

Transcript Prepared by Clerk of the Legislature Transcribers Office
Government, Military and Veterans Affairs Committee January 30, 2026
Rough Draft

SANDERS: Welcome to the Government, Military and Veterans Affairs Committee. I am Senator Rita Sanders from Bellevue, representing Le-- 40-- District 45. And I serve as the chair of the committee. The purpose of the public hearing is an information-gathering endeavor in which senators on the committee are seeking information about the proposed legislation that we do not know or do not-- have thought about. It allows individuals representing themselves or a group to share their unique perspective on a proposed measure. It also serves as a record about the proposal for future historical and legal purposes. A key component of the process is the ability for senators to engage directly with testifiers, to ask questions, and elicit clarification on information provided. The committee will take up bills in the order posted. If you are planning to testify today, please fill out one of the green testifier sheets for each of the bills that you are testifying on. These are on the table in the back of the room. Please be sure to print clearly and fill out the form completely. When it is your turn to come forward to testify, give the testifier sheet to the page or to the committee clerk. If you do not wish to testify but would like to indicate your position on a bill, there are also yellow sign-in sheets in the back of the room on the table. These sheets will be included as an exhibit in the official hearing record. When you come up to testify, please speak clearly into the microphone and tell us your name and spell your first and last name to ensure we get the-- an accurate record. We will begin each bill hearing today with the introducer's opening statement, followed by the proponents of the bill, then opponents, and finally by anyone speaking in the neutral capacity. We will finish with a closing statement by the introducer if they wish to give one. We will be using a three-minute light system for all testifiers. When you begin your testimony, the light on the table will be green. Then the yellow light comes on and you have one minute remaining. And the red light indicates your time has ended. An audible alarm will be s-- will be-- will sound. Questions from the committee may follow. Also, committee members may come and go during the hearing. This has nothing to do with the importance of the bills being heard. It's just part of the process, as senators may have bills to introduce in other communities. Final items to facilitate today's hearing. If you have handouts or copies of the testimony, please bring up at least 12 copies and give them to the page. If you do not have enough copies, the page will make sufficient copies for you. Please note that dri-- thumb drives, CDs, DVDs, oversized documents, books, lists of signature, and similar will not be accepted as exhibits for the record. Please silence or turn off your cell phones. You may see committee members using their electronic

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devices to access more information. Verbal outbursts or applause are not permitted in the hearing room. Such behavior may be cause for you to be asked to leave the hearing. Finally, committee procedures for all committees state that written position comments on a bill to be included in the record must be submitted by 8 a.m. the day of the hearing-- by the day of the hearing. The only acceptable method of submission is via the Legislature's website at legislature.nebraska.gov [SIC]. Written position letters will be included in the official hearing record, but only those testifying in person before the committee will be included on the committee statement. I will now have the committee members that are here with us today introduce themselves, starting on my far right.

GUERECA: Good afternoon. I'm Dunixi Guereca, Legislative District 7. I represent downtown and south Omaha.

J. CAVANAUGH: Good afternoon. John Cavanaugh. Represent District 9: midtown Omaha.

ANDERSEN: Good afternoon. Senator Bob Andersen. I'm District 49: northwest Sarpy County and Omaha.

LONOWSKI: Hello. Dan Lonowski, District 33, which is Adams County, Kearney County, and rural Phelps County.

WORDEKEMPER: Dave Wordekemper, District 15: Dodge County, western Douglas County.

F. MEYER: And Fred Meyer, District 41: six counties north of Grand Island and central Nebraska.

SANDERS: And Senator Bob Andersen is the vice chair of the committee. Also assisting us today for the com-- in the committee: to my right is legal counsel Dick Clark; and the far, far left is committee clerk Julie Clark. We have-- Cash. And we have two pages in our committee today-- three pages on Friday. We have Luke Perry from Gretna. He went to make copies. OK. Well, Luke is from Gretna, and he's a freshman at UNO and majoring in history and political science. We have Grace Harper from Loveland, Colorado, who is a junior at UNL and majoring in political science. We also have today Joel Henson from Lincoln, who's a junior at UNL majoring political science and advertising in public re-- relations. Thank you. We'll now go ahead and start on our first bill for the committee, on LB973. Welcome, Senator Raybould.

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RAYBOULD: Good afternoon, Chair Sanders and members of the Government, Military and Veterans Affairs Committee. My name is Jane Raybould, J-a-n-e R-a-y-b-o-u-l-d. And I have the distinct honor to represent Legislative District 28, where our beautiful Capitol is located in. I am here to introduce LB973, a bill to provide parking for state employees and increase parking opportunities for our many visitors. This bill was brought to my attention by former State Senator Bob Wickersham, who has long been passionate about this issue. It is because of his initiative that we have a parking study that was done in 2019 that will be passed out to you by the pages. But what we passed out earlier-- and I want to sort of get you oriented-- it's a capital complex, and it shows you the vast network of parking available around our State Capitol. Also, I just want to give you just a highlight of some of the elements that were in the 2019 parking study. It said most of the state parking spaces, 1,367, are in the south and east parking structures. With 254 spaces, the A lot south of the Capitol building-- and you can see is the largest surface lot. There are 693 on-street public parking spaces within a three-block radius surrounding the Capitol. The spaces are a variety of metered, time-limited, and unregulated spaces available to anyone on a first-come, first-serve basis. State government is the areas and the s-- dominant land use, creating much of the parking demand for these on-street spaces. We want to be a good neighbor, and state parking impacts the neighborhoods south and east of the Capitol. The state offers employee parking primarily for about \$36 a month, which is well below the market rates. Parking for state employees is a benefit and a retention tool. So pricing below market rate is appropriate. Anticipated state planning will bring additional staff to the downtown Capitol area campus. At one time, there was a proposed building and parking structure at 17th and K Street that is now vacant. I'll get to-- back to that, 17th and K Street, later on. That proposed facility plan at 17th and K Street could bring additional parking to the area. Based on information from the U.S. Census Bureau on local driving trends and recent opinions regarding longer timelines for new technologies, state of Nebraska employees will likely drive to work in similar percentages as they do today. First, the problem. Off-street parking is not available to everyone who works in the Capitol or the adjacent state office buildings. With nowhere else to park, state employees must park in the on-street spaces adjacent to the Capitol that are intended for the public. Management and maintenance of on-street parking is the city of Lincoln's responsibility. The city does some enforcement of parking restrictions, so avoiding tickets requires time and attention of all

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visitors and employees who do so. Employee parking adjacent to the Capitol begins early in the day and ends in late afternoon. Because all off-street parking adjacent to the Capitol is reserved for state employees, members of the public with business in the Capitol or who simply want to enjoy the building park several blocks away. That becomes an issue when the Legislature is in session because, after a hearing, the public has to walk several blocks to a car in the cold and dark over a snowy or icy path, which really discourages participation. So what we've done-- and we just started this yesterday when we took advantage of some of the very long lines of folks waiting to be able to participate in, in a hearing and testify-- we passed out QR codes that directly link you to a survey to ask them, how was their parking experience at the Capitol? As of yesterday. We will continue to do that today and throughout the session so we have a larger pool to work from. But it's no surprise. This is-- we asked four very simple questions. How would you describe your experience finding parking when coming to the state of Nebraska Capitol? We asked them, was it easy, somewhat challenging, challenging, very challenging? 66.7% said it was challenging. 22.2% said very challenging. So that's about 88.9% said it was challenging. 0% said it was easy. The next question, approximately how long did it take you to find parking when visiting the Nebraska State Capitol? Less than 10 minutes, 10 to 20 minutes, 20 to 30 minutes, or more than 30 minutes? 44.4% said it took 10 to 20 minutes. 20 to 30 minutes was 33.3%. So you can see that a majority-- excessive majority, it took them some time to park. And we had-- 22.2% said it took them less than ten minutes. The next question that we asked, approximately how far from the Nebraska Ska-- State Capitol did you park for your visit? Adjacent to the Capitol, one to two blocks away, two to four blocks away, or five or more blocks away? 55-- 55.6% said two to four blocks away. Let's see. 11.1% said five or more blocks away. 22.2% said they were able to park adjacent to the Capitol. Last question, if you parked in a spot with limited time such as the one- or two-hour spots adjacent to the building, were you able to complete your visit within that time frame? 66.7% said no. And 22.2% said yes. So that kind of gives you an idea of what we're trying to get a better handle on. It's not just for our state employees or the contractors who've been working on the building. It's really also for our visitors. While I'm focusing on the i-- individuals who work for the state, including in the Legislature, I also want to point out that the number of workers onsite for HVAC renovation has placed additional demands on parking capacity. The state has around 18,000 statewide. The state collects parking fees from about 2,500 people who work in or near the Capitol and an office building in Omaha. An

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unknown number pays for private parking. Guesstimating, currently about 83.33% park for free, which means the balance of that are the ones that are paying for parking. That disparity and hassle of on-street parking in an urban setting can be detrimental to morale and productivity. So here's what LB9-- LB973 proposes as a solution. Number one, mandate that off-street parking be provided by DAS, Department of Administrative Services, without cost to all state employees. Allow DAS to include the cost of parking in its calculation of rent to the agencies. And number three, delay the effective date of the mandate to July 1 of 2028, allowing DAS time to prepare for the implementation. I want to refer you to the fiscal note that is attached to this bill. It sort of blew me away. It's at \$15 million. Yes. That's probably about the going rate if we built a parking garage today at that location on 17th and K Street. That is not what we are asking the state to do. We're not asking the state to pony up \$15 million. And I'll get to later on what the state has done in the past. Lastly, the outcome we will accomplish. Off-street parking becomes an amenity when any space is leased by an agen-- off-street parking becomes an amenity when any space is leased to an agency. Off-street parking becomes a part of the cost of leasing space. Additional off-street can be provided for state employees. The state, for example, has developed a well field in the block, bounded by K and L Streets and 16th and 17th Street-- you can see that on your map there-- to support geothermal heating and cooling of the Capitol. The well field was designed and installed with the use of a parking service in mind. A surface lot or parking structure could be built on the site. Footings have already been put in place for a parking structure. In addition, there are other options to better utilize existing parking spaces or to develop existing parking sites. Now, here is what I want to reference to you, is what the state of Nebraska has done in the past. The fiscal note for LB973 could focus on the cost to construct off-street parking spaces. That's not what we're asking. The cost of a parking structure or a surface lot does not have to be that huge, lump-sum cost. The State Office Building that you can see on the map and its associated parking structure were built with a lease purchase agreement with the city of Lincoln. The enabling legislation was 81-1108.37. The State Office Building and its garage were built with revenue bonds issued by the city of Lincoln. The revenue bonds were funded by lease payments. The lease payments were funded by rent charges to agencies and parking fees paid by employees. At the end of the lease, the state ex-- exercised its option to purchase. That is what we're proposing in this case, and we're asking DAS to look at how to get that implemented or plans or designs

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discussed by July 1 of 2028. So those statutes that allow the city of Lincoln to, again, build and lease are still in effect. Section 16-801 to 16-811 are specific to the cities of the first class. Sections 19-3301 to 19-3336 pertain to parking districts that can be created by cities of the first class and others. The city of Lincoln would be willing to cooperate. I had reached out to Liz Elliott, who is the director of Lincoln Transportation and Utilities, back in 2023 when we were looking at introducing this bill back then. They expressed a genuine interest in partnering with the state again to construct a parking garage at 17th and K Street. And I, I can assure you, if you've been to the Haymarket, you know that the city of Lincoln does-- has-- does have tremendous expertise on putting up parking garages and putting them up rather quickly. So that is what we're asking for your consideration at this time. The Capitol Building Revolving Parking Fund is currently used to fund the operation, maintenance, and improvement of parking facilities under the state's ownership and leasing. The fund could continue to be used by DAS to construct, maintain, and op for-- operate off-street parking. Right now, the balance in that fund is \$781,238. Also, the Nebraska Capitol Construction Fund has been used. Right now, the balance in that fund is \$415,739,000. And-- don't get excited. Most of those funds are already appropriated and committed for the continuing upgrades to our Capitol. Off-street parking adjacent to the Capitol could be managed for the benefit of the public, and that's one of the reasons why we were excited to really create more opportunities for visitors to visit the Capitol and find parking within a reasonable amount of time. And one creative idea that the city and the county buildings have done with parking is they turn over that surface parking and they rent it out for the football game days, and they get some revenue from that. I can assure you 17th and K Street would be a wonderful location for having that opportunity to, to bring in a, a little bit of additional revenue. So bottom line, I believe this is a win-win-win. And we heard that today. Win-win-win. A win for our dedicated employees, a win for those who have business at our Capitol and state buildings, and a win for everyone who comes to Lincoln to visit our extraordinary State Capitol. So thank you for your time. And I'm happy to answer any questions you may have.

SANDERS: Thank you, Senator Raybould. I have a couple real quick questions.

RAYBOULD: OK.

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SANDERS: Were other issues considered in the study, like security issues, right? Lighting issues at late night when we're walking out of here or our constituents are ri-- walking out of here and they had to park two or three blocks? Did they take in--

RAYBOULD: They did not take up the security issues or the lighting issues, although that is a very valid point late at night. Particularly lighting around the Capitol with all the steps that are often irregularly spaced for people who are not familiar with the Capitol, that is also a pet peeve of mine, the lighting on the exterior of the Capitol as well as the interior, primarily in our stairwells. And I understood that someone fell down there in the stairwells today. So there's room for a lot of improvements, but lighting and security is essential too. But it's not mentioned as a cost in the parking study.

SANDERS: And crosswalk. I'm a-- I'm amazed. We cross the streets near the Capitol that they're not-- I don't think they've been painted for years. And so a lot of drivers don't even pay attention that there's a crosswalk.

RAYBOULD: That is true, and that is a safety hazard. I know we fought recently to get a stop sign put up, and I think that was a big battle. I don't know if the battle is with the Capital Environs Committee or not. Ideally, I would love to see additional parking further to the south and perhaps develop that for a multideck parking garage, but I've understood that that's almost like initiating World War III in getting more parking in that lot or in our own lot that we are lucky to have used to make it a, a multideck facility. I, I know it can be done and it can comport to all the art deco design that we're very proud of in our Capitol, but no one seems to think that's a battle worth fighting for, so.

SANDERS: And then last, handicapped parking. We do need more of that. The other night when we had a late night hearing and there were a lot of people here-- and it was important to reserve a handicap spot so he knew there was one because he's been here before and it takes 30-plus minutes. If those are full, those are full. We only have so many handicapped parking spots available. So we had to have him across the street, and it was dark across the street, to, to get a reserve handicapped spot allocated just for that evening.

RAYBOULD: So that is a great suggestion. I know there are so few and they're really limited to where the entrances are-- so on the nor--

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north, south, east, and west. And there definitely needs to be additional handicapped spaces made available to the visiting public. I wrote down the three things: handicap parking, lighting, and security. Happy to take those issues up. And crosswalks. OK. Crosswalks, yes. And take those issues up.

SANDERS: Thank you, Senator Raybould, for bringing this bill forward. Are there any questions from the committee? Senator Guereca.

GUERECA: Thank you, Madam Chairwoman. Thank you, Senator, for being here and for introducing this, you know, quite frankly, interesting-- I didn't know there was a parking study done, so I'll be looking forward to cracking into it and taking a look. I know you, you and your family-- your father founded the B&R Store. At your corporate headquarters, do you charge your employees for parking?

RAYBOULD: No, we do not.

GUERECA: OK. Do you charge your associates parking at your various stores?

RAYBOULD: No, we do not.

GUERECA: OK. Thank you.

RAYBOULD: And we don't charge our customers parking either. Good luck with that one, right?

SANDERS: Questions? I don't see any. Will you be here for closing?

RAYBOULD: I will.

SANDERS: OK.

RAYBOULD: Anybody wants to fill these out? I'm happy to pass them out.

SANDERS: Are there any proponents on LB973? Good afternoon. Welcome.

MIKE GLOOR: Thank you. Thank you, Senator Sanders and committee members. I'm Mike Gloor, M-i-k-e G-- G-l-o-o-r, 2120 Barbara Avenue in Grand Island, Nebraska. I'm here representing and currently serve as president of the Nebraska Association of Former State Legislators. And that's a mouthful, and the acronym is even more unpronounceable. So we refer to ourselves as the Formers. This is an issue that came before us as Formers. And before us-- saying before-- my term-- during my

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term. Now it's up again. I think it's safe to say we feel this is a can that keeps getting kicked down the cor-- the, the-- the, the wa-- the way, the walk. We appreciate Senator Raybould introducing this bill, and I think it's one that maybe its time has come. It's an opportunity for the Legislature to deal with something that has been an issue, and that's accessibility. The Formers believe that public access to the Capitol is important for Nebraskans, especially those Nebraskans who have business at the Capitol, including those who want to participate in the governing process. And so Senator Raybould's going out and serving people who had waited long times to participate was a wise, wise thing to do. This organization-- that being the Formers-- is one that you know of even if you're not sure you know of them. We take an interest in the Capitol building, how it looks, how it operates, safety around the Capitol building. Our fingerprints are on the fountains, the courtyards that just finished up. And right now, we were advocates for and did a lot of work making sure that money was allocated so we could do the fifth floor remodel that's going on right now. And also the HVAC, which was part and parcel of that. I'm not gonna repeat some of the things that Senator Raybould has talked about, that being the number of employees at the state level. I will say a couple of personal experiences. Early in my career, I was out working for an organization in Scottsbluff, Nebraska, and we leased space from the state at that point in time. All those employees, including employees in Grand Island-- where I'm from-- that are state employees have access to free, off-street parking, for the most part. And we're just asking the same sort of thing should be available here. I don't believe it's an impossible task. Senator Raybould's talked about the HVAC field that's out there. I had a condo-- some of you may have gotten letters from me about the condo I had over behind Billy and Windsor Square that I was trying to sell last spring. The reality is we spent-- my wife and I spent a lot of time in Lincoln in that condo after my legislative tenure. And walking around this community and walking dogs around this community and the Capitol building, I'll tell you there are a lot of unused parking areas. This would require the state to take a look at options. And again, as Senator Raybould has said, don't have to just build a parking garage. You can do-- you can do any number of things, I think, taking a look to take the pressure off of those employees who have to worry about whether they're going to have a ticket when they come back because they parked where they shouldn't have parked. And with that, I would be glad-- appreciate your time. Glad to answer any questions that you may have.

SANDERS: Thank you, Senator Gloor, for being here. Appreciate it.

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MIKE GLOOR: Certainly.

SANDERS: What years did you serve?

MIKE GLOOR: 2009 was my first session, and then 2016 was my last session.

SANDERS: Thank you for your service.

MIKE GLOOR: You'll find that that seems to be years ago when you've been gone.

SANDERS: That-- to me, it doesn't sound that long ago.

MIKE GLOOR: I know. It doesn't.

SANDERS: [INAUDIBLE]. Let's check to see if there are any questions from the committee. Senator Guereca.

GUERECA: Thank you, Madam Chairwoman. Thank you, Senator, for being here, for your work, meaning the Formers. My question to you, when you started your tenure in 2009, do you know if state employees had paid for use of the surface lots at that time?

MIKE GLOOR: In fact, because I had a condo a couple of blocks away, I let one of my staff use the spot that's reserved for me across the street. And I used campaign funds to pay for another spot for the other staff member. So I was well-aware of that and, and can remember the days when I was walking over here-- not far, if it's behind Billy's, a couple-- two blocks or so, on cold days like today with the wind blowing early in the morning and seeing employees who I know came early to find a spot to park, bundled up against the north wind working their way over to the Capitol building and thinking there's got to be a better way. And, and-- back then. Way-- not way back then, but back then. So yes, I was aware.

GUERECA: And do you know-- we, we don't exactly pay the highest wages here in the Legislature, so it's a crying shame to see our employees have to get that early and still have to trudge through the wind.

MIKE GLOOR: And, and, and if I could add-- I ran the hospital in Grand Island. We had-- when I left anyway-- 1,200 employees, not all of whom were at the hospital proper. But we felt it was an issue of-- had spent a lot of money on parking because it's a retention issue and a recruitment issue. We, we, we never would have thought to charge our

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employees, I think, at least not at Grand Island. It's-- that would be out of the ordinary. But at least getting them close enough to the hospital that, from a safety standpoint and a comfort standpoint during the winter and hot summer months, they didn't have to walk two city blocks to get to the hospital. So we're always proud of that and felt it was important to spend money to make sure that happened.

GUERECA: Thank you, sir.

SANDERS: Any other questions from the committee? Senator Lonowski.

LONOWSKI: Thank you, Chair Sanders. And thank you for your time here, Senator Gloor. I looked at your, at your place, and then you sold it from out-- right out from under my feet. I wanted you to know that. If you--

MIKE GLOOR: Had I known, I would have made you a deal.

LONOWSKI: I was a day late, I'm afraid. If you could give us, like, one-- the, the best option possible, what do you think-- what would that be?

MIKE GLOOR: I think HVAC well field is-- it was built with somebody looking to the forward saying someday we're going to need more parking and set it up so that it could be used for more parking and whether it's paved over or whether it's used as a parking garage. It's a no-brainer to me. It, it really is a no-brainer. And I think as Senator Raybould's bill lays out, LB973 provides some suggestions on ways that it could be paid for, and relatively low cost. And having had a place down here, I'll also tell you I'll walk around this area-- or, did walk around this area every month during the calendar year, and the number of paved over asphalt areas that are unused at all within about a two-block area of here is surprising. Really surprising. I think those also would provide an opportunity for Monday through Friday use by state employees if a contract could be developed with those businesses or not-for-profits.

LONOWSKI: Thank you.

SANDERS: Any other questions from the committee? See none. Thank you very much for stopping in.

MIKE GLOOR: Thank you very much. Thank you for your work.

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SANDERS: Appreciate your testimony. Any other proponents on LB973?
Welcome.

JUSTIN HUBLY: Good afternoon, Senator Sanders, members of the Government Committee. My name is Justin Hubly, J-u-s-t-i-n H-u-b-l-y. I'm the executive director of the Nebraska Association of Public Employees, NAPE/AFSCME Local 61. Our union represents over 8,000 frontline state employees who perform more than 400 frontline jobs in all 93 counties in Nebraska. And we're in support of this bill because employees in two of the counties in Nebraska have to pay for parking when they go to their state jobs. There is no-- well, that's not fair. One of the most important issues we hear about every time we negotiate our contract is we have to deal with parking in Lincoln and in Omaha. It's an equity piece for our members. You could have the same job in Scottsbluff or in Hastings or in Grand Island and not pay for parking. For some of our employees here in Lincoln-- thinking our office technicians, our maintenance technicians-- where the starting salary is between \$15 and \$16 an hour-- to pay \$350 a year in parking to come to the job is very challenging for them. Some of you may remember five, five or six years ago when the Department of-- it was Environmental Quality at the time-- moved from the atrium building a few blocks here up to Fallbrook in Lincoln. Not only were they excited to have a new building, but they were excited to not have to pay \$350 for parking every year. So we have-- this has been a negotiations priority. And what we hear at the table is much of what you're hearing in your head right now, is this is just too expensive. But I think Senator Raybould's bill is the easiest way to solve the problem. Our members are very thankful that this bill has been presented to highlight the importance, and I think you just heard great testimony about this. If this can't be done, I would like you to hear from us. We'd like to partner with anybody and everybody-- the Governor, the Legislature-- to figure out a solution to this problem, whether that be through public-private partnership with the city of Lincoln and parking structures and how we can get reduced rates. A lot of state employees do pay \$100 a month for parking in a private garage in this area because there is not enough parking for them in the state garage as well. So I don't think I need to belabor the point on a Friday afternoon how important this is to our members, but I, I hope you'll give it very serious consideration. I'm happy to answer questions.

SANDERS: Thank you very much for your testimony. Senator Cavanaugh.

J. CAVANAUGH: Thank you, Chair. Thanks for being here, Mr. Hubly. So the fiscal note says that we'd need to build 500 new spots. Is that--

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match up to what you think of the number of employees who don't have spots?

JUSTIN HUBLY: Yeah. It's-- I'm thinking most specifically here in Lincoln at the Nebraska State Office Building. We have about a thousand members in the building. A few thousand people work in the building, and so an additional 500 I think would be very helpful. But, you know, I think the other testifiers have, have highlighted that, if street parking is cleared by some folks to go into the garage, that frees up street parking. That can be helpful. So 500 might do it.

J. CAVANAUGH: OK. And my other question is there was a number of people who were working from home or remote working or things like that. Was there any consideration for the additional cost that those people bear when they were required to come back to work in the building?

JUSTIN HUBLY: There was not, and I-- I'm sure many of you are aware that there's a case pending before the Nebraska Supreme Court to kind of resolve that issue of whether parking was something that, under state law, needed to be negotiated as a result of folks who were hired remotely and called back to an office, whether that's something that we would have to negotiate. And so we expect a decision from the High Court in-- sometime this spring.

J. CAVANAUGH: Do you have an idea of just how many people were affected by the return order?

JUSTIN HUBLY: Yeah. It's probably in the-- as far as parking goes, about 500 would be my guess between the Omaha State Office Building at 13th and Farnum and the Nebraska State Office Building here. Of course, there's the Department of Labor, the OCIO Building or some other smaller things around the area.

J. CAVANAUGH: All right. Thank you.

SANDERS: I have a quick question. So those numbers, does that indicate 8-to-5 workers or 24? Is it-- about half that would work evenings and half that would work daytime, or is that 8-to-5 jobs?

JUSTIN HUBLY: No, I'm-- pretty mu-- everybody that-- I would-- every-- everybody is not a fair statement, but the vast majority of folks in the Capitol and in downtown Omaha are working kind of an 8-to-- 8-to-5 schedule. You know, our folks who work alternative schedules are

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typically at a facility or there's some need where they're not working an office job.

SANDERS: OK. I know I've been here some odd evenings and I see employees and--

JUSTIN HUBLY: On any day, our, our employees work flexible schedules as needed to meet the business needs, and so there are folks that work from 6 a.m. to 2 p.m. There are certainly folks that work 1 to 9. But the vast majority work kind of a normal business day. Where parking is an issue-- of course, we have more than a thousand members who work at 24-hour facilities around the state.

SANDERS: Thank you. Senator Lonowski.

LONOWSKI: Thank you, Chair Sanders. Thank you for your testimony. Way back in '07, I worked near the Pentagon for a summer, and the parking spots were \$100 each. What those, those employees could do is fill out a, a form and, and show that they had paid \$100 each. Do the, do the, the employees here have any type of compensation like that where they can-- some sort of write-off, I guess?

JUSTIN HUBLY: They don't. And, you know, obviously the parking's at a vastly reduced rate compared to the market in Lincoln-- you know, \$30 a month-- but they still have to pay that out of pocket. And it's just always been our position as a union of frontline workers that folks shouldn't have to pay for parking for the privilege of working for the state. Respectfully, you know. I mean, as a percentage of salary, it's more of yours than our members. So if you have to pay for parking, so. But there is no, no reimbursement, so to speak.

LONOWSKI: OK. Thank you.

SANDERS: Any other questions from the committee? See none. Thank you for your testimony. Any other proponents on LB973? Any opponents on LB973? Welcome.

LEE WILL: Thank you. Good afternoon, Chair Sanders and members of the Government, Military and Veterans Affairs Committee. My name is Lee Will, L-e-e W-i-l-l. And I'm the director of the Department of Administrative Services, or DAS, speaking in opposition to LB973. We appreciate Senator Raybould's efforts to establish a parking benefit for current and future pu-- state public servants. However, opposition to LB973 is not about lack of interest in state parking options for all state public servants. Rather, opposition to LB973 boils down to

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the cost and elimination of all user fees or parking fees. Constructing a new parking garage is the only solution to comply with LB973 and accommodate parking for all public servants. Further, as with any new structure, a parking garage will require ongoing operational expenses beyond one-time construction costs. By eliminating the employees' monthly contribution towards parking at rates already well below other downtown Lincoln parking garage options, all costs associated with employee parking fall to the state and thus the taxpayer. I believe we all understand Lincoln to be the most inquired about area for parking and therefore most impacted by parking requirements if LB973 were adopted. The reality of a state government presence in downtown Lincoln is the same for other businesses operating in downtown Lincoln. There are not-- estimated 500 public servants on a parking waitlist are currently utilizing other spaces in Lincoln. As previously stated, solving for these new parking spots-- parking spaces requires construction of a parking garage. At \$30,000 per stall, a new parking garage is estimated upwards of \$15 million. The Capitol Buildings Parking Revolving Fund has just enough funds to pay current operational expenses, so a new parking structure would require general funds. Operational maintenance costs of average 72-- \$721,580 in Lincoln, and a new structure is estimated to increase these costs about 25%. Additionally, Capitol maintenance of garages and surface lots is nearly \$250,000 annually. Therefore, just maintaining existing parking facilities exceeds \$1 million annually. All of these costs are provided in DAS's fiscal notes for the committee's reference. I understand that the subject of parking has been ongoing and brings many perspectives from stakeholders, including from residents of the surrounding neighborhoods, individuals visiting the Capitol, state public servants, and officials from the city of Lincoln. We are open to exploring additional parking opportunities, but we do not consider LB973 to be a viable option at this time, as it's simply cost-prohibitive. I'll be happy to take any questions from the committee.

SANDERS: Thank you. Mr. Wills [SIC]. Just check with the committee. Senator Cavanaugh.

J. CAVANAUGH: Thank you, Chair. Thanks for being here, Mr. Will.

LEE WILL: Sure.

J. CAVANAUGH: I assume you were here when Senator Raybould was speaking, but--

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LEE WILL: Yes, sir.

J. CAVANAUGH: --you might have been right behind her, so I didn't see you. Well, the first question is, she made an alternative suggestion of not building a garage but building a surface lot.

LEE WILL: Yeah. So-- and I think that's a good suggestion that we took a look at. But just for numbers sake, a surface lot gets you about 275 spots. So, you know, that would put a dent in the problem. About 500 are there-- on the waitlist and have additional garage parking outside of the state services, but it wouldn't comply with the full actions that-- LB973. And we got construction costs of that, and it's going to be around \$2 million if we were to put a surface lot up.

J. CAVANAUGH: And just to pu-- make it comparable, it's \$30,000 per spot for a garage. And what's this cost per spot for a surface lot?

LEE WILL: So it'd probably be around \$10,000-- a little under \$8,000 per. But obviously, you're in the elements and other things with the surface lot, whereas a garage, you have a little bit more, you know, security and other things.

J. CAVANAUGH: Is there a difference in annual maintenance cost as well?

LEE WILL: I would think that the garage would be a little bit more, but I don't think that would be substantial.

J. CAVANAUGH: And in terms of-- this is just an idle curiosity, say-- the Horseshoe, there are 13 stalls. Who gets those 13 stalls?

LEE WILL: So I believe those are allocated between the Legislature, Governor's Office. I believe the courts have a spot, but I, I would have to ask Capitol Commission on that. But I, I believe that it's multibranch allocation of those, those spots.

J. CAVANAUGH: So you're saying I could have a spot in the Horseshoe [INAUDIBLE] parking across the street?

LEE WILL: I think if you negotiate it well, that, that could happen.

J. CAVANAUGH: [INAUDIBLE]. And on the surface lot that we all senators park in, it says here there are 112 stalls-- 5 reserved for the Governor, so 117. Of those, do you-- does anybody pay for those 117 spots? I know-- we don't pay for the senators.

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LEE WILL: I know for the Governor's Office and those staff, they pay for the parking. But I don't believe senators pay for the parking, yes.

J. CAVANAUGH: Well, I-- I've never paid for my parking.

LEE WILL: Then you do not, so. But the Governor's Office does pay for that parking, yes.

J. CAVANAUGH: Now I'm on the record. Somebody can come after me [INAUDIBLE]. And I'll ask you the same question I asked Mr. Hubly about re-- the return to work order.

LEE WILL: Sure.

J. CAVANAUGH: Ha-- are you aware of conversations or what-- ha-- I mean, certain people took jobs at a certain pay rate and they didn't have to pay for parking, and then they were ordered to come back to work and now they may have to pay \$100 a month or something for parking.

LEE WILL: Yeah. So really-- so when I first started in state government, I was one of those that parked on the street for about six years. Obviously, that's free. Obviously, you have to come a little bit early and, and-- but you do have that option, although it takes away from the public, as Senator Raybould had discussed, so it does create an issue. In crafting the executive order, you know, the Governor's main concern was that folks are in the office actually working for the taxpayer. So we did consider, yeah, you're going to have to have more space, you're going to have to have more parking, but the overriding theme was we want to make sure that the taxpayers are represented in the office and getting their work done.

J. CAVANAUGH: Sure. I'm, I'm not currently quibbling with the, the return to work order, but as-- I mean, every decision's got to balance in a give and a take, right?

LEE WILL: Yeah.

J. CAVANAUGH: And there is a certain element of asking more of the employees after they've already entered into an agreement and doesn't sound like they got consideration for that extra thing that they--

LEE WILL: I mean, from our perspective, COVID was temporary. We were going to come back to the office. Now, if there was communications

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between those agency directors and that specific employee, I, I couldn't speak to that. But there was an-- always an expectation after the pandemic emergency we were gonna get back to work in the office.

J. CAVANAUGH: So-- you just said something [INAUDIBLE]. So is there-- like, does each agency have maybe a discretionary budget that they could allocate to offer parking expense to people?

LEE WILL: No.

J. CAVANAUGH: OK.

LEE WILL: No, not that I'm aware of. No.

J. CAVANAUGH: All right. Thank you.

LEE WILL: Yep. Sure.

SANDERS: Any other questions from the committee? I have a couple questions. Sorry. Senator Guereca. Didn't see your hand.

GUERECA: You could've-- go ahead and ask too, Madam Chair. Thank you, Chairwoman. Thank you, Mr. Will, for being here. Just a couple things. How many employees work for the state of Nebraska?

LEE WILL: Right around-- I think Senator Raybould's answer was pretty good, around 18,000.

GUERECA: 18,000?

LEE WILL: Yes.

GUERECA: And that's across all of our counties, correct?

LEE WILL: That is correct, sir. Yes.

GUERECA: But only two of the counties do our state employees pay for parking.

LEE WILL: That is correct, yes.

GUERECA: That was Douglas and Lancaster County.

LEE WILL: That is correct.

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GUERECA: Amongst those 18,000-ish employees, is paid parking part of a compensation package?

LEE WILL: No.

GUERECA: No employee in this-- that works for the state has free parking?

LEE WILL: Not that I'm aware of, no.

GUERECA: Do you pay for parking, sir?

LEE WILL: Yes, sir.

GUERECA: OK.

LEE WILL: I didn't when I parked on the street.

GUERECA: That's right. Six years, right? Interesting. OK. And then-- that's definitely something that will-- something that moving forward perhaps the state could incorporate that into their, you know--

LEE WILL: Their rates and other things.

GUERECA: Yeah.

LEE WILL: And then you, you have an-- you know, it-- it's going to hit different funding sources differently. Some cash funds would have to pay, some general funds. But you would have to provide the agencies for that service unless they could eat it within their budget. But that could be a consideration. The other thing-- if, if you wouldn't mind, Senator. Senator Raybould had a, a point on the revenue bonds for the city of Lincoln. I do think that's something we would take a look at. I don't know if that arrangement was the city of Lincoln putting up the money and essentially saying, here's a gift for the Capitol and all that stuff. That sounds very advantageous for the state. If it's something the state has to pay back the city of Lincoln over time, it will take us a very long time-- you know, maybe 30, 40 years to pay back that principle. But it all depends on the options. And we'd be willing to have conversation with Senator Raybould.

GUERECA: Oh, that-- that's some-- not something you guys-- you all looked at the, the lead up to this hearing?

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LEE WILL: I didn't look at it. That's just something Senator Raybould discussed. And I would be willing to look at it. Yes, sir.

GUERECA: Thank you, sir.

LEE WILL: Yep.

SANDERS: I have a couple questions.

LEE WILL: Yes, ma'am.

SANDERS: Talked about the possibility of building a garage, \$15 million--

LEE WILL: Yep.

SANDERS: --or surface parking. Does that include monthly maintenance, snow removal? There's probably got to be liability insurance. What does that look like?

LEE WILL: Yeah. So we tried to incorporate that amount of money. So if you look at the fiscal note, FY '28-29, that's really where your maintenance cost in totality would be. So it shows \$1,211,000 if we were to defray or not collect additional parking receipts plus have to do the operational maintenance of that garage. And off the top of my head, it takes about a million dollars to run all of our surface lots, all of our garages, so it would be about, you know, probably \$150,000 to \$200,000 to have operational expenses for that garage a year.

SANDERS: Probably doesn't include all the security bars and intercoms that are connected and lighting.

LEE WILL: I would think that the \$15 million in the first year would incorporate all of the no-- all of the security measures, all the lighting to build the garage and bring it up to code. So I would say the \$15 million is encompassing of that, yes.

SANDERS: OK. And approximately how often does surface parking or a parking garage have to be resurfaced?

LEE WILL: It-- it's obviously going to depend on the usage. I'd have to get back to you on that. Off the top of my head, I would probably estimate every, you know, six to seven years was probably when it has to get resurfaced. And obviously, that's a consideration. If you put it on the well field, you're going to have to pay the \$2 million

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upfront to kind of pave the thing, and then you're going to have to pay ongoing maintenance. And then six, seven years, you'll probably have to pa-- repave it.

SANDERS: [INAUDIBLE] an account for Capitol expenses that's going to be maintenance and continued--

LEE WILL: That's possible. But, you know, as part of our fiscal note-- and if there's other approaches, it all has to be financed either from the Cash Reserve Fund or the General Fund into a fund like the Nebraska Capitol Construction Fund or a newly created one. But the source is ultimately going to be the same. And General Fund's, you know, taxpayer dollars, so.

SANDERS: Thank you.

LEE WILL: Yes, ma'am.

SANDERS: Senator Hunt.

HUNT: Thank you. Thank you, Mr. Will.

LEE WILL: Sure.

HUNT: Whatever happened to the geothermal well parking garage northeast of the Capitol?

LEE WILL: Yeah. That's-- so that's the one that we're talking about--

HUNT: OK.

LEE WILL: --potentially putting a-- you could do a surface lot, which costs you about \$2 million, or you could put the parking garage, which is kind of the impetus of our fiscal note of \$15 million. So we do own that land. It wouldn't cost us more to acquire more space. We just have to build the structure.

HUNT: Wasn't it underway, though, before COVID? Like, what happened to that project?

LEE WILL: So, so there was some discussion to pave that oil-- well field, and the funding didn't materialize. And it would be-- have to, have to be something the Appropriations Committee or others talk about, because there'd be a \$2 million investment.

HUNT: I thought we did, though, did we not? No?

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LEE WILL: No. I know that it was discussed or in-- like, I remember Senator Stinner having a hearing on the well field and there was consideration of, you know, another building there, another parking structure. So it has been a conversation over time, but \$2 million wasn't appropriated in the end.

HUNT: OK. Because that space was meant for state employees, right--

LEE WILL: Yes, ma'am.

HUNT: --at the time?

LEE WILL: Yes.

HUNT: OK. OK. Thank you.

LEE WILL: Yep. No problem.

SANDERS: Any other questions? See none. Thank you for your testimony. Any other opposition on LB973? Any in the neutral? Senator Raybould, if you'd like to close. While you're coming up, LB973 online comments for the hearing record: 13 proponents, 1 opponent, and 1 neutral.

RAYBOULD: Thank you all very much. I just want to reference something that-- in the parking study guide, it has the cost of maintenance for all the parking facilities that the, the state of Nebraska currently has responsibility for. The one thing I wanted to mention-- and this is what we did-- I was on the Public Building Commission for Lincoln, Lancaster County for 12 years-- I was the chair for about 4-- where we did the renovations to the old county jail and tur-- converted that into office spaces and other department and additional courtroom space. But what we do with the, the city county building, there is a, a-- obviously, there's a rent. And for those agencies and departments in the state, they pay rent. And in that rent, what we were proposing in LB973 is DAS look at the opportunity of how to structure the rent that gets charged to each of the agencies and departments. I-- it's my understanding that the agencies and departments inside the Capitol are rent-free. But for those other facilities, like the, the State Office Building, et cetera, they do pay a rent. When they pay that rent to the state that they-- add on an additional amount. And I know the state probably does the same thing the city and county has been doing. You pay for the rent, which includes repair and maintenance, et cetera. That's all bundled into that cost per square foot. And that's what we're asking for LB973, that DAS looks at putting into the rent for those agencies and departments that are offsite but still belong

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to the state of Nebraska, those buildings, increase that rent amount to include a-- the fee for parking embedded in that that that department pays. Not the employee, but the department pays. And so when they're talking about the repair and maintenance fees-- so, you know, annually, it's about, you know, \$700,000 to \$1 million, depending upon the cycle of that parking lot or parking garage that needs to be addressed. But that's how much the state pays annually for all the parking garages. But if you put an amount that-- in the rent to that state agency, that covers that. That covers that. That would be in lieu of some of the revenue they get from the fees that they charge for the parking lots to the employees. And so that's how there is a continuous revenue stream for repair and maintenance of the existing parking lots, by adding it to that department. So we know that there's so many offsite locations. I don't know if this is right or not, but I think the Department of Agriculture's now at the-- in Fallbrook or something like that. But, you know, in the rent that they paid to that private party, the parking is included in, in that fee as well. And so those employees never have to worry about parking. We know that's true from all the other or-- locations throughout the state of Nebraska. So that's what we're asking, is look at it a little bit more creative, come up with the re-- revenue stream that you still need for repair and maintenance for all the structures, but have it tacked onto that agency's rent that gets charged to them by the state. So that's, that's one that-- thing that we wanted to, to really encourage. I'm happy to sit down and, and talk and review. And certainly with Liz Elliott, the director of Lincoln Transportation and Utility, they're accustomed to doing all this revenue bonds, who pays what and how it's structured, and to really look at the past history of how it was successful when we built the State Office Building, as well as the additional parking to be able to do that. And so I think that's, that's-- we have an opportunity. That's why we pushed that date of July 1, 2028 out there, to give everybody an opportunity to, to come up with creative ways on, on helping get some of these things done, including building a parking structure at 17th and K, as, as-- with creative finance options. But the state of Nebraska is auth-- authorized to engage in at this point. And just-- you know, I wa-- ha-- was sitting talking to Raheen [PHONETIC] and my administrative assistant, and I, I forgot. She had mentioned that she was on a waiting list for two years, and I think that's pretty good, but-- so she has to pay \$36 a month for parking, and that is a hardship. And do we anticipate people being permitted to work remotely again? You know, we, we thought the study indicates, well, people would take Uber, take public transportation, ride their bike, but that hasn't proved out to

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be the case, you know. Nebraskans, we, we drive. We drive our car. And so they still anticipate a heavy demand on parking into 2035. So we'd like to, to see if we can come up with creative ways to fix this problem that has been festering for all these years. And I'm really grateful to Senator Gloor for coming and, and speaking, you know, from his es-- experience as well. And I ask you, you know, to, to please push this forward, LB973. And I know it gives us time to work out the very important financial details if that's to, to come to fruition. But the first step that they could look into is looking at a rent structure to add on to those departments. That's step one. And I can certainly sit down and, and show them how we were able to do it for Lincoln, Lancaster. Thank you all very much.

SANDERS: Any questions for Senator Raybould? See none. Thank you for bringing LB973.

RAYBOULD: Thank you. Have a great weekend.

SANDERS: And this closes the hearing on LB973. We now will take up LB878. Senator Guereca. Floor is yours.

GUERECA: Thank you. Good afternoon, Chairwoman Sanders and fellow members of the Government, Military and Veterans Affairs Committee. My name is Dunixi Guereca, D-u-n-i-x-i G-u-e-r-e-c-a. And I represent District 7, which includes the communities of downtown and south Omaha. I'm here to introduce LB878, which would require the state of Nebraska to provide six weeks of paid maternity leave to eligible full-time employees following the birth or adoption of their child. Last summer, the Nebraska Association of Public Employees successfully negotiated a contract to provide six weeks of paid maternity leave to eligible employees. While this contract is a massive step forward, I want to make sure that we include all state employees in this much-needed benefit. Last summer, our Executive Board updated our policies to reflect these changes and provide our legislative staff with six weeks of paid leave, reflecting the contract negotiations. As of right now, our state troopers and our judicial branch employees do not receive this benefit, and I find that very troubling. I'm incredibly grateful to our state employees and the sacrifices they've made to help our state both function and flourish. These employees are fiercely loyal to our state, and in return we should be providing them with the stability and security they deserve. Looking after our state employees is not only the right thing to do, it also contributes to the success of our great state. According to the Maven Clinic, companies that provide benefits as a whole are provided-- are proven

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to see increased employee morale, loyalty, and productivity, which also enhances their ability to attract top talent. One study shows that workers are five times more likely to stay in a company where they feel rewarded and valued. And paid family leave is high on the list of desirable benefits. According to one global survey, 83% of millennials said they would like more-- they were more likely to join a company that offers paid maternal leave benefits, with a further 38% considering moving out of the U.S. to a country that provides improved parental leave policies. Paid leave could be the differentiator between an employee taking or leaving a role. Research shows that 50%-- 58% of employers confirmed parental leave benefits have played a large part in improving their talent acquisition. 13 states have passed legislation to create pro-- paid family and medical leave programs. According to NCSL, most state programs are funded through tax-- pay-- payroll taxes, and some are partially funded by employer pay-- payroll taxes. When we talk about expanding the good life, I believe providing our state employees with six week of paid leave following the birth or adoption of their child is a great place to start. As it currently stands, only a portion of our state employees receive this life-altering benefit. So let's make sure we support all of our state employees. With that, I'm happy to take any questions.

SANDERS: Thank you. Let's see if there are any questions from the committee. Senator Cavanaugh.

J. CAVANAUGH: Thank you, Chair. And thanks for bringing this, Senator Guereca. OK. So I'm looking at the fiscal note, and I see the part you were talking about, the, the folks who were not already covered, which is, like, the State Patrol and a couple other-- others. Then this other part, which was-- I think that fiscal note's \$109,000. And then there's the DHHS fiscal note for \$678,000. What am I miss-- I don't-- what am I missing about-- why is DHHS adding that much?

GUERECA: So we're a little, a little confused by that as well. So I-- and Mr. Hubly could address that. I believe he's coming up behind me to testify. They represent about 3,000 out of the 4,000, I believe was the number, of the employees. So there are some state employees outside that, that aren't covered. But, you know, what-- when deciding, you know, who's going to give birth, who's going to adopt, who is already covered in the union contract, who isn't covered in the union contract-- I don't know how they came up with that estimate. To me, that, that would be an incredibly hard number to, to, to put together when there's so many different varying factors there. So

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while I respect them putting this fiscal note in there, that's, that's a tough, tough number to actually put together.

J. CAVANAUGH: OK. Thanks.

SANDERS: Are there any questions from the committee? I have a quick question.

GUERECA: Sure.

SANDERS: Maybe not so quick. For the couples or individuals who decide not to have a children-- have children or adopt or those that had their children before they were employees, how are they compensated for not taking six weeks? I mean, do we get--

GUERECA: So it would be-- before the implementation of, of the six-week policy?

SANDERS: Yeah.

GUERECA: Like, do they get back pay for that, or-- so the current policy before the, the Nebraska Association of Public Employees negotiated that contract was-- they would get, I believe, it was six weeks of unpaid leave that they could use, their-- any sort of banked vacation time, any sick leave, and then apply for FMLA.

SANDERS: OK.

GUERECA: And then there was a program where their coworkers could donate vacation days to them.

SANDERS: OK. That makes sense.

GUERECA: Yeah.

SANDERS: Yeah. Thank you.

GUERECA: Yeah.

SANDERS: Any other questions? Thank you. You'll stay for closing?

GUERECA: Absolutely, I will.

SANDERS: OK.

GUERECA: Thank you.

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SANDERS: Are there any proponents on LB878? Welcome.

LUCAS BOLTON: Thank you. Good after-- good afternoon, Chairperson Sanders and members of the Government, Military and Veteran Affairs Committee. My name is Lucas Bolton, L-u-c-a-s B-o-l-t-o-n. I am employed as a criminal investigator with the Nebraska State Patrol, where I have served for nearly ten years. Today, however, I am here on behalf of the State Troopers Association of Nebraska, STAN, as its legislative representative to testify in support of LB878. I want to thank Senator Guereca for introducing this legislation. This is an issue that has been raised consistently by our members over the last several years and addresses real challenges within our workforce. One of the most common concerns I hear particularly from my female coworkers is that law enforcement often forces them into a difficult choice between a family and continuing their career. Without paid maternity leave, many troopers feel they must delay having children for years just to build enough sick leave to cover childbirth and recovery. Others are forced to take unpaid leave, which is simply not realistic, especially when welcoming a new child. This also means female troopers must then spend years rebuilding their leave if they hope to have another child, forcing family planning around leave balances rather than what is best for them and their families. I've personally seen how this plays out. Several years ago, I helped instruct a recruit in the academy who was already a mother. She excelled during training, progressed quickly after graduation, and became a respected asset to the agency. When she later became pregnant, she did not have enough sick leave accrued and had to rely on the maternity leave donations. After childbirth, she had no remaining leave to care for a newborn. She was placed in the impossible position of choosing between meeting her family needs or continuing her career. She ultimately left the patrol. I do not fault her for that decision, but I believe that it was a loss for the agency and one that this legislation could help prevent. This issue also affects recruitment. I've talked with our recruiting team and was informed that maternity leave is a discussion point from female applicants when considering a career with the patrol. Nationally, many agencies are working towards the 30 by 30 initiative, which aims for 30% of female representation by 2030. Currently, the Nebraska State Patrol has fewer than 10% female troopers. This bill will help remove barriers that may discourage women from entering and staying in the profession. To provide some context: over the last five years, the average number of female troopers giving birth has been fewer than two per year. I have some data there on the page. Even with a significant

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growth in female representation, that number would remain small. The point I'm trying to make is that providing maternity leave for troopers is unlikely to have a major fiscal impact but would have a meaningful impact on the lives of our female troopers and their families. The only change STAN would request is possibly adding paternity leave even if at a reduced level, as our male troopers run into some of the same issues. And as law enforcement, our families' support is what allows us to serve our communities. In closing, the State Troopers Association of Nebraska strongly supports LB878 and respectfully request the committee to advance this legislation. I thank you for your time. And I'm happy to answer any questions you may have.

SANDERS: Thank you, Mr. Burton [SIC], for your testimony. Are there any questions from the committee? See none. Thank you. Opponents. Senator Day, welcome.

DAY: Thank you. Good afternoon, Chair Sanders and members of the Government, Military and Veterans Affairs Committee. My name is Jen Day. That's J-e-n D-a-y. And I am here on behalf of the Women's Fund of Omaha to share our support of LB878, which will help ensure our Nebraska state employees have the support they need to grow their families by adding the current maternity leave policy to state statute. As Nebraskans, we pride ourselves on our image of being hardworking and putting family first, and legislation like LB878 allows us to bring that image to fruition. Paid maternity leave supports Nebraska State employees in expanding their families by maintaining the employment and resources that are necessary to foster a healthy environment in the crucial weeks following labor and delivery. Policies like LB878 lead to better outcomes for both mom and baby. According to a study published by the National Institutes of Health, paid maternity leave led to increases in birth weight, decreases in premature birth, and decreases in infant mortality. Excuse me. It's also linked to decreases in postpartum depression, lower chances of intimate partner violence, and decreased chances of rehospitalization in the first year for both mom and baby. Additionally, the return on investment is approximately \$2.57 for every dollar spent on paid leave, according to the National Partnership for Women and Families. It also increases employee talent attraction and retention, lowers health care costs, and increases employee well-being-- all strong incentives for employers, which is, is, in this case, the state of Nebraska. Arkansas Governor Sarah Huckabee Sanders said at the state's bill signing to implement 12 weeks of paid maternity leave in August: as a mom of three kids, I

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know the difficulties that so many parents have juggling that work-life balance. And so we're hopeful that this will not only help new moms that work for the state government but also help the state get a competitive advantage when we're hiring. Notably, LB878 would include maternity leave for parents who make the choice to adopt, and this aligns with the policies implemented in other states, including Governor Huckabee Sanders' Arkansas. The weeks following adoption are critical in developing secure attachments between child and parents. Adoption is a major life change for a child and their family. Having time to adjust provides for a more stable and healthier environment in the home, allows both child and parents to navigate the often stressful transition. And the policy would ensure Nebraska complies with legal requirements like the Interstate Compact on the Placement of Children, of which Nebraska is a member state. LB878 is smart public policy with health outcome benefits for Nebraska families and financial benefits for the state of Nebraska. The Women's Fund of Omaha urges you to advance this bill to General File for debate.

SANDERS: Thank you, Senator Day. Are there any questions? Senator Wordekemper.

WORDEKEMPER: Thank you for being here. And this dawned on me. When you're talking of adoption in other states, for maternity leave, is there an age? Like, is it an infant? People can adopt a 5-year-old, a 6-year-old, 10-year-old. Do maternity things apply to those?

DAY: As far as I know, I believe that it does in terms of-- so we have an Interstate Compact on the Placement of Children, right, which is an agreement between-- all 50 states are members of this compact-- in terms of how we transfer kids from out of state to in-state and vice versa in terms of the standards that are required to ensure the well-being of the child. And as far as I know, I do believe that applies to any age, but that may be a better question for the introducer.

WORDEKEMPER: OK. Thank you.

DAY: Yeah.

SANDERS: Other questions from the committee? See none. Thank, thank you for your testimony. Are there any other proponents on LB878? Welcome back.

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JUSTIN HUBLY: Good afternoon again, Senator Sanders, members of the Government Committee. I'm still Justin Hubly, J-u-s-t-i-n H-u-b-l-y. And to my knowledge, I'm still the executive director of the Nebraska Association of Public Employees. Our union represents over 8,000 state employees that work in all 93 counties, 400-plus frontline jobs. And I'm actually here-- this bill would not affect our members because, as Senator Guereca mentioned, we actually negotiated this into our contract that took effect in July. So I'm here to maybe offer a little bit of history and some data points that may help the committee. This has been-- paid parental leave for mothers and fathers has been a priority of our union for almost a decade. And we survey-- I'm starting to get old-- and we surveyed at every biennium. And what I really noticed differently in the last biennium was almost 80% of our members who would not have a child-- this would not affect them-- said that this is an important issue to recruit and retain a new generation of public employees. Our average age of our members is in their late 40s. And in order to attract folks to public sector jobs, we need to have benefits to get younger folks in the door. So that's one thing. Next, when Governor Pillen was running for office, he was kind enough to meet with our members of our union. We, we talked to him about the importance of paid parental leave for our folks. He said, you know, I don't really agree with that. Appreciated his honesty. And through the negotiations process, we were able to talk to him about the importance of it and got him to agree to six weeks of paid maternity leave, a step in the right direction. No pun intended, I called it a baby step. But for our members, I've now been told it's life-changing. And I've had multiple members this year since this took effect July 1 tell me, it's amazing that I have time to bond with my child and at least some of it's paid so that I'm not, you know, missing work and getting unpaid. It hurts their family. The other piece that I would tell you is how many state employees this affected. There were some questions on the fiscal note, which I didn't understand from DHHS. We don't-- the state didn't keep data at the time. And I-- as I think it's impossible to have exact how many babies do state employees have in a year. But the data that we do have is how many babies are added to our insurance plan in the year. Now, of course, some state employees have babies who are on a different insurance plan. So it's not exact, but a few hundred. So it's not giant numbers. And always remember, when you talk about leave costs, it's a lost time cost versus a cost in payment, lost productivity. And listen, I become a libertarian sometimes when government is inefficient, and I work around it every day. But remember that the state has 18,000 employees. We can absorb paid maternity leave. My staff-- there are six of us. If one person's

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out, it's harder to absorb that work. So just keep that in mind when you're balancing the cost. And if I can answer questions for the committee based on what we've seen from our members in the last seven months since this has been in effect, I'd be happy to do so. Thank you.

SANDERS: Thank you for your testimony. Are there any questions from the committee? Got off easy.

JUSTIN HUBLY: Off easy. Thank you.

SANDERS: Thank you very much for your testimony. Are there any other proponents on LB878? Any opponents on LB878? Any testimony in the neutral on LB878? Senator Guereca, time for closing. For the online comments for LB878, we have 39 proponents, 3 opponents, and 1 neutral.

GUERECA: Well, colleagues, thank you for your time, for-- and for hearing out the testimony. I think it's pretty clear: maternity leave since implemented with the vast majority of our state employees has been well-taken, really improved the quality of life for, you know, future babies, and that relationship in, in that family unit. And as we heard from the State Trooper's Association, it is something that is brought up. And again, it, it-- for this new generation as we're wor-- we're wor-- replenishing our workforce, we want to make sure that we attract top talent. Because we do have a fiduciary duty to the taxpayers of Nebraska to make sure we attract the best talent so they get the best return for their investment. So with that, I'll take any questions on this bill.

SANDERS: Any questions for Senator Guereca? Senator Andersen.

ANDERSEN: Thank you, Chairwoman. And thanks, Senator Guereca, for, for being here. I apologize. I missed your opening. I was in-- presenting in a different committee. So I have a couple of different questions for you.

GUERECA: Sure.

ANDERSEN: For state employees, what is the annual leave accrual?

GUERECA: Do not know that off the top of my head. I can get you that number.

ANDERSEN: OK. Because your bill says that the maternity leave would be above and beyond. It, it is not that they use what PTO they have saved

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up and then the remainder of the six weeks is covered by this. This means you don't have to use any of your PTO or six lea-- sick leave. Here's six weeks of more vacation that you can spend with your baby.

GUERECA: That's not a vacation, Senator. It, it is a-- it, it, it is, it is a benefit. So-- and again, that's standard practice across the country and across the world, actually.

ANDERSEN: OK. We'll call it PTO then. How's that?

GUERECA: Not-- I mean, it is a form of paid time off, but it is strictly for mothers who have given birth or parents who are adopting a child.

ANDERSEN: OK. I understand. I have two sons. I don't know if you have any kids or not, but I-- I've gone through it twice so far.

GUERECA: OK.

ANDERSEN: So it-- but it is-- they don't have to use their PTO.

GUERECA: Correct. It is an added benefit, yes.

ANDERSEN: OK. At the macro level, why is this the state's responsibility?

GUERECA: Again, this is something that has been implemented by states across the country. It is an added benefit. It is a tool to recruit and retain top talent, which, again, we have a fiduciary duty to our taxpayers to make sure that they get the most bang for their buck to attract, you know, top talent all across state. State employees execute a variety of functions at every corner in every single county in, in the state of Nebraska, so we want to make that, again, we're attracting, re-- and retaining the best talent.

ANDERSEN: OK. So when somebody takes the six weeks of maternity leave, what happens in that workspace? Do they bring a temp in to fill in for six weeks to cover that person's duties?

GUERECA: I think that varies. That, that will vary from workplace to workplace. Like Mr. Hubly said, if it's a large department, you know, the, the management structure will figure out a way to get that work done. They might have to bring in a temp; they might not. So that really does vary depending from worksite to worksite across the state.

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ANDERSEN: Is that re-- is that reflected in your fiscal note?

GUERECA: I-- all but-- on-- only one department really was the one that provided a fiscal note. And again, based on-- you know, some employees are covered under the union contract; some are not, right? Different ages. It's kind of hard to put together a fiscal note because, you know, again, pregnancy rates, adoption rates, not really well-tracked. So it would be kind of hard to really pinpoint a number.

ANDERSEN: OK. So the fiscal note may be significantly larger if that was the case with our hiring temps--

GUERECA: Probably not.

ANDERSEN: OK. Does this cover-- I didn't see paternity leave. You talk about trends in the United States and-- it's not, it's not just the maternal but also paternal.

GUERECA: Correct. Unfortunately, here-- you know, again, it's, it's a first step. It's a baby step. Again, the-- mo-- most state employees are covered under the Ne-- Nebraska Association of Public Employees, so the-- they're already getting that benefit. I want to make sure that our state troopers and our-- the folks that work at-- in the courts, those are two-- the two big groups that got left out of this. So I want to make sure those folks are covered. The vast majority of our state employees are already getting this benefit. I want to make sure that all state employees get this benefit.

ANDERSEN: So if a couple has a baby and they're both state employees, one's a trooper and one's not, then the mother would get six weeks of paid paternity leave but the husband would not?

GUERECA: If-- assuming the mother was not a state trooper. If the mother wasn't a state trooper, she would not get the benefit.

ANDERSEN: OK. So to-- back to the workplace thing. If you don't-- if you hire a temp worker, that's going to increase the cost, increase the fiscal note, increase the cost of whatever department they happen to be in, right? What if you don't? Has-- have you looked at any studies of-- any studies done that actually look at the, the implications or ramifications on the remaining workforce? If you have a office of, of five people, one has a baby, that means there's four left. That means 20% of the workforce left, left. So that 20% now needs to be absorbed by the other four people, right?

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GUERECA: Under your scenario [INAUDIBLE] correct. But seeing as how paid paternity and maternity leave is already something that occurs across the country and across the world, in both the public and private sector, I'm sure there's numerous studies that will show, you know, how that's balanced out. And we could probably find that and get you those study-- that information.

ANDERSEN: Yeah. I think that'd be a factor on whether it's actually advisable or not, if it has a negative impact on the remaining workforce where they end up working longer hours on salary. Or they'd be-- it becomes a resentment issue because now I can't go to my kids' soccer game because you had a baby and you're on vaca-- PTO.

GUERECA: I-- well, I trust the managers of the state of Nebraska to be able to balance out the workload to make sure that, if they did need to bring in a temp, they can do so. But if they feel that with the workforce that they have they're able to manage that workload, I think-- and I have great confidence in the managers that work for the state of Nebraska to ma-- to make sure that, you know, workplace-- the, the workplace environment is kept efficient and everyone's happy.

ANDERSEN: Sure, but not all, not all managers can hire temps. They don't have the authority to do that. And my concern is that, although I admire what you're trying to do, I, I get what you're getting at. I, I admire what you're trying to do. I think that you're taking a multidimensional, multifactor issue and turning it down to one-dimensional. I am concerned that there's always going to be unintended consequences, especially for the management and for the other workers.

GUERECA: Well, again, Senator, like I said, this is something that is not new. We are not pioneers, and, and this-- again, this is done across public sector, across private sector, in both much more conservative and much more liberal states than us. So I'll, I'll look for some numbers and I'll try to get that to you, sir.

ANDERSEN: Thank you. I appreciate it.

SANDERS: Any other questions from the committee? See none.

GUERECA: All right. Thank you.

SANDERS: Thank you, Senator Guereca. This closes our hearing on LB878. And we'll begin on our har-- hearing for LB830. Senator Lonowski. Floor is yours.

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LONOWSKI: Thank you, Chair Sanders. Good afternoon. And good afternoon to members of the Government, Military and Veterans Affairs Committee. For the record, my name is Senator Dan Lonowski, D-a-n L-o-n-o-w-s-k-i. And I represent the 33rd District. I introduce LB830 at the request of the Department of Administrative Services, DAS. LB830 accomplishes three primary changes. First, it amends all statute references to state employees or officers receiving monthly salary or compensation to instead compensation in equal installments. The Department of Administrative Services seeks this change in conjunction with a payroll processing software change with the goal of bringing all state employees and officers to the same biweekly-- biweekly pay schedule. It has been over 20 years since the state modernized payroll systems. In an effort to better serve employees, reduce errors, and improve processes, DAS is making this change with expectations of greater efficiencies and standardization across state government. Second, the Nebraska Military Department has facilities on federally leased land that are precluded from receiving funding from the Task Force for Building Renewal, yet these buildings require state dollars for maintenance. LB830 will authorize these buildings to be eligible for building and renewal funding, thus providing a potential financial resource to the Military Department to care for their buildings, which has not previously been an option based on current statute. The final component of the bill is the repeal of a redundant statute, specifically Nebraska Revised Statute Section 83-380, requiring DAS State Accounting to report annually to counties' amounts due to Department of Health and Human Services for patient care at DHHS institutions. DHHS bill-- bills-- DHHS bills counties monthly, so there is no need for DAS to also provide a total to counties once a year. Lee Will, director of DAS, will follow my testimony. He can provide further details about LB830, the agency's objectives, and the intended result of these proposed-- these proposed changes to operations. Additionally, the deputy director of the Nebraska Military Department, Steve Petersen, will testify regarding the buildings they'd like to have eligible for funds under the Nebraska Building Renewal Act. That concludes my opening. I respectfully-- respectfully ask the committee's consideration for advancing LB830. And thank you. And I will submit to your questions.

SANDERS: Thank you, Senator Lonowski. Are there any questions from the committee?

LONOWSKI: I will be followed by Mr. Will. Thank you.

SANDERS: OK. And you'll stay for closing?

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LONOWSKI: Yes, ma'am.

SANDERS: Thank you. Any proponents? Almost towards the end.

LEE WILL: Yup. We're there. Good afternoon, Chair Sanders and members of the Government, Military and Veterans Affairs Committee. My name is Lee Will, L-e-e W-i-l-l. And I'm pleased to tuf-- testify in support of LB830. I want to thank Senator Lonowski for introducing this legislation on behalf of the-- of DAS. With LB830, DAS proposes to amend all monthly state employee or officer compensation references to, to equal salary installments, laying the groundwork for instituting biweekly payroll across all of state government. LB830 also will expand eligibility for the Task Force for Building Renewal dollars to all buildings maintained by the Nebraska Military Department, as buildings on feder-- federally leased land are currently excluded. Finally, the bill repeals the statute that requires state accounting to duplicate current billing efforts of the Department of Health and Human Services. Regarding the payroll provision, I'd like to share a little context and elaborate on DAS's intentions going forward. DAS's overarching goal is to move agencies to one payroll schedule, specifically a standard biweekly payroll. There are several efficiencies to be found bringing all state public servants to biweekly payroll schedules. I'll be happy to elaborate further, but, from a high level, this will save payroll employees time, reduce manual errors, eliminate manual entries for new hires, reduce the impact on holidays and payroll cutoffs, and allow for a seamless trans-- transfer of employment between agencies with changes in benefits or pay, just to highlight a few. The driving factor for this change now is that DAS is in the process of converting to new payroll software. Notably, our transition from UKG Kronos to Workday will save the state \$1.6 million annually after implementation. The most apparent rationale to this effort is programming just one payroll schedule into our new system, which will require half of the work than the status quo. It's understandable significant changes such as this create questions and concerns, and DAS has been and continues to be willing to discuss unique agencies' needs. We are confident any concerns about increased work time is unwarranted given the efficiencies to be gained from the system we are integrating into. In addition to future cost savings, we estimate time saving of three days a month and less employee time spent on payroll processing. We want to work with agencies on this integration but maintain the goal to have consistency across state government. Capitalizing on this new software will provide huge cost savings and efficiencies across state government in multiple areas related to HR functions, time tracking,

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and payroll. The small amount of time necessary to make these adjustments will pale in comparison to the significant time savings and elimination of manual errors. We do have an amendment for the committee's consideration, as the monthly payroll references extend to retirement statutes. So we need to make sure everything-- make sure everything aligns in statute. The amendment will remove statutory references to monthly contribution and compensation specifically by the Nebraska State Patrol and judges. We are coordinating with NPERS, State Patrol, and the judiciary branch on the amendment and any changes. The Building Renewal Allocation Fund includes a portion of cigarette tax revenue for purposes of the Building Renewal Act. Most of the Nebraska Military Department buildings are eligible for these funds to help with maintenance. However, property on federally leased land is excluded because of the construction with federal dollars. I can wrap up, Senator.

SANDERS: You can continue.

LEE WILL: OK. Thank you very much.

SANDERS: Thank you.

LEE WILL: This bill allows for this-- OK. The Military Department is currently obligated to use state funds and splits with federal funds in caring for this building-- these buildings. This would simply expand the eligible state matching funds to the State Building Renewal Allocation Fund. As previously indicated, Deputy Director Steve Petersen will provide further testimony on behalf of the Nebraska Military Department about the buildings and their maintenance. Lastly, LB830 will re-- repeal an obsolete and duplicative provision of Statute 83-380. The statute requires DAS State Accounting to certify amounts due to the counties to the Department of Administrative Services for patient care at the regional centers or Beatrice State Development Center. LB830 is about improving functionality and efficiencies in DAS's operations for state agencies and state public servants. I'm happy to answer any questions from the committee. And thank you for your time and consideration.

SANDERS: Thank you, Mr. Will, for your testimony. Are there any questions from the committee? Senator Cavanaugh.

J. CAVANAUGH: Thank you, Chair. And, you know-- your delivery, I'm surprised anybody's still in their seats. You just did really great.

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LEE WILL: Thank you very much.

J. CAVANAUGH: Very exciting.

LEE WILL: Yeah. That's awesome. I like to add a little pizzazz there. Thank you.

J. CAVANAUGH: So I just got to say this has-- may be my favorite fiscal note I've ever read, and it's the one from the Nebraska Auditor of Public Accounts. No expected change unless moving all state employees is-- to biweekly. So basically, the Auditor's fiscal note says there will be no fiscal impact unless you ask us to do what you're going to ask us to do?

LEE WILL: So as previously stated in the bill, it allows for-- it allows for a little administrative discretion by State Accounting to work with, you know, constitutional officers because, in the constitution, for instance, for senators, it says you can't be paid more than \$1,000 per month. So in your instance, we would do bimonthly payrolls. And we would work with every entity-- Supreme Court, you know, legislators, the Auditor-- to ensure that all statutory compliance is done, all constitutional provisions are complied with. But whereas-- where possible, we want to get to one payroll cycle. Right now, we have seven.

J. CAVANAUGH: One payroll cycle being that everybody gets a check on [INAUDIBLE].

LEE WILL: Biweekly as much as possible. Yeah. Yeah.

J. CAVANAUGH: Gotcha. That makes sense. I just thought that was great, that--

LEE WILL: Yeah, that-- that's a good answer.

J. CAVANAUGH: --it only costs us money if you ask us to do what you're going to ask us to do. So my other question-- well, you hit on one thing in your opening that I thought was interesting, which was the holiday cutoffs. Can you explain that? What-- what's that mean?

LEE WILL: Yeah. So I'm getting in a little out of my depth on the HR front, but my understanding is when you're coming o-- and it's really the transfer from agencies, going from one agency to another. If you have payroll on one monthly and then you go to biweekly, there's that, like, kind of sync up that you'll have to do to make sure you don't

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have duplication of holiday pay. So it's not really like they're getting paid twice. It's just the manual entries of going through and ensuring that's not occurring.

J. CAVANAUGH: And then for those of us in the Legislature-- so I have, you know, an AA and LA. One of them is on monthly and one of them's on biweekly. So then the one that's on monthly will have to go to biweekly?

LEE WILL: Yes, sir.

J. CAVANAUGH: [INAUDIBLE] sign his thing every other week or whatever?

LEE WILL: Yes.

J. CAVANAUGH: Gotcha.

LEE WILL: Sorry to make you do that.

J. CAVANAUGH: I-- you know. It's all right.

LEE WILL: Sure.

J. CAVANAUGH: And then on this military buildings thing. So some of the money-- you mentioned it-- comes from the Tobacco Settlement Fund. There's no dollar amount in the fiscal note on this. It does mention that. Can you elaborate on--

LEE WILL: Yeah. So right now for any maintenance on a military facility that's on federally owned land, we transfer in the NCCF Fund either from the Cash Reserve Fund or General Fund to subsidize that federal match for that maintenance. So this would just allow, rather than using the Cash Reserve Fund or General Fund-- which are still options-- to use building renewal to also maintain those facilities.

J. CAVANAUGH: Is there-- why would we want to do that? Doesn't the Tobacco Settlement Fund have specific purposes to which it's--

LEE WILL: No. So the-- this specific fund is utilized for all state facilities for their maintenance. So right now, Corrections is eligible for-- or, they're probably on the rent side, but all other state agencies that aren't in state facilities are eligible for this tobacco proceed. So today, we use cigarette tax money to pay for maintenance of all other facilities. We just want to include the Military Department as well.

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J. CAVANAUGH: I, I guess I'm still trying to-- so if we're-- already paying for it, right, so we're not taking on additional cost--

LEE WILL: We're not, no. We're just, we're just allowing another fund to be eligible to be used for that maintenance. And right now, we have tobacco tax that is used for maintenance for all other state facilities. We want to be allowed to use it for the Military Department as well.

J. CAVANAUGH: And so that would essentially get this-- these projects off of General Fund expenditure.

LEE WILL: It's possible that's the case, yes.

J. CAVANAUGH: And how much are we talking about?

LEE WILL: Usually on an annual basis, we do between \$6 and \$8 million of maintenance.

J. CAVANAUGH: Across the whole state?

LEE WILL: Yes.

J. CAVANAUGH: What about on these particular buildings?

LEE WILL: I-- I'd have to defer to the Military Department. They're going to follow me.

J. CAVANAUGH: All right. Thank you.

LEE WILL: Yep.

SANDERS: Any other questions? See none. Thank you for your testimony. Any other proponents? Good afternoon. Welcome.

STEVEN PETERSEN: Good afternoon, Chairwoman Sanders and members of the Government, Military and Veteran Affairs Committee. I'm Steven Petersen, S-t-e-v-e-n P-e-t-e-r-s-e-n. And I'm the deputy director of the Nebraska Military Department. I come before you today in support of LB830. Before I discuss the specifics of LB830, its-- and its potential benefits to the Nebraska Military Department, I'd like to provide the committee with a high-level overview of our department's components and how we're funded. The Nebraska Military Department consists of three entities: the Nebraska Army National Guard, the Nebraska Air National Guard, and the Nebraska Emergency Management

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Agency, NEMA. We receive about 94% of our funding for building maintenance and renewal through federal appropriations, and the remaining 6% is generously provided by the Nebraska Legislature. In state year of '24-25, we received approximately \$37.4 million state and federal funding for renewal and maintenance of our Nebraska National Guard facilities. In the past five years, we've received an average of \$32.05 million state and federal funding for these same facilities. We have state-owned facilities on state property, federally owned facilities on state property, and federally owned facilities on federal property. Pursuant to federal cooperative agreements, repairs to these facilities requires a state contribution. Normally, that is from 20% to 50% of the repair costs. Occasionally, unforeseen emergency repairs to these facilities may exhaust or endanger the Nebraska Military Department's state appropriations. LB3-- LB830 amends the Deferred Mil-- Building Renewal Act so the Nebraska Military Department can access 309 Task Force funding for the state's portion of the emergency repairs. The 309-- the 309 Task Force Division was created to address the state's deferred building maintenance-- building renewal needs in state-owned facilities by pro-- by providing funding and oversight for building upgrades. The Nebraska Military Department's access to 309 Task Force funding as an alternative state funding source for emergency repairs has been previously denied based on facilities' federal status, as the Deferred Building Renewal Act makes several references to 309 funding being available only for state or state-owned facilities. This legislation would have a direct positive impact by making seven of our federal armories eligible for Task Force 309 funding to help offset the cost of unforeseen emergency repairs. Thank you, Chairwoman Sanders and members of the Government, Military and Veteran Affairs Committee for your time today. And I'm, I'm prepared to answer any questions you all may have.

SANDERS: Thank you very much for your testimony, Mr. Petersen. Or are you-- do you, do you have a rank?

STEVEN PETERSEN: I was a colonel. I'm a retired colonel.

SANDERS: Thank you for your service, Colonel. And-- see if there's any questions from the committee. Senator Cavanaugh.

J. CAVANAUGH: Thank you, Chair. Thanks for being here, Mr. Petersen. So-- OK. You went a little bit fast on this part, but I'm trying to-- so there's basically three classes of pri-- of buildings.

STEVEN PETERSEN: Yes.

J. CAVANAUGH: State owned on state land, federally owned on federal land, and federal-- state owned on federal land.

STEVEN PETERSEN: Federally owned on state land.

J. CAVANAUGH: Federally owned on state land.

STEVEN PETERSEN: So-- yes. And the armories mostly are what we're concerned with. They're the ones that require a state match to maintain them all. So it doesn't matter whether on federal property or state property. We still have to use state funds. And it's a different ratio depending on if we have the reserves in the armory, what kind of property they're located on. So it-- like I said, it's not just a straight-- like, the state facility on state property, it's usually 50-50. But if we have, like, the reserves in there, it could end up whatever portion of the building they occupy. Could be 34% state and then the remainder federal, so. Like I said, it's just the, just the, the system that we work with, so.

J. CAVANAUGH: Yeah. And so the-- if we pass this bill, the state's not taking on any new obligation.

STEVEN PETERSEN: Correct.

J. CAVANAUGH: So we're not going to have to pay for anything that we wouldn't already be paying for.

STEVEN PETERSEN: Correct.

J. CAVANAUGH: It's just what-- which bucket does it come out of of our money.

STEVEN PETERSEN: Yeah. Our concern was, as, as our budgets have gotten tighter and we've built more on federal ground that are now ineligible for the state funding currently, that if we have an emergency, we can't get a repair until, like, the next biennium or have to do an emergency request. So, like, two years ago, our ground source heat pump went out in Joint Force Headquarters underneath our parking lot. And so it was a \$400,000 repair, so the state share was at roughly \$90,000. But we just happened to have enough. Like, we had a new controller who just was very thrifty and saved money, but that's not always the case of-- like, depending on what, what could be going on, we might not have the state funds and, and no way to request those

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funds unless we wait till the next biennium or do an emergency funding request to get the funds to potentially do the project. Like for Joint Force Headquarters, that's where NEMA's also housed. So if we had to move operations or shut down operations, that could be significant, so.

J. CAVANAUGH: And-- so by allowing this money-- so what's the request process to get this money if you don't have to go through the Legislature?

STEVEN PETERSEN: We re-- make a request to building division and Task Force 309. So we, we use it routinely for our other facilities, the ones on state property. We just have projects-- we do a design for them and request for-- like, it's ADA accessible or-- I don't remember. Some of the regulations have changed, but building-- usually, like, envelope repairs, roof repairs, have leaking roofs, things like that.

J. CAVANAUGH: OK. So it's, it's only for repairs.

STEVEN PETERSEN: Yes.

J. CAVANAUGH: OK.

STEVEN PETERSEN: So yeah, we can't do modernization or any kind of, you know, new, new addition or ex-- expansion with these funds, so.

J. CAVANAUGH: OK.

STEVEN PETERSEN: And it's not-- and they, they have the right of refusal on the project as well, so.

J. CAVANAUGH: Yeah. I know-- I-- you-- not here to answer the question of how much money is in there and how to make that decision, but interesting. All right. Thanks.

SANDERS: Any other questions for Colonel Petersen? See none. Thank you for your testimony on LB830. Appreciate it. Any other testimony proponents on LB830? Any opponents on LB830? Welcome.

COREY STEEL: Thank you. Good afternoon, Chairwoman Sanders, members of the Government, Military and Veterans Affairs Committee. My name is Corey Steel, C-o-r-e-y S-t-e-e-l. And I am the Nebraska State Court Administrator for the Nebraska Judicial Branch. I'm here today to testify in opposition LB830. The bill itself, we understand that is

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moving constitutional officers. And the military piece we, we have no qualms with. And the bill itself besides getting to the point where judicial officers can be paid and getting that figured out, we know there's a little SNAFU on the, the d-- the-- cutting that into biweekly, how that would work. I think we can work through that. Why I'm here today is because of the intent. And Director Will talked about moving to a full biweekly for all state employees. In the judicial branch, we are predominantly outside of five employees that have been grandfathered in over the years are on a monthly basis. And that's what I want to hit to and why I have an example on the last page. And so I'm going to kind of skip over my comments a little bit. This does have an impact to us. We have an impact of 4,000-- \$4,790,000 and some change. That's an impact. That isn't new money. That isn't money that wouldn't be spent. This does not change the amount an employee would make throughout the year. What it does do when you move from monthly to biweekly is you are skipping and having a period of a lag. So my example that I want to go to: here in the judicial branch, we have over 16,000 state employees. Of those, I would venture to guess 40-plus percent are paycheck to paycheck, which isn't outside the realm of what it is nationally. We have drug techs that make \$16.50 an hour. We have court staff that make a little under \$20 an hour. They work paycheck to paycheck. So my example of why we-- the details is very important into this and why we need to make sure there is no lag time in transition of pay. If you get your last monthly installment in December-- and I just use \$1,500-- you then would not get paid once it went to biweekly to January 20. You would get your full medical and dental on that par-- partial paycheck. You would get all of your payroll tax in that partial payment, which would only leave you a small portion for all of your bills that month. So there's a lag time. I have to be here to oppose this to say we need to figure out a way we do not hold our 1,600 employees in a position where they can't make their monthly bills because of a policy decision the state is going to make by moving from monthly to biweekly. We are not opposed to that process, but I wanted to come today-- the ramifications are real to our employees that live paycheck to paycheck. And when your paycheck one month will be less than a third of what you're used to to pay your monthly bills-- and they do not have a savings account. They do not mom and dad they can go to to borrow money for that month. We have to figure out a way where there is no gap from that transition. If we can figure that out, we're in full support and we'll work with DAS on that. I'm happy to answer any questions the commisi-- the committee may have.

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SANDERS: Thank you, Mr. Steel, for your testimony. So we haven't worked on trying to fill that lag time gap?

COREY STEEL: No. At this point in time, there has been some small discussion about how that could be mitigated and reduced. There's a couple months that have three pay periods in biweekly. Yes, that would mitigate and be a little bit lesser amount, but it's still gonna be a less amount that month that they would be taking home than they normally would. And if their bills can't get paid because of a policy decision, that, that relies on us to figure that out. These are employees that work for us, that do great work for the state of Nebraska, and a policy decision could put them in a financial bind.

SANDERS: OK. Any questions from the committee? Senator Andersen.

ANDERSEN: Thank you, Chairwoman. And thank you, Mr. Steel, for being here. To be frank with you, I've worked under both cycles, where I, I got paid once a month or where I got paid twice a month. When I got paid twice a month, they would take it and they would give me half the pay, half the taxes, half the everything. Has-- have they told you that this is the way it's going to be or is it an assumption that, you know, everything-- the taxes and Medicare and Medicaid, all this stuff is upfront?

COREY STEEL: You're correct in the sense on a normal month where you are getting two paychecks. It would be half and half. But in the example during that month transition where there is only one check you will receive, that's the check where everything has to come out for that month.

ANDERSEN: Right.

COREY STEEL: And so-- there's options. There's a-- we've looked at different states and how other states have implemented this and gone to this where they front-loaded so there isn't a lag time. That's the 4 million-- 4.7 we put in there. That's what it would be to front-load. And then on the back end when they leave, you don't get a two-week paycheck at the end or it comes off of your sick or your vacation and what have you. So you recoup it on the back end. There's been states that have said, we're giving a one-month moratorium. Nobody's going to pay any health insurance and, and those things. So to lessen that and they go to the third month, which then it really shrinks that down where it's a little more manageable, given a six-month lag time to say, start saving a little bit. So there's

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options. I had to come here today because those options haven't been fleshed out. I didn't want this to roll through with full support and then come to, we're moving, this is the date, and here's how we're going. We needed to be on record to say we have concerns in the implementation of moving.

ANDERSEN: Sure. So what I've seen is what you were talking about, the slow transition, saying, OK, three months from now, we're going to transition twice a week. You need to make sure you save [INAUDIBLE] dollars. And usually the managers work with the staff and say, here's what you have to plan for. Because everybody doesn't have the flexibility. And the more time you give them to plan, the better. So I guess that's being proactive or probably be helpful. Looking at your-- at the fiscal note-- not to take it away from Senator Cavanaugh, because he's a reader-- it looks like you have \$115,000 in FY27 and 100, 100 in, in FY28. And it says in here that you're gonna have one FTE on an ongoing basis to work with new timekeeping-- new timekeeping and payroll system. You would like to have a full-time person just above and beyond everything you have now, right? I mean, this is above and beyond.

COREY STEEL: Correct. So in the judicial branch, our personnel division, we have over 1,600 employees and 150 judges, and we have only 4 people in our payroll and in our, in our human resources. They're estimating because of how the new process will work and the implementation, it would take an additional staff member for our HR division in order to do that.

ANDERSEN: I'd have thought it would be just a modify-- modification to software [INAUDIBLE].

COREY STEEL: There's a lot more that goes into this-- to just the modification of the software. That's a piece of it. And again, this is also contingent on, as, as Director Will talked about, moving from Kronos, which we utilize now, to the Workday system. Could it be set up where it's monthly instead of everybody go to-- I mean, those are the things that we have to-- it-- you know, the details of how things operate.

ANDERSEN: Sure.

COREY STEEL: And if it stays where it will be programmed for both biweekly and monthly, we wouldn't need the staff. We could continue

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with the staff we have, and it would allow us not to have this lag time and, and have a negative effect on our employees.

ANDERSEN: OK. But the fiscal note, it's in perpetuity, right? So transition happens, you hire a person, they're a state employee for 10, 20 years.

COREY STEEL: Correct. We feel we would need an additional state employee to fulfill the requirements of biweekly because we do it monthly now.

SANDERS: Any other questions from the committee? See none. Thank you for your testimony in opposition.

COREY STEEL: Thank you.

SANDERS: Thank you. Are there any other opponents on LB830? See none. Any in the neutral? Senator Lonowski, would you like to close? On the online comments for the hearing record: 0 proponents, 0 opponents, and 1 in the neutral.

LONOWSKI: Thank you, Chair Sanders and committee for listening to this bill today. And thank you for those that testified. I have spoke with, with Mr. Steel in, in the past, and we talked about this, and we're talking about how to rectify it. And I assure you that we are willing to work on some amendment that will, that will mitigate this, this problem. And it is-- thankfully, it's a short-term problem. I think the idea of the software is to make things more efficient in the future, where, where people will have less abilities to make mistakes. But again, we'll plan to work on that or an amendment. And I appreciate the committee consideration of advancement this bill. And, and we'll get you the amendment when we get it. Thank you.

SANDERS: Thank you, Senator Lonowski. Check to see if the-- there are any questions. Senator Cavanaugh.

J. CAVANAUGH: Thank you, Chair. Thanks, Senator Lonowski. Interest-- always interesting topics when you don't know you're going to be doing. [INAUDIBLE]. But my question's-- I'm looking at this fiscal note that Senat-- or, as Mr. Steel was talking about that they submitted \$110,000 or whatever it was going forward. And the whole fiscal note says zero impact. I don't understand why-- am I missing-- is there a delayed implementation in the bill why there wouldn't be a fiscal impact in this--

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LONOWSKI: I cannot speak to Mr. Steel's fiscal note. I do believe he talked about hiring an extra employee. And when I spoke to, to Mr. Will in the past about this, the, the belief is, because of the new software program, people will need fewer employees inside of their accounting division or, or that part of it.

J. CAVANAUGH: Yeah. I mean, we've all been fiscal noted before around here. And, you know, you usually get a fiscal note and you say, that doesn't make any sense. And I don't understand. But what I'm failing to understand is I do see other people reported that there would be costs associated with this, including the Bureau of Educational Lands and Trusts said they'd need an extra 122 hours as well, but still no dollar amount assessed against that. And the courts specifically did say \$115,000 and 100-- \$100,000. But on the overall fiscal note, it says no fiscal impact. So I-- that's what I'm trying to understand is why-- if there's an implementation cost and there's no delayed implementation, why is there no fiscal impact?

LONOWSKI: And I believe over the years-- or at least over the, the short term-- there's some cost to implement to purchase new software. But over the long term, we're-- we will be saving money.

J. CAVANAUGH: I feel like if I brought this bill it would be the reverse is what I guess I'm getting--

LONOWSKI: I'm glad you're not bringing this bill, Senator Cavanaugh.

J. CAVANAUGH: Thank you.

SANDERS: Any other questions from the committee? See none. We'll go ahead and close on LB830. Thank you, Senator Lonowski.

LONOWSKI: Thank you.