate tax credits, not giveaways for businesses, not reaching into their pockets to make sure that a, a corporation can get a nicer website or new carpet, not wage subsidy programs that disproportionately benefit large firms. So, once again, we're being asked to choose between giving away millions of dollars to corporations.

ARCH: Time, Senator.

HUNT: Thank you, Mr. President.

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

McKINNEY: Thank you, Mr. President. So I'm going back to this page that Senator von Gillern referenced about the 500 employees. And if I'm reading this right, I don't think there is a prioritization for Nebraskans. Would Senator Conrad yield to a question?

ARCH: Senator Conrad, will you yield?

CONRAD: Yes, yes, absolutely.

McKINNEY: All right, so I'm reading this and it says: The average annual wages for such additional full-time employees must be $100,000 or more. Such additional full-time employees must be (A) newly employed by the taxpayer in this state, (B) an existing employee of, of the taxpayer who transfers from a position not within the state to a position in this state, or (C) a new employee of the taxpayer who relocates to a position in this state. Am I reading this wrong to say that actually they're not actually in this bill, no incentive to hire anybody in the state because of the--

CONRAD: Yes, I think-- yes, Senator. Yes, I, I think you are reading it right. I think that, as I understand it, the goal from Senator von Gillern and the Governor and others pushing this forward is to utilize this tax incentive program to incent the hiring by one specific company, UP, of folks in other states to bring them to the corporate headquarters or bring them to the yards in North Platte or wherever it might be, or to relocate folks who are already working for UP in other states and bring them here. So I, I think you're right, as I read it, that's the general goal of the bill is to provide, you know, a $50 million cap incentive for UP to bring their out-of-state employees that are already working for them to Nebraska and then to bring in, I guess, employees of the target of their merger who work in other states. That may be a simplistic description, but I, I think that's the goal.

McKINNEY: OK, so when-- I'm looking at this handout, it says hire a minimum of 500 employees. We're not actually-- this is not actually attempting to hire 500 new employees that already are in the state.

CONRAD: Yeah, I mean, again, you'd have to ask UP or some of the senators pushing this. I'm guessing that could probably happen a variety of different ways. Maybe there's some new hires here. Maybe it's a combination of new hires here and UP folks who work in other states coming here and then employees from the other merged company or whatever who might be coming here. I, I think that's the idea, but, again, I-- I'm not a proponent of the measure, but I think your, your general point is right, is that this is not targeted solely to Nebraska employees. It's trying to get more people to Nebraska, I guess.

McKINNEY: OK, thank you. And I guess that is my issue. Maybe I would be more open to this bill if there was specific language saying we're going to hire 500 new, new employees and let's say 70 or 80% of those individuals need to be current residents of the state of Nebraska. And that might seem like a high bar to meet or whatever, but that is the intent of the reasoning that I have. We should be giving Nebraskans, current Nebraskans, jobs that pay $100,000. I'm cool with people coming in and attracting new talent. But when we have issues with people not wanting to stay here because of ceilings and glass ceilings and those type of things, I think there should be a priority to tell them if you want this incentive, hire at least 70 or 80% of people that are already in the state and give them those $100,000 jobs. And if they-- and you feel like they're not qualified, make sure they get skilled up to take those jobs. That's just my opinion, maybe some people feel like I'm wrong, but I just think with this amount of money priority should be placed on the, on the taxpayers that are going to pay for it. Thank you.

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

SPIVEY: Thank you, Mr. President, and good evening, colleagues and folks that are still joining us. I appreciate the dialogue and have been listening and following along. Two things that I wanted to uplift, I feel like there has been kind of two paths of conversation. The first, the first path, I would say, is really around our approach to economic development in the state, which I really appreciate. Since coming into the body, I felt like I have, I have tried to prioritize economic development policy that feels more comprehensive from the committee structure to just the, I think, sheer nature of the institution. We tend to think about economic development siloed, housing over here and then urban areas that's in Urban Affairs, economic policy. I think this year it was referenced to Banking, Insurance and Commerce. You have some in Business and Labor. Some things that are rooted on the revenue side go to Revenue. I brought some economic development policies that went in front of Exec Board. And so, again, I think how we are thinking about from a state perspective our priorities and, as senators, what does that look like from the policies that we pass and how we debate I have heard as a clear thread on the floor tonight, which, again, I appreciate the conversation because I do think it's something that we need to wrestle with. I have spent a lot of time with some of my colleagues like Senator Ibach and Speaker Arch, thinking through these things, Senator von Gillern, around what is it that this could look like, what is the potential now, what's in front of us, which seems more urgent, right?

We have bills and decisions that we need to take action or no action on. And then how do we think long term, the decisions that make now and the work that we do, how does that set our state up for long-term economic impact and growth? Eespecially for districts like mine, I talk a lot about the diversity of income and families and jobs, where I have a country club in my district and folks that are able to navigate the world in a way in which they want to, and then folks trying to figure out how to make ends meet. A lot of people that are underemployed working two jobs. And then other social drivers that impact that, right? So schools, housing, childcare. So, again, thinking about economic development comprehensively. I do have an LR, and I appreciate Speaker Arch for working with me on this and other interest groups around how do we start to inventory and catalog our activities? Because of term limits and because of, again, the nature of how we do our work, a lot of it gets siloed or we don't know what happened here or, oh, yeah, I forgot about that. We saw that play out yesterday with the history of the YRTCs and that recollection of what was, what was there and then what they hoped to ensure that we didn't forget. And so this LR would really start to catalog four key economic development activities that we have seen in the last couple bienniums of the Legislature. And then my ask and commitment of Speaker Arch was to really think about now what does that mean for future legislators? What does that mean for our state and how we think about this work and what are the right interest groups and partners, policymakers, folks on the ground to help continue that conversation? I think Senator Raybould talked about the convening that we, a lot of us went to in Ashland and, and some of those conversations that we had and so I think it's taking that a step further and really thinking about intentional policymaking and what does it mean from our priorities and our choices and how that's reflected in the legislation that we bring. Our budget, what we cut or not. And so that is one track that I have heard lots of threads around that I wanted to kind of couch in that I think is absolutely important and that we have to continue to uplift for the decision that is in front of us now and then going forward. And then the other thread was around just this inherent bill itself LB1165 and some of the concerns and opportunities that LB1165 would provide. And so I see my light is on but wanted to uplift and provide some thoughts and feedback as I've been sitting here listening intently to the dialogue and have appreciated the debate that is in front of us and will continue to listen as we take up AM2881 as well as the underlying Revenue AM2504 and then the bill itself LB1165. Thank you, Mr. President.

ARCH: Senator Conrad, you're recognized and this is your last opportunity before your close.

CONRAD: Oh, fantastic, thank you so much. And thank you to all the senators who've had a chance to weigh in thus far. So the subject in this particular amendment is a $300,000 appropriation for these, their words, not mine, white glove concierge services to assist with relocation. Again, I, I think that's great. I understand that communities and companies do this. That's part of economic development. This happens at DED, this happens at the chambers, this happens with the Visitors Bureau, this happens with the individual companies. Those are good things to promote our wonderful, vibrant quality of life in Nebraska, those should happen, they are happening. And if they're happening in a company a specific way, the company should pick up the tab for those. Particularly a company that has almost $140 billion capital market-- let me grab it here, $139 billion market capitalization for Union Pacific Corp, looked up yesterday, pays their CEO almost $18 million a year. They can pay for that $300,000 website if that's important to this project. It's a very small ask. We voted down $30,000 so that the libraries wouldn't get cut. We voted down $25,000 from Senator Raybould to ensure that the landscape architects don't get cut, and by the way, their entire budget is like $100,000. They took a $25,000 cut because we can't balance the budget. But then on the flip side, we can fund $300,000 in new money for things that are happening, should be happening, or should be paid for by the company that benefits. I want to get to a vote on this quickly so that we can get to the next amendment so I don't-- I'm out of time, but I'm not going to ask anybody else to yield me time. This is a serious amendment. It's a small amendment. I think it would be a step in the right direction to making this proposal more palatable and nobody's really described why it's absolutely necessary to have this new appropriation while we still have an unbalanced budget to assist with corporate relocation. Thank you, Mr. President.

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

RAYBOULD: Thank you, Mr. President. I appreciate that very much. I'll try to be quick as well. Once again, I'm fixated on that fiscal note. In totality, it would cost the state of Nebraska $80 million. I, I know that there is a, a return on investment. It's hard to get your hands around that, but $80 million is one of the largest asks of this legislative body that I can think of. And the Site and Building Fund would be the $5 million part of it. And I think we just spent a, a really very productive conversation on the YRTC and talking about the, the tremendous needs of some of the facilities for upkeep and maintenance and rehab and renovation. I think $5 million would go a long way on helping Whitehall which has, from what I understand, a very outstanding program that has terrific outcomes for the students. It's, it's sort of a pattern that is troubling about how we're taking on and tackling our budget issue. Senator Conrad mentioned that, yeah, we, we, we said, no, we're not going to give the Board of Landscape Architects $25,000 that we took out of their budget. We weren't going to reinstate it, even though they have a smaller budget. We awarded, we awarded Niobrara River Council, I believe it was $36,000. And that was a very troubled council with their easement management and their outreach for community workshops and things like that. That it even had an audit to show that they were not substantially performing their duties. That was one of the reasons why federal game and parks, federal U.S. parks declined to continue to work with them because of their failure to provide adequate summation of the work that they were doing. Another example that somebody handed me recently was the Tourism and Sports Commission. You know, they are-- they have a tourism board and they award a, a substantial amount of grants out each year. But this year they were saying that they had awarded all the grants. One of the grants was for $60,000 to Omaha Sports Commission to host a volleyball tournament. So they did award them $60,000. And I guess they received pressure from the administration saying, no, we want the entire $175,000 pot of money you have. And so they had to give that up. It's, it's disheartening to see the way we're handling our budget and our priorities. I want to read just one comment from one of our constituents that sends it in as we're debating on TV. They're commenting, which is interesting: Dear Senator von Gillern and peers, when you say this bill will help when people move here for a new job, I think it has to be with UP, right? They will get white glove treatment. But then you said it will also help them with finding the right place to live in the state so they don't buy a house in a bad neighborhood or pick a bad school. We were thinking that you and other legislatures were-- would work on fixing the perceived bad neighborhoods and schools, not look for us to pay a company to lobby homeowners association so some people can avoid going to the wrong side of the tracks. And so it's the optics and the perception when we keep cutting from organizations and trust funds, and yet we're willing to shell out this amount of money to-- for a business incentive that is quite costly when we're struggling with our existing deficit and anticipated double, double, double deficit for next year, double what we have right now and we're going to be facing that same thing next year. I think sometimes that these policies that we choose to embrace and just jump in wholeheartedly are usually not in the best interest at this point in time in trying to really stabilize our current fiscal situation. Thank you, Mr. President.

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

JACOBSON: Thank you, Mr. President. Well, and as I began, when you look at this incentive package, this incentive package they pay before we pay. We're giving them part of the new money that they create from the new employment that occurs. That's how economic development projects ought to work. I would also tell you that some people have asked me, well, what's western Nebraska getting out of this? I'll give you an example. Bailey Yard in North Platte was the largest rail classification yard in the world. It's still fairly large, they have a significantly number, number of employees. And I will tell you that when a company upscales their benefits package to include childcare with what's being offered in this package, you have to provide that childcare package. If you offer it to people in Omaha, it gets offered company wide. So I can tell you that the unions in North Platte are liking this bill for that reason. There are significantly new benefits that are going to come to this-- to the same thing. So I, I fully endorse the bill. This is what we ought to be doing. This is a model for where we go forward. You need to have done economic development before to fully appreciate how this works. So I'm, I'm opposed to the AMs, I'm supporting the bill. Thank you again, Senator von Gillern. And thank you, Mr. President.

ARCH: Seeing no one left in the queue, Senator Conrad, you're recognized to close on AM2881.

CONRAD: Thank you, Mr. President. Good evening, colleagues. Thank you to colleagues who've waited. Senator-- my good friend Senator Jacobson, I just want to draw your attention to the fiscal note, of course, that will be revised once the committee amendment is adopted, but it is what we have before us today. And that includes an immediate loss of General Fund revenues of $8.7 million and a $5 million transfer from the General Fund to the Site and Building Fund directly to the corporation. So those initial costs, including this $300,000 new grant program for white glove concierge services actually are upfront, are actually not performance-based in that regard. So I, I do just-- it's listed on the fiscal note, and just wanted to clarify that from a technical perspective. I know this issue is important to you and you have an incredible connection to this company with the rail yard in your district, which is critical to our economy and important. We do need to sort out some of the, the childcare pieces because I think there can be good components there, but it is a little bit wonky and it's, I think, beyond just the scope of UP, but I think that is headed in the right direction and, you're right, that's something that we can find a lot of agreement about. So, colleagues, all this amendment does is strip the $300,000 for a new grant program that would provide, according to the Governor's representatives and those that are working on this legislation, $300,000 for white glove concierge services to assist with relocation and retention. I think those are important things to welcome people to Nebraska, but my contention is they already exist, and/or the company who will most benefit should pay for those and can pay for those. And public funds don't need to be utilized in that regard, particularly in a moment where we are going to have to suspend the rules because we can't put forward a balanced budget and have a huge deficit to fill that we're going to fill with increasing taxes and an even bigger deficit to fill in the biennium. So this is small, but meaningful. And, again, I'd ask for your favorable support. Thank you, Mr. President.

ARCH: Colleagues, the question before the body is the adoption of AM2881. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

CLERK: 9 ayes, 24 nays on adoption of the amendment, Mr. President.

ARCH: AM2881 is not adopted. Mr. Clerk.

CLERK: Mr. President, some items quickly for the record. Amendment to be printed from Senator DeBoer to LB935. New LR, LR432 from Senator Dover, LR433 from Senator Dover, LR434 from Senator Spivey, LR435 from Senator Spivey, LR436 from Senator Kauth, LR437 from Senator Ibach, LR438 from Senator Ibach, LR439 from Senator Ibach, LR440 from Senator Hughes, LR441 from Senator Andersen, LR442 from Senator Prokop. LR432, LR433, LR434, LR435, LR436, LR440, LR441, LR442 will be referred to the Executive Board. LR437, LR438, and LR439 will be laid over. New A bill, LB937A, from Senator Murman. It's a bill for an act realting to appropriations; to appropriate funds to aid in the carrying out of the provisions of LB937. LB1165A, introduced by Senator von Gillern. It's a bill for an act relating to appropriations; to appropriate funds to aid in the carrying out of the provisions of LB1165; and declare an emergency. That's all I have for items, Mr. President. As it concerns the bill pending, LB1165 from Senator von Gillern, Senator Conrad would move to amend the committee amendment with AM2879.

ARCH: Senator Conrad, you're recognized to open on AM2879.

CONRAD: Thank you, Mr. President. Good evening, colleagues. This is a serious and substantive amendment. It seeks to strike the component of the committee amendment that provides for a $5 million, $5 million transfer from our General Fund. It washes it through some cash funds, and it doles it out to one specific company that has plans to remodel their corporate headquarters at a time when we have a balance-- a budget out of balance, we've made cuts to veteran services, crime victim services, the homeless, people with disability, kids with special learning needs, the libraries, the list goes on and on. And this is a straight transfer for a very wealthy corporation that can pay for their own renovations of their headquarters and the taxpayers shouldn't have to foot the bill for. So this is $5 million and it's a lot of money, it's real money. Senator Bostar and Senator Machaela Cavanaugh have worked really, really hard to lift up awesome ideas about how Nebraska could join a growing rank of our sister states in providing universal school meals to kids in public, private-- public and private schools. Those proposals hover around $50 million. We could feed all kids in Nebraska healthy school meals and lunches and breakfasts for $50 million. That's, by the way, the same amount that we're doling out under this overall proposal. But they have smartly, smartly worked to refine that universal proposal to even a more modest yet meaningful ask. Recognizing that the free and reduced lunch program currently covers folks who qualify for free lunch and that many families perhaps can afford to buy lunches. If we could find $1.1 million in our budget, we could pick up the cost for reduced meals, healthy school meals for all kids in Nebraska for $1.1 million. Senator Cavanaugh had a great hearing on it. It's out of the committee. Senator Hunt has prioritized that measure. It's on General File. It has yet to make an appearance on the agenda. We're told by colleagues that we don't have the funds to cover it. We don't have the funds to make school meals accessible to more Nebraskans, benefiting kids in every district across the state, taking the pressure off of families in the middle of an affordability crisis, helping to be good partners with our, our schools and our families at the local level. We don't have $1.1 million to pick up the tab and make a meaningful difference for families who utilize reduced school meals. I ask you to compare that to a $5 million appropriation to allow one of the largest companies in the world access to taxpayer funds to redo their corporate headquarters. I'm happy to answer any questions. Thank you, Mr. President.

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

HUNT: Thank you, Mr. President. Would Senator Conrad yield to a question?

ARCH: Senator Conrad, will you yield?

CONRAD: Yes.

HUNT: Thank you. I'm trying to look quickly at the amendment, and I sent my staff home as well. Can you state again, what does the amendment do? I'm sorry.

CONRAD: Sure. So in drafting amendments, working with the Bill Drafters who are awesome, and my staff who is amazing, I asked them to put together amendments that did two things, and we filed them to the original bill, and we filed them to committee amendment, and we've triple checked that they were drafted in an accurate way from a technical perspective. This amendment, I believe is to the committee amendment and would remove essentially the $5 million allocation for corporate renovations.

HUNT: OK, so this is the, the stuff that people have been critical about saying it's for carpet and things like that.

CONRAD: Yes.

HUNT: OK. How much, how-- and, and if you don't know offhand, I'm not trying to, like, quiz you, I'm just trying to understand. How much does that then leave in the fiscal note, like $3 million or--

CONRAD: Sure. Thank-- thank-- yes, thank you, Senator Hunt. So if you look at the fiscal note and you kind of-- it's a little bit wonky, but if-- it will be updated. Senator von Gillern is exactly right, after the committee amendment, now has been adopted. But if you look at the fiscal note you can see in the first years, there's loss of revenue and then there's also an expenditure of $5 million. So this would axe the expenditure of that $5 million.

HUNT: OK, and again ignorant question, but I'm, I'm just going to ask. Is there-- it just says renovation. It doesn't say, like, what that would specifically be.

CONRAD: I don't think so. I think it just makes-- according to the fiscal note and the bill, the bill makes-- has intent language to transfer $5 million from the General Fund to the Site and Building Development Fund for '26-27 to support grants made to a key employer under the Site and Building Development Act.

HUNT: Thank you, Senator Conrad. OK, so it sounds like this is kind of a bulk of the fiscal note, honestly. And, again, I just, I just can't accept on its face, seriously, that there's a danger of a major Nebraska employer moving out of Nebraska if we cut $5 million for renovation that we would be taking from the pockets of taxpayers and gifting them, paying them to do business in our state. Once again, we're being asked to choose between giving away millions of dollars of taxpayer money to pay corporations and investing in the everyday infrastructure that Nebraskans rely on to live and work and raise their families. And somehow we're told that this is just good economic development, that this just what you have to do. And I feel like that's what we hear every single year in here, is there's a corporate incentive bill and it's painted like this is just what you have to do. And if we don't do it, we're missing opportunities. We're losing, we're losing workers. People aren't going to come here, you know, and I just don't think that the evidence actually bears that out. We've been down this road before. This is not new. Nebraska has a long history of experimenting with business tax incentives. We've copied what other states have done. We tried LB775. We've tried the Nebraska Advantage Act. We've created program after program promising each other that if we just get the right set of perks that businesses will come flocking, jobs will multiply, the economy will soar, all will be well, we'll have more revenue, we'll have more money. But I think that there have to be other solutions to growing Nebraska besides paying companies that are already planning to stay here to change their carpet, to have a renovation. Because what have we gotten for it? What have we gotten over the years for all of these investments? I think that if we compare what we've given away to corporations with what we have taken away from Nebraskans in terms of access to SNAP, the school meals that Senator Conrad was talking about, that is Senator Machaela Cavanaugh's bill that I prioritized that has a very low fiscal note. I know that Senator Cavanaugh is working on ways to find that money so we can get that to the floor. But these are the types of investments, many of them at no expense to taxpayers at all, that I would like us to have enough curiosity about and enough open-mindedness about to try before we go down the same road and do things the--

ARCH: Time, Senator.

HUNT: --same way yet again. Thank you, Mr. President.

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

von GILLERN: Thank you, Mr. President. I need to offer some redirection on this conversation. And I want to say this as politely as I can. The reference to the $5 million coming out of the General Fund is in the green copy of the bill. It's page 20, line 17. It says $5 million will be transferred from the General Fund. I mentioned earlier in my conversation with Senator Raybould, it was not advisable to refer to the fiscal note because that was based on the green copy of the bill. We are working on AM2504, the white copy, which nowhere says that there will be a General Fund transfer of $5 million. It says that the Site and Building Development Fund will pay for those improvements, will pay for-- will fund that portion of the incentive, and Site and Building Development Funds come from the doc stamp fees. So there is no General Fund transfer. We're not taking-- it's, it's all taxpayer money. Let's not split that hair. But we're not reducing the General Fund. We're not taking money away from disability programs or libraries or whatever program we want to talk about. That's, that's just not the case. The white copy amendment is one that we're looking at that does not have a General Fund transfer. So I encourage us once again to wait for the corrected fiscal note before we-- and, and wisely and as part of our process here arm wrestle over the, the cost of the program unless we-- and if we don't do that, we're speculating at this point, and that's just not a healthy place to be. With regards to the-- that keeps being referred to as the recarpeting or the redecorating, whatever you want to call it, $5 a square foot put towards probably $80 a square foot in renovation space, you have 500 new employees coming. Is there, is there a chance that you're going to have to make room for them? Is there chance that you're going to have to build new offices for them? Is there a chance that your infrastructure is going to have to change in order to adapt to those 500 new employees? I would say, yes, there is. So I stand behind the elements that-- of the bill that are in AM2504, and I encourage us to, to wait out until we have the white copy-- or the fiscal note that is reflected by the white copy language in the bill or in the amendment. Thank you, Mr. President.

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

McKINNEY: Thank you, Mr. President. You know, I'm still trying to, you know, wrap my head around this and understand it in a broader context. I understand the arguments that these incentives, you know, have a net value for the state in some type of way. They're used across the country to attract businesses to places and those type of things. So I understand it. And I get it. You know, I just, really just transparently, the issue is we're trying to do this but we're not-- I, I believe we're taking, what is it, $18, $17 million away from special education or developmental disabilities. That is part of the problem, is you want to sell this and we're going to harm many, many kids and youth in our state. And that's what I have a problem with, that we're going to push through an incentive program for businesses who, according to their, according to their financials are doing very well off currently, despite what's going on over there in the Middle East. Last year, they did good. I don't know about now because, you know, our President is involved in many things across the waters. But we are scraping pennies and taking away from things that, you know, would be helpful to, to kids in our state. And I just have a fundamental problem with that. You know, the favorite-- my favorite rapper, the person that I listen to often when I'm walking on the floor or walking in here, said a very important quote in the '90s, and it still is relevant today. And I know we're not the federal government, so it's not technically the same, but I could do another analogy with it. But Tupac Shakur said: They have money for wars, but can't feed the poor. And I guess we could use it in this context and say they have money for corporate America but can't feed the poor. And, and that is the issue. We got starving families in, in this state. We do across this state, not just my district, everybody's district probably does. You know, people that are struggling, people that are, you know, dealing with the affordability crisis right now and we're doing this. I think it would be a better sale in another year at another time when we're not in a budget deficit and we're not trying to figure out what program is going to get cut or not cut. That is, that is the issue. I think in a better world, in a better space, I think more people-- I mean, you probably got the votes for this so, I mean, it doesn't really matter that more people because you're probably going to move this forward. But I think other people would be a little more open to this conversation. But in the current state of affairs, we-- I think we all should be looking at these things from a broader perspective and how these things impact everybody and how what we're doing when we're talking about the budget and the issues with that and then these other things that should should not be. That is the problem. And, you know, the next biennium currently forecasted doesn't look good. Will we see returns in the first year, the second year, the third year, or do we have to wait a decade? And in that time, how many kids will be harmed because we have to continue to raid cash funds and raise fees and cut programs, but we're going to do these things for corporate businesses? When, when will the ROI return a positive for us, outside, under 10 years, can somebody tell me that? When will to ROI, you know, be positive or will we have a ROI? That is, is my fundamental issue, is kids are being harmed in the budget.

ARCH: Time, Senator.

McKINNEY: Thank you.

ARCH: Senator DeBoer, you're recognized to speak

DeBOER: Thank you, Mr. President. Would Senator von Gillern answer some questions?

ARCH: Senator von Gillern, will you yield?

von GILLERN: Of course.

DeBOER: Senator von Gillern, I-- as this-- as you know, this is the part that I'm least fond of. And I heard you talking about the fact that this doesn't come from general funds now, but it comes from the doc stamp. And I was wondering if you could walk me through that. So money from the doc stamp goes to this Site and Building Fund, which I'm calling the redecorating fee. Right?

von GILLERN: Well, the Site and Building Development Fund is, is administered through DED and those funds-- that is funded through the site-- through the doc stamp. Yes, that's correct.

DeBOER: And it is a pre-existing program.

von GILLERN: Yes. Yeah, that's-- that program, I don't know how long it's been in existence, but it's been around for a while and it's used for site acquisition or infrastructure preparation for new businesses that are starting up or coming to the state. They have to make an application to DED for, for those funds and DED reviews those applications and approves or denies them.

DeBOER: So I'm assuming that that money then from the doc stamp goes into a cash fund?

von GILLERN: Correct.

DeBOER: And that that cash fund then balance can handle this UP amount, or can it not handle it?

von GILLERN: No, it can.

DeBOER: So here's a question I have. We have heard that we're going to raise the doc stamp.

von GILLERN: Well, you've heard that, but that is not-- I'm sorry, I'll wait for your question.

DeBOER: Thank you. Is there a bill not on Select File by Senator Hallstrom to raise the doc stamp fee?

von GILLERN: There is a bill on Select File sponsored by Senator Hallstrom to raise the doc stamp fee.

DeBOER: OK.

von GILLERN: But the fees-- those additional fees will not go to Site and Building Development Fund.

DeBOER: No, that may, that may be, but if the doc stamp-- or if the Site and Building Fund fee, fee fund is able to accommodate this $5 million on a moment's notice, is it possible that instead we could lower the amount that it's collecting enough to handle Senator Hallstrom's bill?

von GILLERN: I, I have no oversight, no understanding of what the total amounts are in that cash fund or what other obligations there are in that fund.

DeBOER: That's fair. I, I didn't, I didn't ask you ahead of time. But it does-- OK, thank you, Senator von Gillern.

von GILLERN: Sure.

DeBOER: So it does seem to me, colleagues, that we should at least investigate the fact that we're raising funds for the doc stamp at the same time as we're now going to have ready available $5 million for this. So while it isn't from general funds, it does seem that there is ready available $5 million to just on Select File add to this particular program. And I'm a little-- it's, it's a little interesting to do that when we're at the same time raising them so that's the point that I'm making, that's the point that I'm making with respect to this because I also am very reluctant to support this Site and Building Fund $5 million, what I have pithily or perhaps in your opinion not pithily called the decorating fee, which Senator von Gillern has made some good points about the fact that it is supposed to be for upgrading the building's electrical fees and things like that, but still, if it's $5 per square foot when they're going to spend $80 per square feet, one wonders if they couldn't just do that on their own. Thank you, Mr. President.

ARCH: Seeing no one in the queue, Senator Conrad, you're recognized to close on AM2879.

CONRAD: Thank you, Mr. President. Good evening, colleagues. So, again, I appreciate the good discussion and the updates. Hopefully, will be reflected on the fiscal note in subsequent rounds of debate. I do just want to note that, again, it's a matter of priorities. And I think the board's been pretty clear that the vast majority of senators in Nebraska are eager to push this bill forward, so there's no reason to prolong the debate at this juncture any longer. We wouldn't have anywhere near the amount of opposition to stop it with cloture. And I know members are eager to take up other issues. But, again, I, I do just want to note that, you know, because they're an iconic company and a good company and a good employer and do good work, philanthropically, locally and beyond, haven't had a chance to mention their undisclosed amount to the Trump ballroom project. But that might, might be a, a conversation point for another day. When you look at Union Pacific's prowess and financial performance in 2025, you can see net income rose 6% to $7.1 billion, almost $12 per diluted share driven by strong pricing and operational efficiencies. We saw [INAUDIBLE] annual revenue growth to just shy of $25 billion. Cash return to shareholders that same year just shy of $6 billion through dividends and share repurchases. So, again, this is one of the largest, most profitable and successful companies in Nebraska and beyond. I-- they've already committed to keeping their corporate headquarters here, which is great news. But I think they can easily afford their own renovations in this regard. And whether it comes from doc stamp or general funds, as has been modified through the committee amendment, the point is we're increasing, attempting to increase fees there because we need more money for housing and other projects, but we're also giving up $5 million out of there for this purpose. And I want to, again, just put this in context. So our hope is with a $50 million cap plus the $5 million in renovations plus the $300 million [SIC] in white glove concierge services that we're going to incent 500 jobs, good paying jobs with benefits to come or stay in Nebraska in addition to the existing workforce. And that comes with about a $55 million-plus price tag on the state budget. Colleagues, I just want to draw your attention. We've talked about cuts to the budget. We've talked about needs for folks with developmental disabilities and medical needs. And I also want to draw your attention to another policy choice. I've introduced measures many times over the years to establish or increase the state earned income tax credit. This is a very popular program that has enjoyed strong bipartisan support, including from my friends in the business community, which I'm grateful for. Nebraska could modernize and update its EITC program to help 177,000 working Nebraskans navigate this affordability crisis, lessen reliance on public assistance, saving the taxpayer money, rewarding work, including 45,000 young workers who lost access to minimum wage increases and earned sick leave for $19 million a year. For half the amount of the state financial impact that will help a few hundred employees at one of the largest, most profitable companies in the state and in the country and in world, for half the amount, we could support 177,000 working Nebraskans, including 45,000 young Nebraska workers with an increased EITC. But we've been told the money and the political will isn't there for that, or for establishing a state-level child tax credit that could actually help all families afford childcare or private school, if that's what's--

ARCH: Time, Senator.

CONRAD: --best for their family. Thank you, Mr. President. I'd urge your favorable consideration.

ARCH: Members, the question before the body is the adoption of AM2879. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

CLERK: 11 ayes, 26 nays on adoption of the amendment, Mr. President.

ARCH: AM2879 is not adopted. Seeing no one in the queue, Senator von Gillern, you're recognized to close on AM2504.

von GILLERN: Thank you, Mr. President. I've got an eloquent multi-page closing document in front of me that I'm going to bless you all with a pass on. You can hold your applause. We can wait and save that for later. Obviously, there, there were some great points raised today. This was a great debate, this is how this is supposed to happen. There were people that felt differently about the program than, than I felt or others felt. There were good arguments that were made. There were good points that were raised. There are some things that we're going to have to consider between General and Select and, and, and, and possibly make some corrections and give some thought to that. But, but all in all it was a good debate. It's the way that this is supposed to happen here and I'm grateful to my colleagues for their support in the votes up to this point and I'm grateful for the good debate from those who did not necessarily agree with this position. I believe that LB1165 and AM2504 is an investment in our future, and I think that the returns will far exceed the investment by the state. So with that, I will cut my closing short and I'll ask for your favorable vote on AM2504 and then LB1165. Thank you, Mr. President.

ARCH: Members, the question before the body is the adoption of AM2504. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

CLERK: 34 ayes, 3 nays on adoption of the committee amendment, Mr. President.

ARCH: The amendment is adopted. Seeing no one in the queue-- excuse me. Mr. Clerk.

CLERK: Mr. President, Senator von Gillern, I have AM2016 with a note that you withdraw.

ARCH: So ordered.

CLERK: Senator Conrad, I have AM2878. And--

ARCH: So ordered.

CLERK: --and, Senator Conrad, I also have AM2877.

ARCH: So ordered.

CLERK: In that case, Mr. President, I have nothing further at this time.

ARCH: Senator von Gillern, you're recognized to close on LB1165. And Senator von Gillern waives close. The question before the body is the advancement to E&R Initial of LB1165. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

CLERK: 38 ayes, 3 nays on advancement of the bill, Mr. President.

ARCH: LB1165 does advance. Mr. Clerk, next item.

CLERK: Mr. President, General File, LB1029, introduced by Senator Conrad. It's a bill for an act relating to postsecondary education; redefines terms regarding reportable funding from a foreign adversarial source; and repeals the original section. The bill was read for the first time on January 13 of this year and referred to the Education Committee. That committee placed the bill on General File.

ARCH: Senator Conrad, you're recognized open on LB1029.

CONRAD: Thank you, Mr. President. Good evening, colleagues. This is a measure that I brought on behalf of the University of Nebraska and other institutions of higher education. It provides only technical amendments to a measure my friend Senator Andersen passed last year to ensure transparency, accountability, and reporting in regards to funds received by foreign adversarial sources at our institutions of higher education. It does not change any of the spirit or intent of Senator Andersen's legislation. It simply provides clarity in terms of how that information is reported. The university and other partners similarly situated have been able to report under the existing structure, but they did seek guidance from the Attorney General, and otherwise, to provide technical clarifying information for subsequent reports. And that's when they brought LB1029 to me. There was no opposition. There's no fiscal note. I'd ask for your favorable consideration. Thank you.

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

ANDERSEN: Thank you, Mr. President. Would Senator Conrad yield to a question?

ARCH: Senator Conrad, will you yield?

CONRAD: Yes.

ANDERSEN: Thank you, Senator Conrad, and I apologize, I don't have your bill up in front of me, but--

CONRAD: That's OK.

ANDERSEN: --from my last review, I thought the big difference of what you're doing with your bill was actually alleviating the responsibility of reporting from the universities, which are the two different sides without being a foreign actor in the university system. LB1029 actually moves the obligation of reporting from the university. Is that correct?

CONRAD: No, that's not correct, Senator. What this legislation does is it ensures that the university does not have to report the acquisition of property or services that came in the normal course of business and it clarifies how the university reports salaries and compensation under the auspices of the legislation you successfully passed last year.

ANDERSEN: OK, so on page 1, on line 8, where the bill did have for the direct benefit or use of the foreign adversarial source, either-- it removed either of the parties and now makes the responsibility of the foreign adversarial source, thereby removing the responsibility of the university, the covered university or institution.

CONRAD: Yes, Senator Andersen, and the way that that component was described to me and that the university described at the committee level was that basically that would apply to the provision purchase of goods or services in the normal course of business. They gave a very practical example, wherein they might be purchasing things on Amazon that may have a sourcing from a foreign adversarial source. That was the example, the practical example they gave that I don't believe the intent of your legislation meant to cover and that had provided a few, a few headaches and heartaches when trying to comply with the legislation that you brought forward. So it, it exempts out those kinds of transactions in the normal course of business. And that is what that language is derived from on page 2.

ANDERSEN: OK, if you continue down further on page 2 on line 29 and 30, it talks about reportable funding does not include salary, wages, or compensation, and why would that be?

CONRAD: Yes, thank you, Senator Andersen. So, again, in visiting with the university and other folks from higher ed, that employment, employment contracts were never intended to be included in the language of the reporting from the federal level and then your complementary piece on the state level. They-- university and others sought guidance from the Attorney General's Office as to how to comply with the legislation that you passed in LB306. They had conversations about that, it didn't seem that was intended to sweep into that component of reporting and the product of that conversation was to request an explicit exclusion and that is before you in LB1029.

ANDERSEN: OK, can you share the communication with the Attorney General and with the university on both of those subjects, then?

CONRAD: Sure. I don't, I don't have emails on that in my bill file, but that was what was described to myself and all members of the Education Committee in an email from the university dated Friday, March 20 of, of this year. I'd be happy to give you a copy of that or connect with representatives from the university if you want to learn more about, about that conversation.

ANDERSEN: Yeah, if you could send me-- I'm not on the Education Committee so I didn't get it. So if you can send it to me that, that would be great. And the same thing with communication from the AG.

CONRAD: Sure. I'll, I'll be happy to share what I have in my possession.

ANDERSEN: Thank you, Mr. President. Thank you, Senator.

ARCH: Seeing no one in the queue, Senator Conrad, you're recognized to close. And Senator Conrad waives close. Colleagues, the question before the body is the advancement of LB1029 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

CLERK: 26 ayes, 2 nays, Mr. President, on advancement of the bill.

ARCH: LB1029 does advance. Mr. Clerk, next item.

CLERK: Mr. President, General File, LB764, introduced by Senator Holdcroft. It's a bill for an act relating to law enforcement; redefines a term; provides for certain Department of Correctional Services employees to be law enforcement officers; and repeals the original section. The bill was read for the first time on January 7 of this year and referred to the Judiciary Committee. That committee placed the bill on General File.

ARCH: Senator Holdcroft, you're recognized to open on LB764.

HOLDCROFT: Thank you, Mr. President. Thank you for the opportunity to introduce LB764. Thank you also, Speaker Arch, for designating this as a Speaker priority bill. LB764 is a very simple bill that would allow investigators at the Nebraska Department of Correctional Services, hereafter NDCS, who are currently deputized law enforcement officers to exercise law enforcement duties while employed at NDCS. NDCS currently has three certified law enforcement officers. However, in order to maintain their certification, these officers work part time for other law enforcement jurisdictions outside of the agency in addition to their regular work hours. LB764 would allow the Nebraska State Patrol to deputize officers at NDCS. NDCS investigators currently work closely with the State Patrol to address cases at NDCS. But full investigation falls on the Patrol and adds to their caseload. This bill would allow NDCS to act on more cases in a timely manner, helping to reduce tensions at NDCS facilities and providing security and peace of mind to inmates negatively affected by any criminal activity at NDCS facilities. This measure, this measure will also reduce the caseload of the Nebrask State Patrol, which should enhance public safety and allow for quicker case resolutions. The Patrol has expressed their support for this bill. Regardless, regardless of whether a case involves an inmate or a staff member, each case at NDCS is evaluated for any possible conflict of interest. This is the current standard practice. If it is determined that a conflict of interests exists, the case is referred to the State Patrol. I would like to thank Chairwoman Bosn and the members of the Judiciary Committee who voted to advance this bill to the floor on February 19. There were 7 affirmative votes and no dissenting votes. There is no fiscal note for this bill. I would also say that at the hearing there were two proponents and no opponents and no, no neutral. Thank you for considering LB764. I would appreciate a green vote to advance this bill to Select File. Thank you, Mr. President.

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

JUAREZ: Thank you very much, Mr. President, and good evening, everyone. I wondered if Senator Holdcroft would yield to some questions?

ARCH: Senator Holdcroft, will you yield?

HOLDCROFT: Yes.

JUAREZ: So I wanted just to clarify, would this include the detention center down in McCook, or is that not considered part of the state?

HOLDCROFT: It would not include the detention center in McCook in its current configuration because all of those inmates there are under federal control and not under state control.

JUAREZ: OK, thanks. I just wanted that clarification. And then my next question is, are you aware that the bill that I had passed last session, LB518, which had to do with independent testing of drug contraband, that they've had problems with the prisoners being able to use this particular testing? And I'm concerned as far as with these officers now becoming law enforcement, does that mean that they're going to be pursuing more crimes against the prisoners when they're in this capacity?

HOLDCROFT: Well, they will be investigating violations within the NDCS. I mean, the drug testing may be part of their duties currently because I don't think they need to have a, a law enforcement certification to be able to do the drug testing. What these--

JUAREZ: OK. Go ahead, I'm sorry.

HOLDCROFT: What this would do would allow the State Patrol to pass out some of the investigations that might result in a criminal investigation. So it is-- it's, it's limited, but it would relieve the State Patrol of some of the investigations they would have to perform.

JUAREZ: OK, the reason that I bring that up is because my concern is that the prisoners are complaining that they're not being allowed to get that testing to take place like my law is allowing. And I definitely don't think that the-- these new law enforcement officers, if that's what we're going to call them, within the facility should be able to pursue any kind of charge of that nature until these prisoners', you know, rights have been protected and what they're allowed by the legislation we've previously passed.

HOLDCROFT: Well, my bill would not affect that situation at all.

JUAREZ: OK, thank you.

ARCH: Seeing no one left in the queue, Senator Holdcroft, you're recognized to close on LB764. And Senator Holdcroft waives close. Colleagues, the question before the body is the advancement of LB764 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

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

ARCH: LB764 does advance. Mr. Clerk, next item.

CLERK: Mr. President, General File, LB1057, introduced by Senator Ballard. It's a bill for an act relating to the Health Care Facility Licensure Act; redefines a term; repeals the original section; declares an emergency. The bill was read for the first time on January 14 of this year, and referred to the Health and Human Services Committee. That committee placed the bill on General File. There's nothing pending on the bill, Mr. President.

ARCH: Senator Ballard, you're recognized to open on LB1057.

BALLARD: Thank you, Mr. President. Good evening, colleagues. LB1057 is a bill that simplifies an unnecessary administrative burden. Currently, all developmental and disability providers are required to obtain and maintain a certification status with the Division of Public Health at DHHS to be in operation. Today, if one of those DD providers want to expand their operation to people on the age and disabled waiver, a separate additional license of public health is required to deliver adult day services. The main concern is that current individuals on different waivers must be separated and receive service in different areas of the building because they're required, they're required a license system to be funded by a different waiver. We can all agree that the participants should be supported in the most integrated and supportive setting possible, not be separated based solely on the funds of their service. LB1057 addresses this issue by sending the existing licensure exemption under the Developmental Disabilities Service Act to the home and community-based service providers serving the age and disabled waiver and the certification of public health. LB1057 was unopposed in HHS and came out on a 7-0 vote. I'd like to thank Speaker Arch for his Speaker priority designation, and ask for your green vote on LB1057. Thank you, Mr. President.

ARCH: Seeing no one in the queue, Senator Ballard, you're recognized to close on LB1057. Senator Ballard waives close. The question before the body is the advancement of LB1057 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

CLERK: 43 ayes, 0 nays on advancement of the bill, Mr. President.

ARCH: LB1057 does advance. Mr. Clerk, next item.

CLERK: Mr. President, General File, LB852, introduced by Senator Spivey. It’s a bill for an act relating to the Convention Center Facility Financing Assistance Act; provides for the recapture of funding distributed from the Convention Center Support Fund to certain recipients; provides an operative date; and repeals the original section. The bill was read for the first time on January 8 of this year and referred to the Revenue Committee. That committee placed the bill on General File.

ARCH: Senator Spivey, you're recognized to open on LB852.

SPIVEY: Thank you, Mr. President, and good evening. And I want to first thank the Speaker for designating this as a Speaker priority. So LB852 strengthens accountability for public funds by allowing, not mandating, cities and counties to recover financial assistant grant funds when recipients fail to operate in high-poverty areas as required by funding agreements under the Convention Center Financing Assistance Act, or CCFAA. LB852 was unanimously voted out of committee, has zero General Fund impact, and does not create any unfunded mandates for counties. What LB852 does do is it clarifies that public funds or financial assistance awarded in connection with CCFAA may be conditioned or continued local operation. It expands recapture provisions by that little-- by that local political subdivision when recipients fail to maintain operations in the designated area that form the basis of the financing award or grant award on a prorated basis over 3 years. It protects the public purpose in the underlying tax turnback and local matching funds by ensuring long-term place-based benefit. And it aligns with the legislative intent that CCFAA produce durable economic activity in targeted high-poverty areas. LB852 provides political subdivisions with a targeted accountability tool to ensure that funds and incentives continue to serve the communities that are supported and justified those investments. Thank you, Mr. President.

ARCH: Seeing no one in the queue, Senator Spivey, you're recognized to close on LB852. And Senator Spivey waives close. Colleagues, the question before the body is the advancement of LB852 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

CLERK: 44 ayes, 0 nays on advancement of the bill, Mr. President.

ARCH: LB852 does advance. Mr. Clerk, for items.

CLERK: Mr. President, new LRs, LR443 from Senator DeBoer, LR444 from Senator Quick, LR445 from Senator von Gillern. Those will all be referred to the Executive Board. Amendment to be printed from Senator Clements to LB1071. Name add: Senator Dungan, name added to LR371. Mr.

President, a priority motion, Senator Holdcroft would move to adjourn the body until Wednesday, March 25 at 9:00 a.m.

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