

Transcript Prepared by Clerk of the Legislature Transcribers Office Government, Military, and
Veterans Affairs Committee February 5, 2026
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SANDERS: Good afternoon, and welcome to the Government, Military, and Veterans Affairs Committee. I am Senator Rita Sanders from Bellevue, representing District 45, and I serve as the chair of this 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 have not 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 test-- testifiers to ask questions and elicit clarification on information provided. The committee will take up the bills in order posted. If you are planning to testify today, please fill out one of the green sheets-- testifier sheets for each of the bills that you are testifying on. These are on the table in the back of the room. Be sure to print clearly and fill it out 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 you would like to indicate your position on a bill, there are also yellow sign-in sheets on the back table for each bill. 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. Tell us your name, and spell your first and last name to ensure we get 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, anyone wishing to speak in the neutral capacity. We will finish with a closing statement by the introducer, if you wish to give one. We will be using a 3-minute light system for all testifiers. When you begin your testimony, the light on the table will be green. When the yellow light comes on, you have one minute remaining, and the red light indicates your time has ended. An inaudible alarm 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 is just part of the process, as senators may have bills to introduce in other committees. A few final items to facilitate today's hearing. If you have any handouts or copies of your testimony, please bring 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 thumb drives, CDs, DVDs, oversized documents, books, lists of signatures, and similar will not be accepted as exhibits for the record. Please silence or turn off your cell phones. You may see committee members

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using their electronic devices to access more information. Verbal outbursts or applause are not permitted in the hearing room. Such behavior cause you-- may be cause for you to be asked to leave the hearing. Finally, committee procedures for all committees state that written position comments on bills to be included in the record must be submitted by 8 a.m. the day of the hearing. The only acceptable method of submission is via the Legislature's website at legislature.nebraska.gov. 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 committee members with us today introduce themselves, starting on my far right.

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

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

F. MEYER: Fred Meyer, District 41, north of Grand Island.

LONOWSKI: I'm Dan Lonowski. I represent District 33, which is Adams County, Kearney County, and rural Phelps County.

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

SANDERS: Thank you. Senator Bob Andersen has stepped out. He's introducing a bill in another committee-- is the vice chair of this committee. Also assisting the committee today to my right is our legal counsel, Dick Clark. To my far left is committee clerk, Julie Cash. And we also have 2 pages with us today. They are Luke Perry, from Gretna, who is a freshman at UNO, and majoring in history and political science. We also have Grace Harper from Loveland, Colorado, who's a junior at UNL, and majoring in political science. With that said, we will start our committee hearing for LB1145, with Senator Dan Lonowski.

LONOWSKI: Good afternoon, Chair Sanders and members of the Government Committee-- Government, Military, and Veterans Affairs Committee. Thank you for this hearing. 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 Legislative District. I introduced LB1145 at the request of Nebraska Association of County Officials, the Nebraska Association of School Boards, and

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the League Of Nebraska Municipalities. LB1145 would amend Nebraska Revised Statute Section 84-1411 of the Open Meetings Act to require public bodies subject to the act to provide reasonable advanced public notice of the time and place of each meeting by a method designated by each public body and recorded in its minutes. Before passage of LB148, back in 2020, this was the law for decades for all public bodies subject to the Open Meetings Act. Due to the passage of LB148 in 2020, only political subdivisions are required to publish notice in a newspaper of general circulation within the political subdivision's jurisdiction. Since 2020, all other public bodies subject to the Open Meetings Act have continued to provide reasonable advanced publicized notice by a method designated by the public body and recorded in its minutes. Cities of second class, villages, and rural and suburban fire districts are required to provide reasonable advanced publicized notice of their meetings, but they are exempt from the requirement to publish notice in a newspaper of general circulation within their jurisdiction. Second class cities, villages, and rural and suburban fire districts typically post their notices in 3 public places. However, other cities, counties, schools, natural resource districts, and political subdivisions face ongoing challenges trying to comply with the publication requirements of Section 84-1411, due to the confusing provisions and the increasing number of instances of newspapers that do not publish the legal notices for meetings as requested by political subdivisions. I want to emphasize that no one believes any newspaper has intentionally refused to publish a legal notice for a meeting. While not intentioned, there are serious consequences for the political subdivision if legal notice of a meeting is not provided as required by this act. Section 84-1414 states, in part, any motion, resolution, rule, regulation, ordinance, or formal action of a public body in violation of the Open Meetings Act shall be declared void by the district court if the suit is commenced within 120 days of the meeting of the public body at which the allegation-- or the "allegated" violation occurred. Any such actions by a public body made or taken in substantial violation of the act shall be voidable if the suit commences for more than 120 days, but within one year of the meeting at which the alleged violation occurred. LB1145 repeals provisions in Section 84-1411 that are confusing and have proven to be problematic for political subdivisions since the passage, passage of LB48 in 2020-- LB148 in 2020. In addition to providing reasonable advanced public notice for each meeting, the bill states that political subdivisions shall publish in a newspaper at least twice a year their regular meeting schedule, location, and the method designated by the public body to

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provide reasonable advance public notice. This publication requirement does not apply to cities of the second class, village, and rural or suburban protection fire districts, since they typically post notice of their meetings in 3 public places. LB1145 also outlines procedures for a public body that decides to publish notice in a newspaper of general circulation within the public body's jurisdiction to meet the notice requirement in case of refusal, neglect, or inability of the newspaper to publish notice. That concludes my opening. I respectfully ask for your consideration to advance LB1145 to General File so political subdivisions could once again provide reasonable advance public notice, as they did for decades, prior to the passage of LB148 in 2020. Thank you, Chair Sanders and fellow committee members. Representatives of NACO, NASB, the, the Nebraska Association of School Boards, and League of Municipalities will testify in support of the bill and answer questions. Are there any questions of me?

SANDERS: Are there any questions from the committee? Oh. See none.

LONOWSKI: Thank you.

SANDERS: For now. You'll, you'll stay for closing?

LONOWSKI: Yes.

SANDERS: Thank you, Senator Lonowski. Any proponents on LB1145? Good afternoon. Welcome.

LYNN REX: Good afternoon. Senator Sanders, members of the committee. My name is Lynn Rex, L-y-n-n R-e-x, representing the League of Nebraska Municipalities. And if possible, I'd like to have just a few extra minutes, if necessary, just to kind of walk through some of the history, because I think it would be important for the committee. Our purpose today-- and first of all, just in thanking Senator Lonowski, Senator Sanders, Senator Andersen, in co-signing on this bill. We think this is such an important bill for all of our political subdivisions in the state, because of some of the issues that have already been raised by Senator Lonowski in his opening. And what LB1145 does is reinstate what the law was for political subdivisions for 45 years, from 1975, when the act was first put in place with passage of LB325, to basically, 2020, when LB148 passed. And since then, there's been a valiant effort, I think, not only by this committee, but by all the political subdivisions and our representatives, as well as the NPA, the Nebraska Press Association, to try to come up with processes to have compliance. But we've met

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with one challenge after another. I think they have, and we have as well. So with that, I'd just like to highlight a few things. And, and just to underscore, I'm not going to go through all 31 pages, but I want to make sure that you had the full acts in front of you in case you have questions on the rest of it. But I would just like to kind of walk through LB145 and kind of-- just the highlights. Senator Lonow-- Lonowski has covered the main purposes of it. But if you turn to page 2 of the packet, which is 84-1411-- basically, one of the biggest issues here is on lines 3-7. Lines 3-7 reinstate how political subdivisions gave reasonable advance publicized notice for 45 years, before passage of LB148 in 2020. And that's happening here by saying that basically, they will give reasonable advance publicized notice of the time and place of each meeting. And this is the language reinstated that was taken out by LB148, "by method designated by each public body and recorded in its minutes." Then if you look on lines 8-23 on this page, you're going to see additional language that was negotiated with the Nebraska Press Association. And this morning, we agreed-- if you look on line 11, it says this notice would be twice a year. We agreed this morning to 4 times a year of the regular meeting schedule. And this would be in a newspaper or publication, of the regular meeting schedule, location, and the method designated by the public body to provide reasonable, advance publicized notice. This will be given by publication in a legal newspaper of general circulation within the public body's jurisdiction. This provision also would not apply to second-class cities, villages, or rural or suburban fire districts because they have not been used to doing that. They are doing posting, and so it does not apply to them. And then there's a provision here, on lines 20-- 20-23 that a failure to comply would not result in a void or voidable situation, which happens in 84-1414. So this is the most important part of this bill, but I do want to reference a few other things for you. On page 3, you note all the verbiage that is being stricken. This is language that was negotiated over a period of years with amendments and other things that came before this committee. But negotiations were with the major statewide associations and, again, of course, the Nebraska Press Association, trying to make this workable and make what was LB148 workable. And so, basically, that's being deleted to go back to what the law was for 45 years. And just to underscore the fact-- we'll talk about it in just a minute-- there were court cases, Attorney General guidance, citizens knew how it worked, public bodies and political subdivisions knew how it worked, and even the press and others, of course, knew how it worked. And I want to underscore that LB148, in 2020, when that passed, basically only applied to political subdivisions. So these

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changes did not apply to any of the other public bodies, and I think that's an import-- an important distinction as we walk through this. So I'll also note for you, starting at the bottom of page 3, line 31, and then turning the page to page 4, you'll see through lines 1-14, this is essentially a safe harbor provision, so that for a public body that does decide to publish in a newspaper, what happens if something occurs and that doesn't happen? And again, as Senator Lonowski said, we just want to emphasize, in no way, shape or form do any of the political subdivisions believe that the newspapers intentionally didn't do it. And again, this is something-- one of those situations where it may be low frequency, but it's high severity when it happens. And so, that's our reason for being here today with this bill, which as we-- again, we so appreciate the committee's consideration. So if you look on page 4, line-- starting on line 2: "in case of refusal, neglect, or inability of the newspaper to publish the notice, the public body shall post such a notice on its website." On line 5: "request the newspaper to submit a post on a statewide website," which-- I think what's real important for this committee to know is the tremendous amount of time and effort that the Nebraska Press Association put in to establish the statewide website, which is great-- which is a repository for the majority of Nebraska newspapers. And then 3: post the notice in a conspicuous public place in such public body's jurisdiction. The public body then has to keep a record of that, and that alone then says that they will, they will comply with what constitutes the publication requirement under the Open Meetings Act. So turning to page 9, it will be important for us to kind of look at a little bit of background here, I think. Because, as I noted, these laws were not officially named the Open Meetings Act until 2004, with passage of a bill, LB821, by Senator DiAnna Schimek. Before that, they were just referred to as the laws governing public meetings, and that was enacted back in 1975 with passage of LB325. I will underscore the fact that, that, that was happening all across the country. They were called sunshine laws, and this was model legislation back in that day-- back in that time. And I'd like to reference you then to page 10, if you'd be kind enough to look at page 10, the very bottom of page 10, which is highlighted in yellow. And I'm just going to read that for those that are in the audience. Each public body shall give reasonable advance publicized notice of the time and place of each meeting by method designated by each public body and recorded in its minutes. And this is the provision on how political subdivisions gave notice, like all other public bodies, and this was in effect for 45 years, from 1975 until 2020. One may ask, why did LB148 pass? Senator Groene, at the time, was concerned about

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the fact that he didn't like what one NRD did. And I know that Dean Edson is here representing NRDs, and he may or may not want to talk about that. But, but basically, it was because of Senator Groene's dismay with one NR-- NRD, and so this bill, LB148 passed at that point. But what you're looking at here, on page 10, is the original public meetings law in the state of Nebraska, which, word for word, almost all of this is still incorporated in present law. And I would just underscore the fact that from 1975 until 2020, at the sake of being redundant, there were court decisions-- which we'll look at a few of those later here-- as well as AG guidance and all the trainings that went on from all the major organizations and the NPA about how to comply, and I think people understood how to comply. With that, if you turn to page 14, this is LB148, the Final Reading copy of page 1 of LB148. And again, this forever changed until-- we hope-- until this bill passes, hopefully, LB1145, that changed how political subdivisions gave reasonable advance publicized notice for over 40 years. And with that, if you turn to-- I'll give you the highlights of how that happened. It's on page 18. On page 18, this is 84-1411 on line 26. Page 18, line 26. It's 84-1411. This is what LB1145 is amending. And you'll notice what's being stricken on line 28: by a method designated by each public body and recorded in its minutes. So the law, which already says: each public body shall give reasonable advanced publicized notice of the time and place of each meeting as provided in this subsection-- that's added. And then they strike basically, by method designated by each public body and recorded in its minutes. So that deletion was what was critically important. That's what took us out of basically what we could do and what we've been doing for 45 years. That said, whether it's the Board of Regents or any other state agency or any other entity subject to the Open Meetings Act, they continue to do what they had already-- always done, which is basically have a, a method designated by that public body and record it in its minutes. Going on to page 19, in LB148, this just outlines what-- just kind of a, a small part of what basically is now in current law. And I won't go through it page by page for you, or line by line. But just to note that lines-- for example, lines 5-13, that, again, says second class cities and villages, that they would not be-- it would not apply to them. Later, this committee, at the request of Senator Dorn, added rural and suburban fire districts that they, too, could just post, and so that was added in later. So there's been changes over the years, with respect to this. The current LB84-- Section 84-1411, if you turn to page 25, and some bond counsel and others have referred to this as the Rubik's Cube of compliance. And, again, the League and other state-wide organizations were all involved

in trying to make it better and make it better. And as it turns out, it just became more complicated and more complicated. And so finally, we got to the point of we just need to go back to what it was for 45 years, and that's been at the request of bond counsel, and many others, as well. So I'm not going to go through this. This is actually the handout. A very similar handout I gave to you on the LR192 hearing before this committee, on October 3, 2025. And you can see kind of the complication-- and I'm not gonna go through all of it-- and you're welcome. I'm not going to go through all of it-- but just what the current statute is today. So it's just, I think it's one-- if you take the time to look at this at some point, you can see that it is a lot more complicated than one might think, and that it needs to be. On page 29, I just highlighted for you what the Nebraska Supreme Court said in the City of Elkhorn case. Page 29, the yellow highlight at the bottom. "The Legislature has imposed only 2 conditions on the public body's notification method of a public meeting: (1) It must give reasonable advance publicized notice of the time and place of each meeting and (2) it must be recorded in the public body's minutes. In that particular case-- and then I'm not going to do this, but you can go, in the next few pages, and see some of the many court cases and how those play into how the Open Meetings Act had been complied with for over 45 years by political subdivisions and continued to be by other public bodies. There are serious consequences for noncompliance. If you turn to page 32, this is 84-1414, that Senator Lonowski referenced, and this has been there for quite some time. But essentially, if there is a technical violation-- any violation, substantive or technical, of the Open Meetings Act, and that is brought within 120 days of the date of which that alleged violation occurred and is proven up, a district court can't say, well, you know what, it, it was just technical, the public body tried to get that done, or the newspaper tried to get that published but they missed it by a day, whatever it was, the, the court has no choice but to void it if it's brought within 120 days of the date at which the alleged violation occurred. And I'm on, again, page 32 of 84-1414. And then if it's brought after 120 days, but within one year, a court can say, you know, it's a subs-- it wasn't substantial. It was not a substantial violation. They didn't intend to do that. You know, the city gave it to the newspaper. And for whatever reason, the newspaper maybe didn't get it on their statewide web-- on their statewide website or their own, certain things maybe didn't happen, and so we're not going to just void everything that occurred at that meeting. So this does have serious consequences. And of course, also, for any member of a public body who knowingly violates or conspire-- conspires to violate or who

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attends or remains in a meeting knowing that the public body is in violation of any provision of the Open Meetings Act, misdemeanor offenses follow from that. So for example, we've had situations which has require-- basically required public bod--political subdivisions to do meetings over again, because the notice was not properly given. And again, the municipality- municipalities are not perfect. Papers are not perfect. Everybody-- things happen. But still, when you give a request and you notify the newspaper, please put this publication in, and for whatever reason-- maybe it makes, maybe it makes it into the print newspaper. This happened in one of our cities of the first cla-- actually, in several cities of the first class. But basically, it got in the print paper in one instance, but it did not get on their website for the newspaper and it did not get on the statewide website, so it's a violation, and you have to meet all 3. And so when bond counsel went back to basically make sure all of those boxes were checked and found out that did not happen, then you have to do a do-over. And that's happened in Seward and other places as well. So there are serious consequences for not getting it right. And the newspapers try hard to get it right. And I must say, I have great regard for the Nebraska Press Association and what they've done, and the time and effort and money they've put into establishing the statewide website, because it's not just notices for open meetings that they're dealing with. They're dealing with a lot of other notices, as well. If you go to page 34, I'd like to just quickly talk to you a little bit about Chapter 19, Article 11, again, underscoring the importance of what it means if publications don't happen when they're supposed to happen. 19-1101 requires a city treasurer or village treasurer within a certain period of time-- and if you're a population less than 100,000, and you have to look at the fact we've got 376 villages, hundreds of second-class cities, obviously, cities of the first class-- does not include Omaha and Lincoln-- but for everybody else, they're required to do this within so many days. If you look at 19-1102, on the bottom of page 34, this is what a village clerk is required to do. And they're required to do that within a certain period of time, within 30 days after a city council or village board meeting. And there are certain things that they're required to do, as well. But the consequence for not having it done, and this has been a concern if it doesn't occur in the newspaper, for whatever reason that may be. And sometimes, you know, they've got issues, too, that they're facing. But if you look on page 35, 19-1104, any city clerk-- page 35, 19-1104: any city clerk, village clerk, city treasurer, or village treasurer failing or neglecting to comply with the-- this act, guilty of a misdemeanor-- shall be guilty-- "deemed

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guilty of a misdemeanor and shall, upon conviction, be fined, not to exceed \$25"-- that's not much of a-- that's not a really big deal. Misdemeanor offense-- that's not a career-builder. But most importantly: in addition to the removal from office for such neglect or failure-- so it has a serious consequence. And the last thing I will refer to you with is on page 36, 17-505.01, underscoring this is only for cities of the second class and villages. But this was kind of a safe harbor that was put in, in 2017. If a city of the second class or village is required to publish or a notice or an advertisement in a legal newspaper-- and I'll just give you some of the highlights here-- and if there is no legal newspaper in the city or village, then the city or village shall publish such notice or advertisement in a legal newspaper in the county. If there is no legal newspaper in the county, then the city or village shall publish such notice or advertisement by posting a written or printed copy thereof in each of the 3 public places in the city or village. And the reason for going through that is just to talk about the fact that we have hundreds and hundreds of public bodies that before passage of LB148 in 2020, they posted the same 3 places every time, they recorded them, and in-- this is how we're doing it, this is where it is, and everybody understood that. So what we're asking this committee to do is basically eliminate the confusing language, which, again, the League and other statewide organizations had a play in bringing to you back in the day, so to put some clarity to this and go back to what we were doing for 45 years that everybody understood at that point. So with that, I'm happy to respond to any questions that you might have.

SANDERS: Thank you, Lynn Rex, for all this information, and digging into the detail of what happens if we don't comply, or the cities don't comply.

LYNN REX: Thank you.

SANDERS: Check to see if there's any questions from the committee. Senator Wordekemper.

WORDEKEMPER: I do. And I hate to even ask this, but has anybody determined what a reasonable time is for notice?

LYNN REX: It's a great question.

WORDEKEMPER: And so, like, is it what's reasonable might be in Omaha, isn't for Wahoo, might not be for Malco-- is there any definition of that?

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LYNN REX: OK. That is the \$64 question, and that's why there's some court cases about what's reasonable and what isn't. And you're exactly right, Senator. What is reasonable notice in Fremont, Nebraska, isn't in Minatare. And [INAUDIBLE] what's reasonable notice in Minatare isn't in Fremant. So as an example, the former mayor of Schuyler, Nebraska - his name was Jeff Pokorny - he sued his own city council because he was upset that they didn't give enough notice. The-- I'm going to paraphrase that case, which is basically, when it went to the Nebraska Supreme Court, that they ended their meeting and then they were going to give notice that night that they are meeting the next morning or the next day. And the Nebraska Supreme Court rightfully said, OK, that-- in Schuyler, Nebraska, and that's not the biggest city in the world, but it's not the smallest either. But even if it was the smallest of villages, that is not reasonable advanced publicized notice. That's not it. And so if you're in a larger city, you've got to make sure that you give more notice. Now, I will tell you that you cannot change an agenda-- the notice requires not just here's the time and place of the meeting, but here-- and it includes an agenda. The not-- the agenda is part-- I know that you know this. I know everybody on this committee knows this, and everyone in this room probably knows this. But for anyone that might be listening, that has no life, and they're listening to me at this very moment in time, I can just underscore the fact that, you know, when you're looking at these kinds of issues, it really is important for people to understand that the, the law says that you cannot change the agenda within 24 hours of a meeting. The agenda is part of the notice. But these usually go out-- most cities put them out a week before. They put them on their website, they send out the notice. There are news media-- there are packets, for example, news media packets. And so, we've been asked the question over time, to your point, we've-- if a city-- and this has happened once in a while, you get a call from a city clerk or someone saying, you know, we think we need an emergency meeting next week. Well, no. It's not an emergency meeting. An emergency meeting, by definition, means that you don't have to give reasonable advance publicized notice. Excuse me. In fact, you can't give reasonable advance publicized notice. So if you know a week in advance that you need an emergency meaning, it's not an emergency meeting. It may be a special meeting, but it's not an emergency meeting, and there's some other things that go into play. The only time you don't have to give reasonable advance publicized notice is when you're dealing with an emergency meeting. And there are 2 types of emergencies under the, under the Open Meetings Act. One is when the Governor declares it. Think of the co-- time of COVID. That was one time. And there are some

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things that happened then that you cannot do now, unless there's a declaration by a governor. Another example is when it's a true emergency. You think of some of the-- you know, some of things that have happened. Sadly, think of the, you know, what's happened in Fremont with the Pathfinder; with what's happened, maybe, earlier in the fall, so those types of situations. And when that happens-- or the flooding in Plattsmouth, Nebraska, in 2019. You can then only have an emergency meeting to talk about how many sandbags are we going to get. But you can't say, you know, while we're here, we might as well have a discussion about other things. It can only pertain to that emergency. So in essence, the cou--there have been a number of court decisions relating to what's reasonable and what isn't, and it's important to understand that it does matter-- the size of the city and the community and the circumstances. So I thank you for that question.

WORDEKEMPER: Nope. Thank you.

SANDERS: Any other questions? Senator Cavanaugh.

J. CAVANAUGH: Thank you, Chair. Thanks for being here, Ms. Rex. If I asked you to start over and do it all over again, could you do that?

LYNN REX: Yes.

J. CAVANAUGH: OK. Shortest answer I think I've heard you give.

LYNN REX: That's true, too.

J. CAVANAUGH: I appreciate it. It's a lot of information. I like information, and just trying to digest it. But-- and I might have more for you later. But I'm just looking at the bill itself. And there's-- on the very-- I guess it's-- the first page of the bill is page 2. There's-- it looks-- my take is it relaxes the notice requirements. Just a-- this is like a shorthand summary of what the bill does. Right? Short--

LYNN REX: It reinstates to what the law was for 45 years, by simply saying that in every-- in the-- in every political subdivision-- just like other public bodies have been doing now since 1975, and what they did from 1975 to 2020. In their minutes, they will indicate how are you going-- what is the method by which you are going to give notice to the public of your public meetings, so that they will have an ordinance and they'll go forth and do that.

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J. CAVANAUGH: OK. But a-- again, just to dumb it down for me, it just-- it makes it less restrictive in the notice method.

LYNN REX: Definitely.

J. CAVANAUGH: OK.

LYNN REX: Because all the language is being deleted. Again, one of my favorite bond counsel, again, refers to it as the Rubik's Cube of compliance.

J. CAVANAUGH: Yeah. Well, it's clearly-- complex issue, and I appreciate your expertise on it. So then, my other question is there's this part-- it's Section (1)(b)(iii), that basically says, failure to comply with (1)(b)(i) of this section shall not cause any motion, resolution, rule, regulation, ordinance, or formal action of the public body made or taken at the meeting of the public body to be void or voidable. So if we're relaxing the requirements-- and then-- but why do we then need to say if you fail to follow those newly relaxed requirements, your action is still valid?

LYNN REX: OK, that's a really good question, but you have to see what that refers to. And it's--

J. CAVANAUGH: OK.

LYNN REX: And again, I understand why it's kind of complicated to look at here. So lines 3-7, that's what relaxes the standard, going back to-- for political subdivisions, because it's never changed for other public bodies-- to basically, by method designated to each public body and recorded in its minutes, how they're going to give reasonable advance publicized notice. The provision that you're referencing, which is on lines 20-23, on page 2, failure to comply-- but it's with (1)(b)(i)-- of this section shall not cause any motion, resolution, rule, regulation, ordinance, or formal action of a public body made or taken at a meeting of the public body to be void or voidable. That's referring to the lines 8 through-- basically 8-15. So this is language, Senator Cavanaugh, that was negotiated with the Press Association. They would like to at least have-- this says twice, if you look on it, as I indicated, on line 11, it says twice a year. They would like 4 times a year. We've conceded we can do 4 times a year. They want to have a publication 4 times a year. They want to have the public-- the political subdivision publish in all public bodies. How are you going to give reasonable advance publicized notice? And so

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this is separate and distinct from that. And the reason for the failure language at the bottom is if-- because if there is something and for whatever reason-- which is a rare event that a newspaper closes down, but it happens, or something else occurs and it just doesn't, it just doesn't happen, it isn't published in the paper, then that doesn't mean that everything is void and voidable. So that provision does not-- the, the relaxing, the failure to comply does not apply to anything on lines 3-7, which is how are you going to-- in other words, city says, this is how I'm going to give notice. May-- it's going to be-- I'm going to post it in these 3 public places. It doesn't relax that. They're, they're going to post those 3 public places. And if somebody can find out that they didn't, or challenge them that they didn't-- that you said you were going to post at the library and you didn't, then that is a failure to comply under 84-1414. That action can be void if it's brought within 120 days of the date at which that alleged violation occurred, or voidable if it's after that period of time, but within one year.

J. CAVANAUGH: OK. Thank you. Thanks for clarifying that.

LYNN REX: You're welcome.

SANDERS: Senator Guereca.

GUERECA: Just to be, to be clear, the only, the only instance in which the meeting is voidable is if it does not appear-- like it's under Section (1)(i), which is the, the twice a year in the newspaper, correct?

LYNN REX: It will be 4 times a year, yes.

GUERECA: OK. Thank you.

LYNN REX: Yes. That's what that failure language applies to.

SANDERS: Any other questions? Thank you for [INAUDIBLE]. Appreciate it.

LYNN REX: Thank you for your courtesy, too. We really appreciate it. Thanks to this committee. Thank you.

SANDERS: Thank you. Any other proponents of LB1145? Welcome.

BETH BAZYN FERRELL: Thank you. Good afternoon, Chair Sanders, members of the committee. For the record, my name is Beth, B-e-t-h, Bazyn,

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B-a-z-y-n, Ferrell, F-e-r-r-e-l-l. I'm with the Nebraska Association of County Officials. I'm appearing in support of LB1145. We'd like to thank Senator Lonowski for introducing this bill on behalf of NACO, the League, and the school-- Association of School Boards. This has been a work in progress to get to this point, as, as Ms. Rex explained the whole legislative history of how the changes were made in 2020, and how we tried to work all the stakeholders, to finesse those and to get those to be more workable. You've heard about the-- you weren't here for the hearing last year. You've heard about the-- that work. So I'll just talk about the processes in place currently. The post-2020 legislation, the process that talks about publication and posting on websites has been challenging. And you've heard that there have been some counties and, and cities and other public bodies that have looked at-- sorry-- political subdivisions-- there is that distinction-- that have had to cancel meetings because things just didn't work out in the publication or the posting part of it. So we are very much in support of the changes in the bill and returning back to the pre-2020 language. We do understand that publication of notices is, is a revenue stream to newspapers, and we're committed to having a conversation with them next year, about finding sustainable, reliable, and consistent funding for publishing legal notices. I'd be happy to take questions.

SANDERS: Thank you very much for your testimony. See if there are any questions from the committee. I see none. Thank you. You got off easy. Thank you. Any other proponents? Welcome.

COLBY COASH: Thank you, Senator Sanders, members of the Government, Military, and Veterans Affairs Committee. My name is Colby Coash, C-o-l-b-y C-o-a-s-h. I'm here representing the Nebraska Association of School Boards. I always like to follow Lynn Rex. Y'all got the ins and outs of the bill. I'm, I'm really here to say thank you to Senator Lonowski, for doing this on all of our behalf. We really do look at this as kind of a true cleanup. From our perspective, the law wasn't broken in 2020, but it was fixed anyway. So we feel like going back to this standard, which worked really well for schools prior to this change, returning back to that makes a lot of sense. It kind of returns that local control back to the districts, so that they can put notices where they know their patrons will see them, and it puts it back-- and it puts the responsibility back on the local political subdivisions, which is something we support. So with that, I'll end. And thank you for your time.

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SANDERS: Thank you, Mr. Coash. See if there's any questions from the committee.

COLBY COASH: Thank you.

SANDERS: [INAUDIBLE]. Thank you. Welcome.

LARIANNE POLK: Hi there. Good afternoon. Good afternoon, Chairperson Sanders and members of the Government, Military, and Veterans Affairs Committee. My name is Larianne Polk, L-a-r-i-a-n-n-e P-o-l-k, and I am the CEO of the ESU Coordinating Council, representing the 17 ESUs. I'm here today in support of LB1155 [SIC]. ESUs and ESUCC are committed to open meetings, expectations, and providing notice. We publish notices for every meeting, we post agendas, we keep minutes, and we work to make meetings accessible across our large, multi-county regions. Today, current practice often requires ESUs and ESUCC to publish meetings-- publish the notices for the meetings in a newspaper for each meeting, and in some cases, multiple newspapers across those regions. For example, ESU 11 in Holdridge and ESU 4 in Auburn, they publish in 4 newspapers each. ESU 17 in Ainsworth publishes in 4. ESU 10 in Kearney publishes in 2, every single month, and there's more. So LB1145 doesn't reduce the number of meeting notices that must be provided. Rather, it updates how those notices may be, may be published, by allowing the ESUs to designate a consistent method for notice, which was discussed earlier. We would still be doing the advance notice just as the requirements would be, with documentation in the official record. This is a better-- this is a modernization that maintains notice requirements while allowing public bodies to be better stewards of tax dollars, especially for organizations like ours that serve multi-county regions. That modernization matters, because it improves access and reduces duplication. The website notice is available, searchable, and not constrained by print space or publication deadlines, while still being publicly accessible. It also manage-- matters fiscally. Currently, statewide ESUs and ESU Coordinating Council spend about \$9,700 on newspaper publications of meeting notices. If we were to follow these meeting notices as in LB1145, it would reduce to around \$2,000, while still continuing to provide a notice for every meeting. So in short, LB1145 preserves transparency, maintains public notice requirements, and modernizes the publication method in a practical way that better fits how public access-- public accesses information. For those reasons, reasons, we would support LB1145. Do you have any questions?

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SANDERS: Thank you. Check from the committee if there are any questions. I see none. Thank you.

LARIANNE POLK: Thank you for your--

SANDERS: I have a quick question.

LARIANNE POLK: Yes.

SANDERS: As we, as we talk about updating--

LARIANNE POLK: Yes.

SANDERS: --at what point did we start using website? I guess in our lifetime, we've seen some shifts, right, from-- well, we still have newspaper, but then websites became valid place to advertise. Was that in the '90s?

LARIANNE POLK: Boy, I would have to look back. I know that we've been using a website alongside the publication in the newspaper for, you know, a decade or longer. So-- and I'd, and I'd, I'd have to ask some folks behind me to help me answer that, but I'm not, I'm not sure.

SANDERS: And then, are you seeing a shift again in Twitter or any electronic type of media?

LARIANNE POLK: In terms of having the public access our information, we don't put our notices out in those locations. We, we would, you know, point them to our website. It also provides additional information. There's another bill that Senator Lonowski is talking about with regard to virtual conferences. We also provide recordings of those meetings that we do virtually, on our website. So it actually-- by putting the notices and all of the minutes on our website allows for more access from the public to actually watch the meetings, should they have missed them.

SANDERS: Great. Thank you--

LARIANNE POLK: Yeah.

SANDERS: --for your testimony.

LARIANNE POLK: I do appreciate it.

SANDERS: Any, any questions? Thank you.

LARIANNE POLK: Thank you so much.

SANDERS: Any other proponents on LB1145? Good afternoon.

DEAN EDSON: Good afternoon, Chair Sanders and members of the Government Committee. Excuse me. I'm Dean Edson, D-e-a-n E-d-s-o-n, and I'm the director-- executive director of the Nebraska Association of Resource Districts, presenting testimony in favor of LB1145. I'd like to thank Senator Lonowski for his leadership on the issue of bringing the parties together to try to modernize these public meeting notices. This is a complex issue, and we want to make sure that the public is notified of upcoming meetings. The changes proposed in this legislation to publish the meetings twice a year are workable for the NRDs. It might help the public put the upcoming meetings in their personal calendar. In the event, I can assure you that the NRDS will continue to public notice the monthly meetings and record them in their minutes. We try to get more involvement from the public to participate in protecting and enhancing natural resources in Nebraska. In addition to publishing the notice in the local papers, all 23 districts have websites. They've been posting their meeting notices there, and also including their minutes of the meeting on their websites. Several have gone beyond that and also used social media to announce upcoming meetings. The NRDs work hard to meet the compliance challenges with the public require-- or publication requirements of Section 84-1411. Our districts cover several counties. In some cases, there's no daily newspaper left in that district. We've also run into problems where notices were filed with the newspaper, but it did not appear in the paper. I'd like to give you an example of my hometown newspaper, the Gothenburg Times. This was a weekly paper that had been in business for over 100 years, which I was a fourth-generation subscriber. It was the site for public notices for that community. One day, in 2023, they made an announcement that they're ceasing operations immediately, and there will be no further publications. They also took their website down that day, as well. This created a problem for the political subdivisions because they've got to pay the price for notices not running in the local paper. They lost out on their public notice for the next, next edition, but they also lost their local paper to publish their notice permanently. Some canceled their regular meetings because the, because the posting wasn't available. If they had run that meeting anyway, they would have been in violation of the law. There's a declining readership in printed newspapers. I'm still part of the older generation, and I get 4 printed newspaper subscriptions, but us old farts are a declining number. The younger generation get their news from other sources and

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not necessarily newspaper. We need to modernize public notices so the public is informed of the meetings. Therefore, I'd urge you to advance LB1145. I do have one other note that-- and it's not an 18-page or 30-page note, but it was from Lynn, that the League and all the rest of us political subdivisions look forward to working with the Nebraska Press Association on rate increases for next year.

SANDERS: Thank you, Mr. Edson--

DEAN EDSON: Yeah.

SANDERS: --for your testimony. Did you drive all the way out from Gothenburg here?

DEAN EDSON: No. I used to farm out there, live out there. I live in Lincoln now.

SANDERS: OK.

DEAN EDSON: But I keep in contact with my hometown. Fortunately, what, what happened with that newspaper, some leaders in the community took it upon themselves to start another paper, and so now they have the Gothenburg Leader out there. So we are-- the community does have a newspaper, which they can run their notices in. I'm one of the subscribers, so I follow what they po-- post all their minutes in there. So I, I keep up with what's going on in my hometown.

SANDERS: And is it a copy-- hard-copy newspaper or an online newspaper?

DEAN EDSON: Both.

SANDERS: OK.

DEAN EDSON: So I get the print edition.

SANDERS: OK.

DEAN EDSON: But I also have access to the online edition.

SANDERS: Thank you for your testimony.

DEAN EDSON: Yep.

SANDERS: Appreciate it. Any questions from the committee? Senator Cavanaugh.

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J. CAVANAUGH: Thank you, Chair. Thanks for being here, Mr. Edson. Good to see you. I just want to know what are the 4 papers you subscribe to?

DEAN EDSON: Huh?

J. CAVANAUGH: What are your 4 newspapers you subscribe to?

DEAN EDSON: Lincoln, Omaha, Gothenburg Leader, and the Voice News.

J. CAVANAUGH: The Voice?

DEAN EDSON: Voice News is a regional weekly paper, southeast Nebraska.

J. CAVANAUGH: Thanks.

SANDERS: That's a hefty total sum to write that check out for.

DEAN EDSON: Yeah. All 4 are great papers.

SANDERS: Any other questions? See none. Thank you for--

DEAN EDSON: Yep.

SANDERS: --your testimony. Any other proponents on LB1145? Welcome.

MATT HANSEN: Good afternoon, Chair Sanders and members of the Government, Military, and Veterans Affairs Committee. My name is Matt Hansen, M-a-t-t H-a-n-s-e-n, and I'm the Lancaster County Clerk, and I've also been authorized to speak on behalf of the Lancashire County Board of Commissioners. You're getting a copy of my prepared testimony. After hearing all the introduction, I did kind of want to focus into one point. So my office is in charge of scheduling and actually publishing the notice and maintaining the agenda for the County Board. And one, the requirement as we have it now is that you go through the newspaper. The newspaper kind of gets to set the deadline for how and where you can schedule meetings. And how it works for us is the Lincoln Journal Star has an online vendor that they use that, in terms of typing in the information and whatnot is, is, is great and it works well, but the actual deadline for how fast you get it in the paper varies. And sometimes, we've seen it as much as a week. So if you want to say, it takes a week to get into the paper and then you want to have a couple business days of notice before you actually have the meeting, all of a sudden, it gets to this window that changes of-- from the idea of we want to have a meeting on this

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particular day. Sometimes I have to go look at the calendar on the, on the third-party vendor website and say, like, can we actually get notice in time, even if it's a week, 8 days, 10 days. Lately, it's improved a lot, and that's been helpful. But I think having some sort of opportunity where-- for us, putting something on our website is incredibly easy and quick. We maintain a calendar of all public meetings. We have lots of different resources, so that could be kind of the main way the public knows to interact with us. That would, I think, have great transparency and would make sure that the deadline for us didn't move back and forth, kind of in a way we weren't prepared for. And with that, I'm happy to answer any questions.

SANDERS: Thank you, Senator Hansen, for your--

MATT HANSEN: Thank you.

SANDERS: --testimony. Let's see if there's any questions from the committee. I see not. Thank you for dropping in.

MATT HANSEN: Absolutely. Thank you.

SANDERS: Appreciate your testimony. Thank you. Any other proponents on LB1145? Good afternoon. The floor is yours.

JOE KOHOUT: Good afternoon, Chairwoman Sanders and members of the Government, Military, and Veterans Affairs Committee. My name is Joe Kohout, J-o-e K-o-h-o-u-t, registered lobbyist appearing today on behalf of our client, the United Cities of Sarpy County, representing the cities of Bellevue, Papillion, La Vista, Gretna, and Springfield in support of LB1145. LB1145 addresses a very practical, very real problem that our communities have experienced with statutory publication requirements. Unfortunately, we have encountered situations where a local newspaper has failed to publish a required notice in a timely manner, and then has refused to forward that notice to the state's legal publication website. When that occurs, the city has no independent authority to transmit the notice directly to the state's site. The-- that result is not merely administrative inconvenience. It creates legal exposure. When a required notice is not properly published or transmitted, a city's action may be subject to challenge. That can delay public hearings, infrastructure projects, bond issuances, zoning decisions, and other critical municipal functions. In some cases, the city must restart the entire notice process, incurring additional cost and delay through no fault of its own. LB1145 offers a simple and reasonable solution: allows cities to

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submit required notices directly to the state's legal publication website when necessary. This does not eliminate the role of local newspapers. It does not reduce transparency. In fact, it enhances it. The cities in Sarpy County continue to experience significant growth. Our cities are working diligently on housing development, infrastructure expansion, economic development projects, and public safety investments. Delays caused by publication breakdowns, particularly when cities are powerless to correct them, are unnecessary and avoidable. LB1145 modernizes the process in a narrowly tailored way, ensures redundancy and reliability in public notice while maintaining transparency and public access. On behalf of the United Cities of Sarpy County, we respectfully urge the committee to advance LB1145, and I will try to answer any questions.

SANDERS: Thank you, Mr. Kohout, for your testimony. Are there any questions?

JOE KOHOUT: Thank you.

SANDERS: I have a, I have a really quick one.

JOE KOHOUT: Sure.

SANDERS: So, been involved with the city of Bellevue's lack of newspaper now-- there is, there is none-- and someone trying to start an online newspaper. And it's been a big challenge on the logistics of trying to get online newspapers to carry those notifications. Anyway, with that said, would you think that this bill is a first step towards that direction to helping Bellevue?

JOE KOHOUT: I, I would. I would. And, and that frustration is the one-- you know, we've had a lot of those local newspapers just fold up. And for a long time, they relied on those newspapers to be how-- you know, the Bellevue Leader was, was the newspaper in the city of Bellevue. World-Herald was secondary. Well, without that option anymore, where do you go? And it's just become-- and there was, as you know, a symbiotic relationship between Bellevue and the Bellevue Leader. And so, that experience replicates itself across all the cities in Sarpy County, so anything we can do to make it easier for the public to access that information and meet the standards that you all set will be very helpful.

SANDERS: Thank you, Mr. Kohout. Appreciate it.

JOE KOHOUT: Absolutely.

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SANDERS: Are there any other proponents, LB1145? Good afternoon. Welcome.

DON LEASE II: Good afternoon. My name is Don Lease, D-o-n L-e-a-s-e, II. I hail from Banner County, Nebraska, which is far west in the state of Nebraska as you can go without getting into Wyoming. I do not represent the board of commissioners, but I am a commissioner in Banner County. This, this bill solves a lot of real problems for Banner County. We have not had a local Banner County newspaper since sometime in the 1920s. OK. So we've relied on surrounding counties, Scotts Bluff or Kimball County, which do have local newspapers and-- that are in circulation in the county. But it's become very difficult. The Star-Herald in Scottsbluff is now a 3-day a week, and the, the Kimball paper has always been a one-day a week. So it's been very difficult to-- especially for special meetings, to get any kind of notice to the people in a timely fashion. We would have to advertise a special meeting the week before we needed to have it. OK, so if it was Tuesday, it would be a week back on a Thursday, in order to get it to the Thursday publication date and have 4 days, which we consider advance reasonable-- reasonable advanced notice. So I see this as a solution to a, to a number of rural Nebraska issues with commissioners and municipalities that are struggling to find newspapers at all, and, and we have no understanding whether some of these newspapers will even be around next year. So, I think this will help in the future. Probably, we need to go to electronic publication at some point, as, as the primary focus for-- at least for counties our size. It's just impractical. The newspaper part is just impractical. And we've enjoyed a good relationship with our newspapers, but the time-- the, the times are changing, so. Guess that's all I have, unless you have some questions for me.

SANDERS: Thank you, Mr. Lease, for driving all the way out here from Banner. What time did you leave this morning?

DON LEASE II: I actually came down a couple days ago, it's about a 5.5-hour drive for me, so.

SANDERS: Well, thank you for making the trip--

DON LEASE II: Yes, you're most welcome.

SANDERS: --and your testimony. Let's see if there are any questions for you from the committee. See none. Have a safe trip back home.

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DON LEASE II: All right. Thank you.

SANDERS: Thank you. Any other proponents on LB1145? Any opponents on LB1145? Any neutral testimony on LB1145? Welcome.

KRISTEN HASSEBROOK: Thanks. Good afternoon, Chairwoman Sanders, members of the Government, Military, and Veterans Affairs Committee. My name is Kristen Hassebrook, K-r-i-s-t-e-n H-a-s-s-e-b-r-o-o-k, here today on behalf of the Nebraska Press Association and Media of Nebraska. For nearly 250 years in this country and for well over a century in Nebraska, newspapers have provided the 4 essential elements of public notice: accessibility, independence, verifiability, and archivability. These are not abstract ideals. They are the pillars that ensure citizens know what their governments are doing and that public actions are legally enforceable. No statutory scheme is perfect, but Nebraska's public notice statutes generally work. In 2025, based on NPA records, more than 125,000 public notices were successfully published in local newspapers, alerting citizens to business transactions, local public meetings, tax setting information, and much more. Public notice is not merely informational, it's part of a legal process. Statutes prescribe the steps that public bodies must follow. These steps then ensure that their contracts are valid, taxes may be collected, elections can stand. Nebraska's newspapers are proud of their history of providing public notice, but we've not just stood still, and we've consistently worked with legislators, local governments, and stakeholders to modernize public notice statutes. We've also worked hard to incorporate new technologies and improve customer service. And we've even continued to do that this last interim, with you, Senator Sanders, on your LB596, where I think some of the digital components, e-addition, and digital news desert options can be incorporated into this process, as well. The Press Association did not ask for the public body meeting notice requirement to be introduced back when these changes became law, as you've heard. However, since its enactment, we have tried to find solutions with our political subdivision partners when they've pointed out challenges in complying, hence why this statute has been tinkered with repeatedly over the years. We're neutral today, based on an agreement with stakeholders on getting the number right. In terms of the times, this alternative notice provision will be published in a legal newspaper, which, in our opinion, needs to be at least 4 times per year. I would also highlight that there may be entities that meet less than 4 times per year or meet irregularly. And we would recommend the committee create an "or" option, where those entities could still provide public notice in a legal newspaper in advance of their

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meetings, as they've been doing since the passage of LB148, or at least 4 times per year. But we would not support exempting them from their entire-- from the requirement entirely, but it's just their irregularity or less than 4 times a year where they should have that option to kind of, you know, do with what works best for their system. Thank you for your time and consideration, and I would be happy to attempt to answer any questions.

SANDERS: Thank you very much for your testimony. Are there any questions for Kristin Hassebrook? None. Good to see you. Thank you for your testimony. Any other testimonies in the neutral for LB1145? I see none, if Senator Lonowski would like to close. While you're coming up, your online comments for LB1145: 16 proponents, 1 opponent, and zero in the neutral.

LONOWSKI: Thank you, Chair Sanders, and thank you, committee members. I echo everything that's been said before me, but no more than that. I would like to answer Senator Wordekemper's question, because I looked it up this morning, what it-- was it a reasonable notice? And Nebraska actually says several days, up to a few weeks. So I, I guess that whoever puts the notice in has some, some latitude in, in getting it in there. I also want to appreciate Lynn Rex and Jon Cannon. They put a lot of work into this and a lot of collaborative effort. And I appreciate Mr. Edson coming in, and former Senator Hansen, and Colby and everyone else-- Beth. I also want to, want to let you know I appreciate Kristen Hassebrook trying to help out the Press Association to make this a, a good bill. I respectfully ask that the committee support LB1145, and request the committee's consideration for advancing LB1145 to General File. Are there any questions?

SANDERS: Any questions from the committee? See none.

LONOWSKI: Thank you.

SANDERS: You're welcome. You stay right there, right? And we'll close this meeting on LB1145, and we'll move to LB898.

LONOWSKI: Thanks, Luke. Good afternoon, Chair Sanders and members of the Government, Military, and Veterans Affairs Committee. Thank you for this hearing. For the record, my name is Senator Dan Lonowski, L-o-n-o-w-s-k-i, and I represent the 33rd Legislative District. I'm introducing LB898 at the request of the Nebraska State Historical Society Director, Daryl Bohac. The bill seeks to increase accessibility to and volunteerism for service on public bodies by

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eliminating the limitation of no more than one-half of meetings may be held virtually for those boards, commissions, councils, et cetera, which are advisory in nature or conducting studies, and those members are not appointed or elected on a statewide basis and do not have a statewide governing or "regular" -- regulatory function. The virtual conferencing requirements currently in Nebraska Revised Statute 84-1411 are retained along with the requirement to hold at least one meeting each calendar year that is not by virtual conferencing. What this bill recognizes is that there are public bodies that should continue to be required to hold no more than one-half of their meetings virtually. For example, those bodies that are elected or appointed at the state level that have taxing authority or pass rules and regulations should not be exempted from holding at least half of their meetings in face-to-face manner. Our own body often imposes requirements on who must be a member of a board or a commission. For example, boards and commissions are typically required to have members from each congressional district. While that could likely be accomplished by drawing on people within a 60-mile radius of Lincoln, that does not likely satisfy the legislative intent. Moreover, that practice would eliminate approximately one-third of Nebraska's population from being denied participation on boards and commissions for the entire state of Nebraska. We need all of Nebraska represented on our boards and commissions, and we need to make it possible for those who are willing to serve to do so, regardless of where they live. As you know, weather often wreaks havoc with travel schedules in our own state. This bill will allow boards and commissions to hold meetings virtually and meet quorum requirements needed to conduct business requiring voting, even if the weather is such that it is not safe to travel due to road conditions or other severe weather events. This would help minimize the need to reschedule meetings and still afford members of public bodies and the public themselves the opportunity to engage and participate in meetings at the originally published time. Moreover, the requirement to have at least one physical site open to the public and identified in public notice is retained for any virtual meeting. Again, the primary intent of the bill is to remove travel and time burdens for all citizens of Nebraska who may wish to serve on boards and commissions by allowing greater flexibility in the use of virtual conferencing while also reducing the weather impacts on meeting schedules. That concludes my opening, and I respectfully ask the committee's consideration for the expedited advancement of LB898. Thank you, Chair Sanders and fellow committees. And I'd be happy to answer any questions that you may have.

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SANDERS: Thank you, Senator Lonowski. Check to see if there are any questions from the committee. See none, but you'll stay to close?

LONOWSKI: Yes, ma'am.

SANDERS: Thank you. Any proponents on LB898? Welcome, General Bohac.

DARYL BOHAC: Well, good afternoon, Senator Sanders, and members of the Government, Military, Veterans Affairs Committee. I am Darrell Bohac, D-a-r-y-l B-o-h-a-c, the director of the Nebraska State Historical Society, and here to testify in support of LB898, as introduced by Senator Lonowski, for whom I'm grateful for doing so. As he explained, the intent of the bill is to increase participation and volunteerism for service on public bodies. My experience with several boards and commissions since returning to public service as the director has clearly shown that only permitting ad-- has clearly shown that only permitting advisory boards and commissioners to hold no more than half their meetings via virtual conferencing creates a burden and a barrier to participation of members of those boards and commissions, and limits the pool of who would be willing to serve. LB898 would provide some flexibility to those boards and commissions to hold more than one-half of their meetings by virtual conferencing. However, they still must hold at least one meeting per calendar year that is in person. I've included the requirements for virtual conferring meetings in the handouts today. This limitation has been particularly challenging for the Semiquincentennial Commission, of which I am the chair. This commission has 17 members and is required by statute to include members from all regions of the state representing all major interests and a diverse array of industries, as well as a member from each congressional district. There are commissioners from Brule, which is 285 miles from Lincoln or about 4 hours' drive time; Red Cloud, Nebraska, which is 147 miles from Lincoln or 3 hours-- and 3 hours' drive time from Lincoln, other commissioners are from Lincoln, Omaha, and Bennington. When I first joined the commission, when I assumed the seat as the director of the State Historical Society, only 11 of 17 seats were filled. It took almost a year to recruit and fill an additional 5 members to get to 15 of 17 seats filled. We currently meet on a monthly schedule to conduct the work of the commission, which is to be the point of contact for state and national organizations and to plan events related to the observance of our nation's 250th birthday. When conducting business that requires a vote of the commission, as Senator Lonowski noted, a quorum is required, which, in this case, is 9 members present. So it's-- the quorum is based on the seats, not the faces. In the event of weather or

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inability to travel due to other commitments and if we can no longer hold meetings by virtual conferencing in which a member can count for quorum, then we cannot conduct the business of the commission. Our meetings are typically 60-90 minutes in length, and it is unrealistic to expect members to drive up to 8 hours round trip when more than adequate virtual conferencing capabilities exist. This issue is not unique to the Semiquincentennial Commission. This scenario plays out across many boards and commissions across state government. I've learned that it is more challenging to convince members from the western portions of the state to participate in boards and commissions due to the travel time required, often for meetings that less-- last less than 2 hours. I also took the time to review the list of vacancies for boards and commissions on the Governor's website, and noted there are approximately 250 vacancies listed as of November 2025. When reviewing the list of vacancies by congressional district, 40% are from the 3rd Congressional District. Finally, nearly every board and commission is authorized to cover mileage and per diem for members. The passage of this bill would likely lead to a small reduction in the expenses required to support these public bodies. In closing, this seems to me to be a commonsense approach to leveraging modern-day technology to encourage the citizens of Nebraska to volunteer to fill approximately 250 vacancies, and actively participate in the matters before the various boards and commissions created by the Legislature, and indeed, serve as a valuable reminder that it is about salvation of the state is watchfulness in the citizen. That concludes my testimony, Senator Sanders. I'd be happy to answer any questions you or the committee might have. And I did include some-- my hand-drawn maps to make-- if words-- you know, pictures are better than words, to make a point. So thank you, Senator.

SANDERS: Thank you very much, General Bohac. Are there any questions from the committee? Thank you for all of this data on your hand-drawn map. I was looking at the possible small reduction in expenses, but also in safety of the people driving all of these miles--

DARYL BOHAC: That's correct.

SANDERS: --for meetings, so--

DARYL BOHAC: That's right.

SANDERS: That has to be taken into consideration, too. Are-- any questions from the committee? See none. You're off easy.

DARYL BOHAC: All right, Senator.

SANDERS: Thank you very much for your testimony.

DARYL BOHAC: Thank you.

SANDERS: Are there any other proponents on LB898? Welcome.

MONIKA GROSS: Thank you. Senator Sanders and members of the Government, Military, and Veterans Affairs Committee, my name is Monika Gross, M-o-n-i-k-a G-r-o-s-s, and I'm the executive director of the Foster Care Review Office. The Foster Care Review Office is the independent state agency responsible for tracking children in out-of-home care in Nebraska, reviewing children's cases, utilizing local, volunteer citizen review boards, collecting and analyzing data related to the children, and making recommendations on conditions and outcomes for Nebraska's children in out-of-home care. As you may recall, I appeared before you last year in support of LB238, which would have exempted our local foster care review boards from the Open Meetings Act. While that effort was not successful, LB898 would accomplish most of what we were seeking through LB238. As a practical matter, it would allow our local review boards to continue meeting virtually without violating the Open Meetings Act. The FCRO currently has 54 local foster care review boards across the state that meet monthly to review cases of children and youth in out-of-home care. That is over 500 public meetings per year. The local review boards are made up of over 340 citizen volunteers consisting of professionals in the fields of health care, mental health, education, law, social work, and law enforcement, in addition to experienced foster and adoptive parents, CASA volunteers, military retirees, and individuals with lived experience. Each local review board meeting is facilitated by one of our staff members. In addition to our staff and volunteers, all parties to a child's juvenile court case along with their attorneys are invited to participate in the local board meetings. The parties are given options for participation, such as completing a questionnaire online or via email, providing input and answering questions via telephone, or they can attend the local review board meeting in person or virtually. Parties include the parents and their attorneys, youth over the age of 10, caseworkers, foster parents, county attorneys, guardians ad litem, CASA volunteers, school officials, and service providers such as mental health professionals. Virtual meetings have allowed 600 to 900 individuals to participate in our local review board meetings every month. While the pandemic forced our local review boards to meet virtually, our volunteers

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overwhelmingly support continuing to meet virtually going forward. Virtual meetings have made it easier to recruit and retain volunteers, and have allowed the FCRO to draw from a larger pool of applicants, thereby increasing the number and diversity of volunteers, especially in the rural parts of the state. It has also been easier for interested parties to participate in the review process. Thank you, Senator Lonowski, for introducing this legislation. I ask the committee to advance LB898 to General File, and I'm happy to answer any questions.

SANDERS: Thank you very much for your testimony. Check with the committee to see if there are any questions for Ms. Gross. See none. Thank you very much--

MONIKA GROSS: Thank you.

SANDERS: --for your testimony. Any other proponents on LB898? Any opponents on LB898?

DON LEASE II: I'm sorry. I missed the proponent.

SANDERS: Proponent?

DON LEASE II: Yes.

SANDERS: Come forward, please.

DON LEASE II: My name is Don Lease, D-o-n L-e-a-s-e II. Thanks for the opportunity to, again, visit with the, the committee. I-- I'm a real proponent of this bill. I serve on and I'm currently missing a Region 1 Behavioral Health Advisory Committee meeting. I don't know if they got a quorum today or not, but it is subject to a quorum, and sometimes it's difficult to get them. But, you know, we're spread out across the Panhandle. It's 120 miles from my house to Chadron, and 45 miles to Kimball. So it's very difficult for us sometimes to drive to these meetings, when we could do this-- if we could do this via teleconference, it sure would be a great, great thing. And it also allows a lot of the participation in statewide committees. I can see a real benefit for that. And the, and the final thing that I see with this, this bill is it will allow a, a satellite site, for lack of better terms, where one of the members of the committee is participating, and that becomes a public meeting setting. So it would be very easy for the members of the public, as well, to attend the, the committee meeting, via that satellite site. So I think that's a--

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an awesome side benefit that maybe we'd-- we were overlooking, so. I think that's all I have.

SANDERS: Thank you for your testimony, Mr. Lease. Let me ask you a quest-- question. Your neck of the woods, everyone have access to an internet, or a cell phone, or FaceTime? Any of those?

DON LEASE II: It's probably-- it's a lot more common than newspapers. Yeah.

SANDERS: Yeah?

DON LEASE II: I mean, honestly. There's, there's pretty good access, either via cell phone-- of course, you know, if you do satellite, you can get it anywhere. And that's the most common way is through satellite, or different towers have, you know, their different companies-- Allo or somebody like that-- Vistabeam. So.

SANDERS: Great to hear.

DON LEASE II: Yeah.

SANDERS: Thank you for driving out, and your testimony. Appreciate it.

DON LEASE II: Yes.

SANDERS: Any questions from the committee? I see none.

DON LEASE II: All right.

SANDERS: Thank you very much.

DON LEASE II: Thank you.

SANDERS: Any other proponents on LB898? Any opponents on LB998? Welcome.

KORBY GILBERTSON: Good afternoon, Chairwoman Sanders, members of the committee. For the record, my name is Korby Gilbertson. It's spelled K-o-r-b-y G-i-l-b-e-r-t-s-o-n, appearing today as a registered lobbyist on behalf of Media of Nebraska, Incorporated. Media of Nebraska is a group of both print and broadcast medias. And their purpose-- their sole purpose is not business related. It is just about public meetings, records, and First Amendment issues. They had their bill review session last night, and we discussed this bill at length. It was a broad discussion; went two different ways. One way was, well,

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this would make it easier for our reporters to be remote and watch meetings. We could find out what's going on. And then the deeper discussion went into: what have we seen so far with having remote meetings or doing things on Zoom? What do people do when they're on Zoom? They do other things while they're watching a Zoom meeting. They're doing the grocery list, they're not paying attention, so the-- having people in the same room while you're conducting the public's business is a very important thing, and we don't think it should be removed to only one meeting being done in person a year. We think that's very dangerous. That public interaction and the actual face-to-face interaction is very important. If you are watching via Zoom, you might not be able to see the side conversations that are going on, or hear them. You won't know what else is going on in that room, and those things matter when you are trying to watch what's going on. Secondly, I think most of us have probably witnessed when we've tried to have testifiers at committee hearings come in, either remotely through Zoom or over the phone. I think there was an interim study last year, where they kept trying to reconnect the person. It does not make it easier for the public to necessarily comment or be a part of it, and so that is our overall concern. And we just hope that the committee takes this very seriously before you remove the reason to have any more than one meeting in person a year. I'd be happy to take any questions.

SANDERS: Thank you for your testimony, Ms. Gilbertson. See if there are any questions from the committee. I have just a-- kind of a question, comment. So someone that would make out their grocery list at a Zoom meeting, wouldn't they most likely also do it in an open meeting? I mean, I just--

KORBY GILBERTSON: I don't--

SANDERS: --handed his-- my grocery list over to Dick earlier. Yeah.

KORBY GILBERTSON: Yeah. You could. I mean, you could, but it's more obvious. And, and also, if you're passing a note to Dick, I'd be able to see that here. I wouldn't be able to see it if you're on Zoom.

SANDERS: Yeah.

KORBY GILBERTSON: So that-- I think that's the difference. And, and to say that we don't-- you know, many companies are going virtually, not making people come to work. And now, they're figuring out, we need to pull everybody together at least a couple times a week, to make sure

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we can still talk to each other, without doing it on a computer. So I think those are things to remember before we completely toss out the virtue of being in-person with folks.

SANDERS: Yeah. Yeah. And I also like to consider the safety of those that are driving all those miles for weekly meetings or monthly meetings.

KORBY GILBERTSON: And they can do-- I mean-- and, and so, if they're doing weekly meetings or some-- you know, but not just, if they are doing weekly meetings, they have 52 meetings a year, they'd only have to have one in-person. So that's a big difference from a group that meets 4 times a year and does one. So there are huge differences, and I think to throw everyone in the same pot and say, one meeting a year is all you need to do in-person, that defeats the purpose of having the public involved.

SANDERS: Thank you for your--

KORBY GILBERTSON: Yeah.

SANDERS: --input and your testimony. Appreciate it.

KORBY GILBERTSON: Thank you.

SANDERS: Any other opponents for LB898? Anyone in the neutral on LB898? See none. Senator Lonowski, if you'd like to close. While you're coming up, the online comments, on L898, you had 5 proponents, 1 opponent, and zero in the neutral.

LONOWSKI: Thank you, Chair Sanders. Thank you, committee members. First, I'd just like to respond a little bit. So if a board or a commission or a committee feels the necessity to meet more often, they are welcome to. This doesn't limit them to one meeting a year, or whatever. I'd like to note that, that Mr. Bohac said this greatly increases volunteerism. And, and the point that he said we have 250 openings on, on boards on the General's-- or excuse me-- on the Governor's website, may speak to, to the fact that we've made it too difficult. And the fact that it's opened up to the public, I think, helps, and we've ensured that we've covered all the Opens Meetings Acts, where they have to, to post it and everything else. And I really would like to appreciate Mr. Bohac for coming in, bringing me this legislation, along with the other people-- Mrs. Gross and, and Mr. Lease. And Mr. Lease, if we recall, did travel a long ways for this meeting, so I really respect that. And I really ask that-- I

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respectfully ask the committee to support LB898, and request the consideration of advancing LB898 to General File.

SANDERS: Check to see if any questions from the committee. See none. Closes our hearing on LB898. Thank you, Senator Lonowski.

LONOWSKI: Thank you.

SANDERS: We'll now close on LB898. Thank you for all the testifiers. And we will open on LB997. Good afternoon, Senator Andersen.

ANDERSEN: Good afternoon, Chairwoman Sanders and members of the Government, Military, and Veteran Affairs Committee. I am Senator Bob Andersen, B-o-b A--n-d-e-r-s-e-n, and I represent District 49, the best district in Omaha, which includes northwest Sarpy County in Omaha. I'm introducing LB997 at the request of the State Auditor to ensure proper oversight of the emergency contracts. Processes for contract procurement were initially standardized by the Legislature in 2003 with the Procurement Act. The language regarding emergency-driven, sole source contracts, which agencies may solicit in certain circumstances, has largely remained unchanged. It only requires approval from the agency director and notification to the Department of Administrative Services. A copy of the contract and the justification to the emergency is also required to be presented to DAS. However, DAS has no authority to decline contracts. They simply keep the record. The current statute expects that agencies will execute sole source emergency contracts properly, fairly, and only in times of extreme circumstances. The competitive bidding process is foundational-- a foundational component of sound government operations. It assures not only open and fair competition, but it is designed to ensure the best product for the best price. It is the obligation of the government officials to be good stewards of taxpayer funds. Side-stepping that process can erode public trust and runs opposed to the Nebraska Auditor's statutory duty to ensure the effectiveness, efficiency, and performance of the state's programs. LB997 seeks to provide greater transparency and accountability by including the State Auditor in the contract notification process. Nebraskans expect accountability, transparency, and fairness in the operations of their government. LB997 is a good governance measure that speaks directly to these principles. I am pleased Auditor Foley is here today to testify and answer any of your questions you may have. I thank you for your time, and I'm happy to answer any initial questions.

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SANDERS: Any questions for Senator Andersen from the committee? None.
You're going to stay-- stand by, though?

ANDERSEN: Yes ma'am.

SANDERS: Thank you very much.

ANDERSEN: [INAUDIBLE].

SANDERS: Good afternoon. Welcome, Auditor Foley.

MIKE FOLEY: Good afternoon, Senator Chamber-- Sanders. Sorry. I almost called you Senator Chambers-- and members of the Government, Military, and Veterans Affairs Committee. For the record, my name is Mike Foley, M-i-k-e F-o-l-e-y, and I'm the Nebraska Auditor of Public Accounts, here today in support of LB997. First, I want to express my appreciation to Senator Bob Andersen for carrying the bill for my office. This bill offers a very small revision to Nebraska's public contracting laws regarding competitive bidding requirements as they relate to emergency contracting. Without exaggeration, state agencies enter into contracts with outside parties 2,000 to 3,000 times a year. In almost every instance, they do so after conducting a competitive bidding process, which includes publication of a request for proposals, responding to questions from prospective bidders, receiving and scoring proposals, making an award, and then negotiating contracts. 40 years ago, in a landmark case, Anderson v. Peterson, the Nebraska State Supreme Court addressed the practice of government competitive bidding requirements, when the court wrote: we acknowledge that competitive bidding after public advertising is a fundamental, time-honored procedure that assures the prudent expenditure of public money. Competitive bid statutes exist to invite competition, to guard against favoritism, improvidence, extravagance, fraud, and corruption, and to secure the best work or supplies at the lowest possible price. Such, such statutes are enacted for the benefit of taxpayers. End of quote. In a very small sliver of instances, roughly 1/2 of 1% or so, the state enters into emergency contracts with no bidding. This happens maybe 20 times a year. It spiked up a little bit more than that during the pandemic, of course. But generally, about 20 times a year that might happen. State statute allows for emergency contracting when there's an urgent or unexpected requirement or when health and public safety or the conservation of public resources is at risk. When an agency enters into a no-bid emergency contract, the agency director is required to file a form with the Department of Administrative Services, DAS, specifying the nature of the emergency. The bill before

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you simply requires that agency director to continue making that filing with DAS. But also filing a copy of that same form with my office. The bill does not require my office to approve the contract or to play any role in the selection of the contractor. The language of the bill, if enacted, would simplify-- simply notify my office that an emergency contract has been awarded. I've circulated to you a copy of the form filed by the Department of Economic Development with respect to the \$2.5 million no-bid contract with Global Sustainability Developers. It's been in the news-- in the news in recent weeks. You will note that the agency's legal counsel simply checked the box, declaring an emergency, but did not complete page 2 of the form, explaining the nature of the emergency, as he is required to do by law. While he did not fill out page 2, he said that he found the form to be ambiguous. I think this bill would have the salutary effect of limiting-- limiting emergency contracting to only those instances where there's a genuine emergency, and I ask for the advancement of the bill to General File. Thank you for your time. I'm pleased to answer any of your questions.

SANDERS: Thank you very much for your testimony. Are there any questions for Auditor Foley? Senator Cavanaugh.

J. CAVANAUGH: Thank you, Chair. Thanks for being here, Auditor. Always appreciate your work. So I want to talk a little bit about what you handed out, but I also want to talk about what you just-- the bill itself. So the bill just adds the requirement that the contract be submitted to your office.

MIKE FOLEY: This, this, this emergency declaration form would be filed with my office, with a copy of the contract attached.

J. CAVANAUGH: OK. And how-- the-- since there's no requirement that your office do anything, what happens then? So say that form got filed with your office after this bill passes.

MIKE FOLEY: Well, that would, that would put-- that would be like waving a red flag at me that something has happened here that re-- that requires the issuance of a contract without bidding. That's very, very unusual. It doesn't happen very often. So right away, I'd, I'd be asking some questions. Why-- what's the emergency? Tell me about it.

J. CAVANAUGH: And would you have-- be in power-- do you have any power to do anything actually, about it, other than to ask those questions, at that point?

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MIKE FOLEY: I can't stop it, I can't approve it, but it would be on my radar.

J. CAVANAUGH: OK.

MIKE FOLEY: And I would be watching that contract, and I would be studying the contents of the form regarding what was this emergency.

J. CAVANAUGH: Yeah. And I guess who is the arbiter of what is a qualified emergency?

MIKE FOLEY: The agency director makes the call.

J. CAVANAUGH: They make the call.

MIKE FOLEY: They make the call as to whether that's an emergency.

J. CAVANAUGH: And is there a law that says that that emergency has to meet any kind of parameters?

MIKE FOLEY: The law speaks of-- where is it here-- unexpected needs-- find it in my testimony. I'm sorry. Urgent or unexpected requirement, or when health or public safety are at risk, or the conservation of public resources is at risk.

J. CAVANAUGH: OK. And that is-- other than that, it's purely discretionary, is what you're saying?

MIKE FOLEY: It's up to the agency director to dis-- discern-- determine whether or not the contract would fall within that-- those narrow-- very, very narrow parameters.

J. CAVANAUGH: OK. I don't want to-- I--

MIKE FOLEY: It's important, it's important to bear in mind the timeframe for doing the work under this contract did not fall out of the sky. The money didn't fall out of the sky. This bill was written in the Governor's Office with a specific timeframe. And there was a--

J. CAVANAUGH: You're telegraphing my questions, Mr. Auditor.

MIKE FOLEY: Oh, sorry.

J. CAVANAUGH: So that-- I-- I'll just-- I was going to give somebody else a chance, but you, you jumped on my next line of questioning. So

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this bill was, I think it was LB14-- I was just trying to look it up.
LB14--

MIKE FOLEY: 12. Yeah.

J. CAVANAUGH: --12. And it was introduced on-- I'm looking it up right
now-- January 18, 2024.

MIKE FOLEY: That's right.

J. CAVANAUGH: And went into effect on April 25, 2024, and had a
deadline for completion of work by--

MIKE FOLEY: June 30 of '25.

J. CAVANAUGH: '25.

MIKE FOLEY: There was roughly a 15-month period, from the day the bill
was signed to the date of the deliverable product, roughly 15 months.
And the bill asked for a 12-month study. So those 3 extra months,
roughly, give or take a day or 2, roughly 3 months' extra time, so to
speak, plus all the time that the bill was pending in the Legislature,
plus all time prior to the introduction of the bill, the agency should
have been ramping up and preparing for the issuance of an RFP. They
could have put out an RFI, putting all the potential contractors on
notice: we're going to ask for this money. This is what we want. Start
thinking about preparing your proposal to, to earn the money.

J. CAVANAUGH: And can you tell what RFI stands for?

MIKE FOLEY: A request for information.

J. CAVANAUGH: OK. Thank you.

SANDERS: That's Senator Lonowski next. You're next.

LONOWSKI: Thank you, Chair Sanders. Thank you for being here, Mr.
Auditor. Is there, is there an amount, like a minimum where they
wouldn't have to use the emergency?

MIKE FOLEY: Yes. Yes. \$50,000.

LONOWSKI: Oh, OK. All right. Thank you.

SANDERS: Senator Guereca.

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GUERECA: Thank you, Madam Chair. Thank you, Mr. Auditor, for being here today. Obviously, as elected officials, we have a fiduciary responsibility to the taxpayers as, you know, we're entrusted with making sure that we execute our duties of government that we're effective and responsible with their taxpayer dollars. So you spoke about what will trigger an emergency contract, and that's urgent and unexpected reasons having to do with public health, and conservation of public resources, correct?

MIKE FOLEY: Right.

GUERECA: And that was-- that's up to the agency director to make that call.

MIKE FOLEY: That's right.

GUERECA: And that would generally be explained on the second page of this form, correct?

MIKE FOLEY: Yes, yes.

GUERECA: Which, in this case, was not filled out. So you had--

MIKE FOLEY: And the statute requires that it be filled out.

GUERECA: And it's in-- it's explicitly in statute.

MIKE FOLEY: It's in statute. You must provide a reason. What's the reason for the emergency?

GUERECA: All right. And that didn't happen.

MIKE FOLEY: And, and the, the agency counsel certainly knew that.

GUERECA: Gotcha. So clearly, explicitly in statute.

MIKE FOLEY: Right. Right.

GUERECA: Nevertheless, didn't occur.

MIKE FOLEY: That's right.

GUERECA: Gotcha. Well, seems like a-- there was a slight oversight there, Mr. Auditor. Thank you, sir.

SANDERS: Senator Hunt.

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HUNT: Thank you. Thank you for being here, Mr. Auditor. It's nice to hear your voice. I miss having you up in the chair and--

MIKE FOLEY: I miss being there.

HUNT: Yeah, seeing you every day, so it's good to see you in committee. Was your office notified when, when the Governor-- when we went into this agreement with Bioeconomy Consulting? When did-- I guess like when did you find out about this \$2.5 million contract?

MIKE FOLEY: Well, that's a great question. I don't know exactly when I found out about it, but a buzz started occurring around the Capitol, and people start--

HUNT: The kind of thing where you just hear about it, and then you're like, wait. What?

MIKE FOLEY: Just hear about it, people call in, and we've received a number of calls on this, saying you need to look at this. And that, that, that happens every day, with a lot of things, but there was quite a number of calls all across the state, people saying, there's something not quite right here. You need to look at this.

HUNT: OK. So that's how you first heard about it was just the buzz and--

MIKE FOLEY: Yes, yes.

HUNT: --the gossip and people kind of saying look into something going on.

MIKE FOLEY: Yes.

HUNT: And if this bill that we have, LB997, was in effect, then you would have had a copy of this immediately. And you would've immediately seen that this literal second page was not filled out at all.

MIKE FOLEY: That's correct.

HUNT: And that would have raised a red flag. So Senator Cavanaugh kind of asked this, but I want, I want to ask again and try to clarify a little more, maybe. What could you have done at that time, if this law was in effect and you received this?

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MIKE FOLEY: Well, if I received the blank form, at least page 2, I would have immediate-- immediately contacted the agency director and said, hey, I think you're missing something here. I need to know about this emergency. And then I would, you know, hear him out and then make a determination: is this genuinely an emer-- an emergency? And if so, I'd-- but I would still watch and see what's, what's really happening. How much money's at stake, what's, what's the deliverable, how's the progress coming along. But the core question is, is it really an emergency. And in this case, there was plenty of time. If the administration had wanted to have a competitive process, there was plenty of time.

HUNT: Right. How--

MIKE FOLEY: Because they set the schedule.

HUNT: So you don't have the power to approve a contract. You don't have the power to deny a contract from another agency. But how does enforcement work in practice? If--

MIKE FOLEY: Well, I often tell people, I'm the last guy to show up.

HUNT: OK.

MIKE FOLEY: The Legislature appropriates the funds, the funds go to the agency, the agency issues contracts, does the business, the work is performed, a report is filed, then the Auditor shows up. We say, OK, what happened to the money?

HUNT: And if something-- I'm, I'm asking some questions that are kind of ignorant, because I really, like, don't know a lot about this world, and I don't mean to sound dumb or something.

MIKE FOLEY: That's fine.

HUNT: I'm just trying to clarify. If a contract is an emergency contract, if the agency determines it's an emergency, do they still have to take bids or can it be no-bid?

MIKE FOLEY: I-- no. You, you can, you can bypass the bidding process by simply making a declaration of emergency.

HUNT: OK. OK. Thank you.

MIKE FOLEY: Sure.

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HUNT: That's good for now.

SANDERS: Any other questions? Senator Wordekemper.

WORDEKEMPER: Thank you for being here. And, and I was reading through the bill, LB997, this morning, Section 1. And I just want to be clear on the process. So what you handed out is a procurement exception deviation form. Should this be filled out prior to going out and securing the contract? Is, is that the process or is this to be turned in after the contract's approved? And I'm reading through Section 1, basically line 7, where it talks about the copies. I'm trying to find out if there's pre-paperwork to be filled out, thinking that we have to go into emergency bid.

MIKE FOLEY: I'm not aware of any pre-paperwork requirement, but one would presume that the agency director is giving a lot of thought and consideration as to whether or not a true emergency exists. And then, if he makes the determination, then he would enter into the contract and then immediately file this form. I think, I think the statute says he has 3, 3 business days. I think that's what it is.

WORDEKEMPER: Yep.

MIKE FOLEY: I'd have to double check on that. But I think there's-- within 3 days of signing the contract, I believe he has to [INAUDIBLE]-- make this filing with the Department of Administrative Services.

WORDEKEMPER: OK. And that's what I wanted to be clear on. So basically, the, the notice to the director of administrative services, and if this bill passes your office, it's already after the fact that it's already happened.

MIKE FOLEY: That's correct, because they, they append the contract to the form.

WORDEKEMPER: OK. Thank you.

SANDERS: Senator Guereca.

GUERECA: Thank you, Madam Chair. Is there-- to your knowledge, is there any place where this form and the, the no-bid emergency contract would exist where the public would have access to that information?

MIKE FOLEY: In my mind, this is all public record.

GUERECA: OK. So there is somewhere where they would be able to see it.

MIKE FOLEY: Sure. Sure. This is all public record.

GUERECA: Now, is it, is it easily accessible to the public, or would they have to do like a request for information?

MIKE FOLEY: Well, by statute, all contracts have to be entered into a public database, which we find many, many instances where it's not. But the, the agencies are required to public-- you know, to put-- enter these contracts into a public database where people can search for names of companies and--

GUERECA: Sure.

MIKE FOLEY: --you know, search by agency, all kinds of ways of doing it.

GUERECA: But you're-- and the role of the, of the auditor, obviously, is to be a safeguard, a watchdog against--

MIKE FOLEY: Yes.

GUERECA: --any sort of impropriety, so to speak, of the public dollar.

MIKE FOLEY: That, that's correct. That's correct.

GUERECA: So, OK. Well, I mean, I think it makes sense that, you know, in, in these exceptions that I can bypass a normal bid process, that you just be aware and it be on your radar.

MIKE FOLEY: Yes.

GUERECA: Thank you, sir.

MIKE FOLEY: Thank you.

SANDERS: Senator Cavanaugh

J. CAVANAUGH: Thank you, Chair. And thank you for being here Mr. Auditor. I need to correct myself. It did pass on April 2, which--

MIKE FOLEY: Yeah.

J. CAVANAUGH: --I said April 25, because I was misreading the, the--

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MIKE FOLEY: Yeah. So roughly April 2 to June 30 of the following years. About 15 months, give or take a day or two.

J. CAVANAUGH: OK. Yeah. And, you know, you have a very nice, well-laid-out timeline about this particular issue. But I just-- there's general-- I mean, obviously, this bill is forward-looking, it's not gonna affect this previous incident. And when, you know, you're looking at any emergency contract, do you anticipate that not only there would be an emergency, like absent filling out the form properly-- obviously that raises a red flag, do you anticipate there would be emergencies that you would find as a thin pretext for declaring an emergency?

MIKE FOLEY: Yes. I hope-- hopefully not, but I-- that could happen.

J. CAVANAUGH: Yeah.

MIKE FOLEY: But I think, I think the fact that they would file this re-- this form with my office would give the agency director pause to make sure he's got it right and there really is an emergency.

J. CAVANAUGH: And obviously, Senator Andersen talked in his opening about, you know, the, the great history of open bidding and, and hat-- what the service that it-- that provides to all of us in the public, of the competitive process and the transparency in it. And one of those things, you know, probably not in Nebraska, but historically, in some of the, the places like, you know, people would say Chicago, where there are people who get these no-bid contracts that are maybe, you have a relationship with the person that grants those contracts. Is that something your office would also be on notice to look into, or?

MIKE FOLEY: Well, we, we, we would consider that, but it really kind of falls a little bit in, into a gray area, what's, what's auditing and what's, what's not.

J. CAVANAUGH: And by that, you mean whether or not it's appropriate that the person who gets the contract got the contract? Or?

MIKE FOLEY: Well, what I'd like to see is competitive bidding in every instance, except for very, very narrow, rare cases, where there's a legitimate emerg-- emergency. And I just didn't find that in this case.

J. CAVANAUGH: In this particular case?

MIKE FOLEY: In this particular case, I did not find that there was a, a, a true emergency that required the issuance of a contract so quickly to one person, where no one else had an opportunity to bid.

J. CAVANAUGH: So to go back to that sort of specific question. And it sounds to me-- maybe I'm wrong-- that the assertion that there is an emergency is not something that you would be empowered to do anything about, though.

MIKE FOLEY: That's correct.

J. CAVANAUGH: So what are you empowered to do if you were to say, find it a thin pretext for an emergency?

MIKE FOLEY: Well, I would do what I did in this instance. I would write up, write up the agency for non-- noncompliance with the statute.

J. CAVANAUGH: Write up the agency?

MIKE FOLEY: Yes.

J. CAVANAUGH: Which is not a--

MIKE FOLEY: Conduct, conduct an audit, you know, make a report, note the infraction, and then from there it goes to other people. But I, I can't do anything beyond that. I can't stop what's already happened. I can't disapprove some-- the contracts that have been signed.

J. CAVANAUGH: Right. And does your office ever turn up criminal conduct but then is referred to someone?

MIKE FOLEY: We do.

J. CAVANAUGH: Who do you refer it to?

MIKE FOLEY: Generally, a county attorney, but sometimes to the Attorney General, State Patrol, Council for Discipline in this instance, in addition to those-- AG and State Patrol.

J. CAVANAUGH: So in this, in this particular case, you're saying you made a referral to the Council for Discipline from the Nebraska Bar Association?

MIKE FOLEY: Yes. Yes.

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J. CAVANAUGH: OK. Did you make a referral to anyone else?

MIKE FOLEY: The Attorney General and State Patrol.

J. CAVANAUGH: Are you aware of what's transpiring in those?

MIKE FOLEY: No.

J. CAVANAUGH: OK. And those referrals were not based on the failure to fill out that form.

MIKE FOLEY: Well, there was another wrinkle to this, and that is the backdating of the actual report. The report was due on June 30, 2025. I-- my auditor team and I met with the agency director after that deadline and quizzed him about some things and asked him, what about the final report? And there was kind of a puzzled look on his face. And he said, let me get back to you later today. He didn't. We followed up and learned that it was not filed on time. Because when you file it, it's through an electronic process. You get a receipt and so forth. It was not filed on time. It was filed a number of days later, and we noticed there was some backdating to make it appear that this document had been prepared ahead of the deadline and filed by the deadline. We can see the report was prepared a number of days after the deadline, and there was backdating of the report. A letter was sent to the Legislature with, with the June 30 date on it. It wasn't filed on June 30. It was filed later. And then, now, we've read in the press, the legal counsel who, who did all this, acknowledges there was no report on June 30. So this great emergency occurred to get something done by June 30, June 30 came and went, and there was no report.

J. CAVANAUGH: And the report that was ultimately filed, was it generated by the individual or corporation that had the no-bid contract?

MIKE FOLEY: No, it was, it was-- my understanding is it was cobbled together by the agency legal counsel, who pulled together the report, filed it with the Legislature late, with backdating.

J. CAVANAUGH: And--

MIKE FOLEY: And then that triggers the, the need for the Council for Discipline.

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J. CAVANAUGH: OK. And I assume the, the-- that also is what triggered the referral to the Attorney General and State Patrol?

MIKE FOLEY: Yes. Yes. And then, the whole question of was this really an emergency, and why we-- why was there non-compliance with the statute for competitive bidding?

J. CAVANAUGH: And the company that had the contract, did they remain in contact or contract with the state all the way through the, the 15 months of the contract?

MIKE FOLEY: No. They, they got roughly 10 months into it, and then the-- there was an amendment to the contract, cutting it short for the last 2 months. It was a \$2.5 million contract. It ended up being about \$2 million that was spent.

J. CAVANAUGH: OK. And it was \$200,000 a month?

MIKE FOLEY: Yes.

J. CAVANAUGH: And in your audit, did you discover, in any way, how the, the company came to be selected?

MIKE FOLEY: We asked the Governor-- I asked the Governor directly how this company was selected, and he said it was a joint decision between himself and his subordinate, K.C. Belitz, the director of the agency.

J. CAVANAUGH: A joint decision?

MIKE FOLEY: A joint decision.

J. CAVANAUGH: OK. I've asked previously, and, and like Senator Hunt, I'm not schooled in this subject matter. I'm trying to find out how we identify no-bid companies, and I still have not received a satisfactory answer on that.

MIKE FOLEY: Yeah.

J. CAVANAUGH: But I feel like I'm occupying everybody-- other people with questions. I'm happy to--

MIKE FOLEY: Thank you.

SANDERS: Senator Hunt.

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HUNT: Thank you, Madam Chair. I've read some reporting about this. I haven't read everything. I haven't read what's out today, for example, because I was wrapped up in things this morning. But what, what did the Governor's Office say the emergency was?

MIKE FOLEY: They primarily hang their hat, so to speak, on the timeframe. That when the bill was signed into law, the clock started ticking, we needed to get on this right away and get the contractor working and securing grant awards and so forth, there just wasn't going to be enough time to put it out for bid.

HUNT: If there had been that urgency to file the report, then--

MIKE FOLEY: But again, the, the, the timeframe was written by the Governor's Office.

HUNT: Yeah. I understand. Do you know why the \$2.5 million contract was cut short?

MIKE FOLEY: They indicated that at the time of the initial contract, President Biden was still in office. There was an election going on. Nobody knew who was going to win. President Biden or Secretary or Governor Harris did not win, of course. And then with the change of administration, they felt that there would be no more opportunity. That's my general understanding of why it was cut short.

HUNT: OK. Let me think about that.

MIKE FOLEY: The other reason was just to save a little bit of money-- save some money.

HUNT: OK. OK, I'll think about that. Did you find that with your inquiries to the Governor's Office about this, did they respond in a way that, you know, like, they, they made a mistake and they're trying to fix it and change course in the future, or what was the response like?

MIKE FOLEY: My report was provided to the Governor's Office a number of weeks prior to public issuance. We had a cordial exchange of views on this. And ultimately, they said, we're just-- I think we're going to have to agree to disagree on this. We think there was not enough time. And I said, yes there was. And they said, no, you're not-- and, you know.

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HUNT: OK. Yeah, I can't relate to that type of disagreement. No, just kidding. Got it. OK. Thank you, Auditor Foley.

MIKE FOLEY: Thank you.

SANDERS: Any other questions from the committee? Thank you for your testimony.

MIKE FOLEY: Thank you.

SANDERS: Appreciate it.

MIKE FOLEY: Thank you, all.

SANDERS: Are there any other proponents on LB997? Good afternoon.

LEE WILL: Good afternoon. Good afternoon, Chair Sanders and members of the Government, Military, and Veterans Affairs Committee. I am Lee Will, L-e-e W-i-l-l, director of the Department of Administrative Services, or DAS, here to register support for LB997. As you're aware, DAS State Purchasing Bureau is the lead agency on state procurement. Improving state procurement processes has been a key initiative over the last few years, and LB997 builds upon the passage of LB461 in 2024, by increasing further financial oversight for government contracts. Although DAS does not approve emergency justifications, we are the repositior for such records and have implemented processes to take accountability and provide oversight over the emergency contract process. This includes taking a more active involvement in-- into ensuring that all emergency contracts have all necessary justification forms filled out accurately and on file. Agencies are required to submit to DAS this Emergency Procurement Notice form within 3 days of signing an emergency contract. Statutory justification for executing an emergency contract is required on this form, and these records can easily be expanded to the State Auditor as called for in LB997. The State Purchasing Bureau also manages the state contract database, where all contracts are currently available online to the public. For these reasons, DAS supports LB997 and appreciates Senator Andersen for bringing this legislation. I'll be happy to address any questions.

SANDERS: Thank you very much for your testimony. Check to see from the committee, are there any questions? Senator Cavanaugh.

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

LEE WILL: Sure.

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J. CAVANAUGH: Courageous man. I appreciate you. Well, I alluded to our conversation that you and I had at your confirmation hearing a year ago, with Auditor Foley, and you and I had a-- did have a back and forth about where we find the people we give no-bid contracts to. This seems like an apt time to, to revisit that conversation.

LEE WILL: Sure.

J. CAVANAUGH: In that conversation, we talked about the contract for Epiphany and that that individual had an ongoing relationship with a number of people in the administration, in-- including, I think, Aksarben Foundation.

LEE WILL: Yes.

J. CAVANAUGH: And I did ask about, I think it was Ms. Bushell, and this, this contract, as well. So I mean, can you-- now you've been on the job for a year.

LEE WILL: Sure.

J. CAVANAUGH: Can you tell me, where do we find people to give a no-bid contract to?

LEE WILL: So I would say it's dependent upon the subject-matter expertise. So if you look at GSD and Julie specifically, she, she was in the circles for-- let me make sure I have-- precision agriculture, water sustainability, she worked with the state of Idaho, so she had significant experience in the bioeconomy outside of the state of Nebraska. And my understanding is she was introduced to the Governor and worked in these channels and these circles and a lot of different places. So she had significant experience in, in knowing the bioeconomy, knowing water sustainability, water quality, and everything that relates to the bioeconomy. Now, the thing that we saw and hasn't been, you know, put out in the press as much as I think it should, is the state of Nebraska received \$307 million, which is about 10% of the overall financial award. And previously, I heard the Auditor on the news talk about that these monies were going to every state. And I just wanted to provide some indication of where those monies went, especially the bordering states. So the state of Nebraska, at the-- for that grant, received \$307 million. State of Colorado received \$129 million; Iowa, zero; Kansas, zero; Missouri, zero; South Dakota, zero; Wyoming, zero. So I would say, you know, in this instance, the proof is in the pudding, when we got \$307 million

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on a \$2 million-- 2 million population size, the state of Nebraska. We got \$150 per person in the state of Nebraska. The nearest state to us was \$35. So. Yes.

J. CAVANAUGH: And that, that very contract [INAUDIBLE] when the Nebraska Examiner covered that story, that's how that's-- that, that came to my attention when I asked you about it a year ago.

LEE WILL: Sure.

J. CAVANAUGH: God bless the press, right? So-- well, 2-- I have 2 followup questions. One is, have we drawn down the \$307 million, or all of it, or what portion of it?

LEE WILL: That money is coming in as we speak. And we'll have the ability to draw on those funds, I believe, in the next couple months. Yes.

J. CAVANAUGH: All \$307 million?

LEE WILL: Yes, sir.

J. CAVANAUGH: OK. And so, yeah, you did say Ms. Bushell's very qualified--

LEE WILL: Yes.

J. CAVANAUGH: [INAUDIBLE]-- in qualifications. And I guess my question is not-- I mean, obviously, we want to make sure we can hire qualified people for all these contracts. The question is how do we i-- how do they become identified as the person to whom we are going to give a no-bid contract to?

LEE WILL: So, so previously, I know Julie, in her organization, worked on water sensors, worked with the legislatures on many-- Legislature in Nebraska on many different initiatives, so she wasn't foreign to the Legislature and sensors and bioeconomy. So I would say her-- she ran in a lot of circles that involved this particular area of work, and I would say she's a subject-matter expert when it comes to the bioeconomy

J. CAVANAUGH: OK, so the leg-- but the Legislature doesn't give the contract.

LEE WILL: Exactly right. Yes.

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J. CAVANAUGH: So--

LEE WILL: But she--

J. CAVANAUGH: Somebody from the Legislature recommends, wants to be passed, LB1472-- I can't remember the bill number, but--

LEE WILL: I don't know the exact details. I would have to get with Department of Economic Development to see how that relate-- you know, how that meeting occurred between the Governor and GSD and other folks, but I'm not aware of that specific.

J. CAVANAUGH: OK. So-- and just to take a step back, because we are talking about one specific, but we're passing a bill that's forward looking, what is a best practice for identifying someone to whom to give a no-bid contract to?

LEE WILL: That's fair. So I think you, you discuss-- so on April 1, 2024, LB1412, which was a budget bill, passed and it was signed into law the next day. In that legislation and earmarked within DED, it said that the state shall enter into a contract with an entity to assist the state for a period of one year, ending no later than June 30, 2025, with growing the state's bioeconomy industry. So it passed April 2, or it's enacted April 2. We really had until July 1, 2024, to implement the contract, to meet the year of fulfillment of the bioeconomy initiative. And frankly, it's not enough time for the RFP. In order to do an RFP correctly, you need at least 60 days-- and that would be if you're pushing it-- in order to get bids, get scoring, go through. And then you have another 50-day protest period, so you're really looking at 110 days, in order to fulfill the requirements. All that is going on while these discretionary funds are being-- these applications are being scored at the state level, city level, tribal level, and, and discretionary grants are being provided. So the contract began on May 2, 2024, and the award from the federal government was announced on July 18, 2024. So to the Auditor's point on why we need an emergency, we need an emergency right away, so we could get the dollars to the state of Nebraska to get more than our fair share.

J. CAVANAUGH: I like how you got back to your talking point, but--

LEE WILL: It's not a talking point, sir.

J. CAVANAUGH: Well, you didn't answer my question, is my point.

LEE WILL: What was the question?

J. CAVANAUGH: I mean, well, you talked-- you did give us a little bit of the lay of the land of what is how a normal procurement process works through. I want to know what is best practice for a no-bid contract. Like--

LEE WILL: Oh, sure.

J. CAVANAUGH: You declare an emergency and you've got to find somebody who knows, I don't know, some kind of--

LEE WILL: So one thing I think you have to establish and understand and know, who's the subject matter expert, and who's gonna be the one to go and get these funds for you. We isolated-- and Governor, DED, isolated that GSD was the entity to have these relationships with the federal government to bring in the max amount of federal dollars to the state of Nebraska. Frankly, I've got to give the Governor credit because a lot of these states, have you seen, Iowa, Minnesota-- or sorry, Missouri, others, got zero dollars. We got \$307 million. So that was the reason that it was entered into the budget that was passed by the Legislature in LB1412, the budget bill. So it was explicitly in the bill, with the language. Now the timing, I would have a, a-- you know, a disagreement, a friendly disagreement with the Auditor on the RFI. That's something we don't normally do. We don't count our chickens before they hatch. We don't anticipate that you guys are going to give us money and then go out to the street and try to get proposals. That just is not something we do.

J. CAVANAUGH: OK, I'm going to try one more time.

LEE WILL: Yes, sir.

J. CAVANAUGH: In the abstract, not in this particular instance--

LEE WILL: Yes.

J. CAVANAUGH: But say you get-- same thing, you have 60 days to start any kind of contract, it doesn't have to be this, bioeconomy, or anything like that. And it comes across-- well, now you're DAS, but it comes across somebody's desk in any department, what is the best practice for them to identify someone-- I mean, as opposed to them, you know, hiring their cousin or whatever. Right?

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LEE WILL: Yeah, sure. So I mean one they have to be-- have subject-matter expertise. As I said before Julie was involved in the state of Idaho you can go take a look at that work for water quality so we knew that she had federal, she had federal relationships, as well, to make sure we could advance the ball down the field of receiving federal funds. So in this instance, she was, you know, the subject-matter expert that we entered into a contract with. And again, you know, the \$307 million really speaks for itself.

J. CAVANAUGH: Thanks.

LEE WILL: Yes, sir.

SANDERS: Senator Guereca.

GUERECA: Thank you, Madam Chair. Thank you, Mr. Will, for being here. Now, sir, I can appreciate a truncated period of time.

LEE WILL: Yes, sir.

GUERECA: Now, in front of me, I'm looking at a Procurement Exception and Deviation Form. That is generally submitted with-- and there's about 6 reasons to ask for an exemption or deviation from the standard bid process. In this example, box 4, "Emergency," was checked. But I want to turn the attention to the box below that, which is "Competitively Bid - Under 15 calendar days." Talk me through what that truncated 15-day process looks like when option 5 is selected.

LEE WILL: So I can't speak, because, you know, the legal counsel within DED is no longer within the organization. Neither is the executive director.

GUERECA: Not in this [INAUDIBLE], but let's say in your role-- another department.

LEE WILL: Yeah.

GUERECA: Be it-- again, any other department. They submit this form to you with box 5 checked. What, what, what would that look like?

LEE WILL: So as the Auditor-- and I agree with the Auditor, DAS is essentially just a repositor of receiving these copies. Now I do think, after going through this process and seeing that the agencies didn't fill the form out correctly in 5 different instances, DED, all of their emergency contracts that they had, did not fill out the form

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correctly. So they had 3 emergency contracts within the, the last 2 years, they did not fill out the justification form.

GUERECA: Again, I'm, I'm not asking about emergency contracts.

LEE WILL: OK.

GUERECA: I'm asking about the box below that, which is the "Competitively Bid - Under 15 calendar days." So what does-- when, when you receive-- and again, DAS is solely a repository. But when you receive a contract and with, with this form attached to it, with box 5 checked, what would that process look like? What generally would that process look like?

LEE WILL: So after we receive, receive an emergency justification form? You know, we would-- so I would say the 8--

GUERECA: No, no. No, no.

LEE WILL: Go ahead.

GUERECA: This form--

LEE WILL: Yes.

GUERECA: --with box 5 checked, what would you generally-- what would that generally look like? Not-- and let's say, the Department of, I don't know, DHHS, right?

LEE WILL: Yep. Thank you.

GUERECA: They provided you an example of that. DHHS fills out this form, checks box, box 5, right. We understand what the emergency process looks like, and that's, you gotta go right away. That says-- that, that-- this right here refers to a 15-calendar-day process. Generally, what would that 15-day process look like?

LEE WILL: So it would be a mad scramble in order to put the RFP out onto the street and ensure that you have all the metrics and attainable success stories that you want within the contract. And then, you would have a significantly truncated timeline that wouldn't really get you the answer that we came to in this contract, in that we needed a subject-matter expert, we needed them yesterday, and we needed to go get discretionary funding. So it would truncate your

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timeline to the point where it wouldn't be worth it and you wouldn't get the, the correct applicant.

GUERECA: Now, this form was filled on May 1, in this instance. What was the deadline provided under LB, what was it, LB11--

SANDERS: LB1107.

J. CAVANAUGH: LB1412.

GUERECA: Under LB1412, what was the deadline?

LEE WILL: So it said, enter into a contract with an entity to assist the state for a period of one year, ending no later than June 30, 2025. So the deadline would essentially be July 1, 2024, that that contract would have had to have been done.

GUERECA: This one was filled out May 1.

LEE WILL: Yes, because the contract was signed on May 2, again, because we wanted to get to those discretionary funds. We wanted to bring in \$307 million to the state of Nebraska.

GUERECA: And-- makes sense, but I don't know if 13 days would have cost us that much more money. Thank you, Madam Chair.

SANDERS: Are there any other questions? I see none.

LEE WILL: Thank you very much.

SANDERS: Thank you very much for your testimony. Any other proponents on LB997? Any opponents on LB997? Any neutral testimony on LB997? Welcome.

JASON JACKSON: Thank you.

SANDERS: The floor is yours.

JASON JACKSON: Thank you, Good afternoon, Chairwoman Sanders and members of the committee. My name is Jason Jackson, J-a-s-o-n J-a-c-k-s-o-n, and I'm here to testify in a neutral capacity on LB997. I want to stress I'm in here in just a purely personal capacity, as somebody who has a perverse and niche interest in state procurement law, and wanted to offer myself to the committee to avail your-- of some of the insights that I gleaned from 7 years having served as the DAS Director overseeing the State Procurement Division. And I also

want to just stress, you know, I had 2, 2 years working in the Pillen Administration as DAS director, nearly 2 years. Had the opportunity to work shoulder-to-shoulder with Mike Foley in the Ricketts Administration for 7 years and during his service as Lieutenant Governor. And now presently, I've had the opportunity to work with Senator Andersen on the Pacific Conflict Threat Committee. I hold all those leaders in high esteem. And so really my, my narrow interest in being here today is hopefully to offer some insights about state procurement law and specifically preserve some of the significant recent reforms that have happened in the state procurement space, because I know how these, these processes go when a bill like this makes its way to the floor. Term limits being what they are and memories being short, sometimes some of the policy deliberations that may have undergirded previous decision-making might be lost to institutional memory. In 2024, at Governor Pillen's direction, I had the opportunity to work with Speaker Arch on a comprehensive procurement reform bill. Those efforts led to LB461. LB461 passed with bipartisan support, without opposition, and included three significant reform efforts. First, it harmonized the processes for the procurement of goods and services. Previously, those had been in separate statutory chapters. Second, it reform-- made significant reforms to the competitive bidding process. And third, it modernized our general procurement operations. What I wanted to make note of is it didn't make any substantive changes to the no-bid process, and that was purposeful. That was not an omission. That reflected very deliberative policy discussions between the Legislature and the executive branch, and flowed from very considered advice from nonpartisan consensus industry sources. And I'd be happy to go deeper into the no-bid process and some of the policy deliberations that undergirded that in, in Q&A if that's desirable. Secondly, I wanted to talk just briefly about transparency. I understand the rationale behind the bill. I can see the Auditor's point of view that, hey, if there's an affirmative step that this exception report needs to be sent to the Auditor's Office, it might have a chilling effect on impropriety. What I wouldn't want anybody to take away from this hearing is that our current process isn't transparent.

SANDERS: Continue, please.

JASON JACKSON: OK. All procurement records are subject to public records requests and all state contracts that are consummated should be posted publicly and available to web search. When I was DAS director, I always presumed that every document I signed would be subject to a public records request, would be scrutinized by the

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Legislature, would be scrutinized by the media, could be subject to litigation. So again, I understand the policy objectives that undergird this bill, but I wouldn't want any member of the public to infer from this hearing that our existing process isn't already subjected to the sunshine of public scrutiny. With that, I'll conclude my remarks and I'd be happy to take questions.

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

J. CAVANAUGH: Thank you, Chairwoman, and thank you for being here, Mr. Jackson.

JASON JACKSON: Yes, sir.

J. CAVANAUGH: Good to see you. First, I'm just looking at the DAS website, and I think if you look up you on DAS website, they still have your profile page on there.

JASON JACKSON: I'm sorry to hear that.

J. CAVANAUGH: So maybe, they need to update-- that it still lists you as currently, the DAS director. But-- so in term-- in, in a--

JASON JACKSON: There's a task or a red alert that's happening at DAS right now, but their communication's good.

J. CAVANAUGH: So what, what-- yeah. What was the period of time? It says since 2018.

JASON JACKSON: Yeah. I, I assumed the-- I was appointed in December of '18.

J. CAVANAUGH: And then--

JASON JACKSON: And my tenure concluded, I believe, in August of '24.

J. CAVANAUGH: So, con-- conveniently, you were there when this contract that we're discussing today was awarded.

JASON JACKSON: Correct.

J. CAVANAUGH: Do you have any recollection of the contract?

JASON JACKSON: No.

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J. CAVANAUGH: OK. And in terms of-- you're here to, to answer neutral, but if a contract-- this form came through that everybody's been talking about-- I'm sure you're familiar with-- and it has the emergency box checked, and then didn't have anything for the state of emergency, what should the DAS department do if it comes to their attention?

JASON JACKSON: Here's, here's what I would say. First, I think it's important to understand there's a lot of-- you have sole source contracts and you have emergency contracts. Basically, these are the 2 types of exceptions, generally speaking, to the no-bid-- or to the competitive bidding process. The sole source contract is where DAS would scrutinize it. And I think that's appropriate. Again, you guys are policymakers. This is-- you know, you're going to deliberate on these issues as it goes forward. That was a deliberative decision that, hey, both the agency director that's making the request and the DAS director need to affirm it if the sole source is appropriate. The agency director has the domain subject-matter expertise in that area of operations. The DAS director has the subject-matter expertise in procurement operations. That makes sense. With an emergency contract, the, the thinking was, hey, that decision should rest purely with the agency director that's making the [INAUDIBLE], because they're the subject matter expert and they're best positioned to know if an emergency exists in their area of operations. And as DAS director myself, I wouldn't want to basically presume to overrule somebody who was closer to the actual problem, their respective judgment about whether or not an emergency existed. So historically, the practice was there was no oversight there. It was simply a ministerial task of receiving this documentation, preserving it for subsequent scrutiny, evaluation, consideration.

J. CAVANAUGH: OK, so not unusual that it would be missed, that that section wasn't filled out then?

JASON JACKSON: I, I don't find it surprising that there wasn't necessarily a check on the receiving end of the document. It would have been improper that the document not be filled out, but I don't find it necessarily surprising that on the DAS side, that wasn't something that was followed up upon at the time.

J. CAVANAUGH: And if this bill were to pass and the Auditor's Office were to also get that form and they start asking questions, would there be a role for DAS to take any action at that point?

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JASON JACKSON: Well, look, I mean, I, I think everybody's good faith action would be, hey, if we know there's a problem existed, let's correct it. Right? And certainly, in my history working with the Auditor's Office, that was-- you know, that, that happened. You know, the Auditor's Office would say, hey we've identified this issue. What you seek to do is you seek to correct it as soon as possible. So, my presumption would be, hey, where-- wherever the corrective feedback is originating, everybody's operating in good faith to make it happen. You know, one thing I would say that's kind of been-- hasn't been considered in this discussion, is the most significant check on improprieties in the state's procurement process is actually aggrieved, private-sector bidders that missed the opportunity to bid upon that work. And that's your, that's your main watchdog. You know, I know it's not the Legislature's interest in micromanaging agency decisions around emergency contracts. It's not DAS's interest necessarily, or at least when I was there, to presume expertise in an, in an area-- a domain area that was foreign to us. But you always had the reassurance of knowing if there was other private sector actors out there, whether it be a sole source or an emergency contract, that felt aggrieved that they weren't getting the opportunity to do the work, that's your most likely origin of learning about impropriety. Because they'll bring it forward, either in the form of a complaint, an auditor refer-- referral, outreach to your respective office, or even potentially litigation, if there was some legal infirmity in the process.

J. CAVANAUGH: And in terms of who contracts go to in this, DAS doesn't have any role in saying that person doesn't seem like the right person to give that contract to, like no, no check on who the particular receiver of the contract is?

JASON JACKSON: So, Senator, you had-- generally speaking, you've had some questions about, hey, where do, where do these no-bid contracts go?

J. CAVANAUGH: Am I getting an answer?

JASON JACKSON: Well, I can afford you my point of view.

J. CAVANAUGH: OK.

JASON JACKSON: This is the luxury of being a civilian now, not that it would be at any odds with Director Wills. You know, look, I, I think something important to bear in mind I think is there's, I understand

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in this hyper-regulable environment that it uplevels the intensity of our scrutiny on some of this type of stuff. But there isn't anything inherently nefarious about a no-bid contract. And in fact, in, in private sector, this is how most work gets done. Right? I mean, many of you are business owners or have been business owners. You have a need, you know somebody in the community that you trust that knows does good-- and does good work, and you go ask them to do the work for you. Right? I mean, that's a no-bid contract. The private sector isn't burdened by going through a competitive bidding process in every instance. Now we hold ourselves to a different standard, but we nonetheless want to provide exceptions where that standard can't be impra-- is impractical. But I think the way contracts get si-- consummated is very consistent with that. We have subject-matter experts in the agencies who have been working in these fields, they've been working these agencies-- in, in these domains over-- throughout their career. They know who the private sector services are that are performing the services that are in their area of operations, and they form judgments on who does the best work. And if an emergency circumstance presents itself, they know who's at the top of their list when they need to get something done fast and get it done right, and that's, and that's generally how it gets done. The other thing I would say is, in my experience, most emergency-- again, the-- just to emphasize the non-nefariousness of this. The most common emergency contract is actually a business continuity rationale with an existing vendor. So-- and, and what happens there is, you know, hey, we're, we're running up against a contract coming to its natural conclusion. We're concerned that there will be a disruption of services for our constituents. Our existing vendor is doing good work. We want to maintain that continuity of operations, perhaps while we're going through a competitive bidding process. That was often a rationale for emergency contracts. Now, when I was DAS director, I would say, that sounds like an emergency of your own making. But nonetheless, it might be an emergency. And again, the agency director who's responsible for delivering on that service is the one who's ultimately responsible for putting their name on the dotted line and saying, hey, this is an emergency. We need to continue operations for the state.

J. CAVANAUGH: Yeah. Well, I appreciate that answer. So thank you for that. And I just want to be clear. I don't think anybody here says that there's anything inherently nefarious about emergency contracts. I think the purpose of this bill and the conversation is to get to the root of oversight, and ensuring-- the reason the-- for the competit-- process and the transparency is, of course, to make sure that there's

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no preferential treatment. Right? And the scenario laid out there, I think, is probably a fairly innocuous one, but there is always the risk of, you know, your buddy who just left the department and now is in that industry, he gets the-- you know, the contract, and-- or there's some sort of other relationship or friendship or whatever that is-- allows somebody to move to the top of the pile for the no-bid. And that's, that's why I think what we're trying to make sure we're getting at is that we're not giving it preferentially, but we're giving it with some sort of objective standard by-- that can be measured.

JASON JACKSON: Understood.

J. CAVANAUGH: So I appreciate that.

JASON JACKSON: Yep.

SANDERS: Senator Hunt.

HUNT: Thank you, Madam Chair. Thanks for being here, Mr. Jackson.

JASON JACKSON: Yes.

HUNT: It's good to see you. In your 6 years with the Department of Administrative Services with the-- as the director, did you come across any other examples of a department backdating a report, like what happened here?

JASON JACKSON: I can't think of another example of a backdated report. I would say what was not an uncommon occurrence was regarding a legislative man-- a legislative mandate as being one of the considerations for an emergency. And what I would say with respect to that is without being intimately familiar with the facts in this case that gave rise to this legislation, but knowing that as this bill matures that might be a consideration, that should be something I think the, the body should want to preserve. You know, what I would say for you as an executive branch official, is it would feel like the Legislature was setting a trap for you.

HUNT: OK.

JASON JACKSON: If you had a, a deadline to perform a particular service that was mandated by a law, but-- and similarly, the, the Legislature's put in place the State Procurement Act, which lays out particular requirements for performing a service. And if those two

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come into conflict, as an, an agency leader, you need some, some tool to resolve that conflict. And so, that's why we've always construed in, in my, in my time working at the agency and proceeding my end tenure, always construed that a legislative mandate was a reasonable explanation for holding that an emergency existed, and I think that's something the body would have an interest in preserving.

HUNT: But in terms of backdating the report, wasn't this legislative mandate something that the Governor's Office was supporting and aware of? And they helped write the bill, and all of that stuff?

JASON JACKSON: I, I don't have any familiarity--

HUNT: OK.

JASON JACKSON: --with those deliberations.

HUNT: I thought we heard that earlier. OK. But no experience yourself with getting a report that was backdated from one of the agencies?

JASON JACKSON: None that I'm aware.

HUNT: OK. Thank you.

JASON JACKSON: Yeah.

SANDERS: Any other questions from the committee?

JASON JACKSON: I do have an answer on the 15-day question.

SANDERS: You do?

JASON JACKSON: Yes.

SANDERS: I'd love to hear it.

JASON JACKSON: So as, as Senator-- you, you asked about 15 days and what is this 15-day exception. State law requires that a bid be posted for a competitive response for 15 days before it can be opened and considered, OK? That doesn't abrogate the need for the full procurement timeline, in terms of the bid evaluation, negotiation, et cetera, that goes into actually consummating a contract. So when-- which, on average, typically stretches 3, 4, upwards at, at the extreme, 6 months, in terms of the total RFP process. So when an agency is indicating that something is an emergency less than the 15 days, what they're merely saying is they're truncating that statutory

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time from which they have to pause when the, the RFP is requested, before bids can be opened and considered. It doesn't abrogate the need for that entire 3-6 month process that, that generally characterizes the RFP process. So the savings there is a couple weeks. It's not the-- upwards of, of 6 months that usually goes into a-- an RFP.

GUERECA: Is the R--

SANDERS: Senator Guereca.

GUERECA: Sorry. Is the RFP process outlined anywhere in statute?

JASON JACKSON: The requirements of the process are outlined in statute. The specific tactical-- technical procedures are in the State Procurement Manual. When you, when you combine the requirements of the State Procurement Manual with the requirements of the State Procurement Act, the totality of that represents all the requirements and the-- and outlines the process.

GUERECA: Thank you.

JASON JACKSON: Yep.

SANDERS: Thank you for your testimony.

JASON JACKSON: My pleasure.

SANDERS: Appreciate it.

JASON JACKSON: Thank you. Excuse me.

SANDERS: Any other testimony in the neutral for LB997? I see none. Senator Andersen, would you like to close? On the online comments for LB997, there were none. That's a first.

HUNT: Interesting.

ANDERSEN: Thank you, Chairwoman Sanders and members of the Government, Military, and Veteran Affairs Committee. It's nice to see consensus on a bill you bring forward that all the testifiers agree that the bill needs to move forward. LB997 is a commonsense bill and, quite simply, an administrative change. I want to thank Auditor Foley and Director Will for their testimony. I appreciate the hard work, ensuring Nebraska government at all levels are good stewards of taxpayer dollars. LB997 is good governance measure that will assist the Auditor

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in sharing full accountability and transparency in our state government. I thank you all for your time today, and I look forward to working with the committee to move LB997 onto the floor for consideration by the full body. And now, I'll take any questions--

SANDERS: Are there any questions?

ANDERSEN: --Senator Cavanaugh would have.

SANDERS: Are there questions for Senator An-- Senator Andersen, Senator Cavanaugh?

J. CAVANAUGH: Thank you, Chair. Thank you, Senator Andersen. It was an interesting discussion. You know, I did resist the temptation to ask the Auditor to look into your false claim that District 49 is the best district in Omaha.

ANDERSEN: I think that's what you did already.

J. CAVANAUGH: But I don't have any other questions, I appreciate-- this was an interesting conversation.

ANDERSEN: Thank you, Senator Cavanaugh.

SANDERS: Any other questions? I see none. Thank you for bringing LB997.

ANDERSEN: Thank you, Chairwoman.

SANDERS: This closes the hearing on LB997, and we will now open for LB964. Sen-- Is Senator Bostar still in the room?

SEAN FLOWERDAY: He had to go, unfortunately.

SANDERS: OK. Welcome.

SEAN FLOWERDAY: You get me.

SANDERS: Yep. Well, wait. Give us just a couple beats--

SEAN FLOWERDAY: Yeah, you're fine.

SANDERS: --as they open and close doors. OK. You have our full attention.

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SEAN FLOWERDAY: Wonderful. Good afternoon, Chair Sanders, and members of the Government, Military, and Veterans Affairs Committee. My name is Sean Flowerday. That's S-e-a-n F-l-o-w-e-r-d-a-y, and I'm staff for Senator Bostar, who regrets that he cannot be here before you today. I'm here to introduce LB-- LB964, the Nebraska Public Property Disclosure Act, a straightforward transparency measure that ensures the public has clear notice and an opportunity for community input before political subdivisions sell, lease, or purchase real property. We have collaborated with our partners in public power and county government to draft an amendment that's passed out before you right there, AM1952, that represents a solution that meets their needs and provides the public with transparency and accountability in public property sales. I'm going to direct the testimony towards the amendment. Transactions of real property routinely involve significant public assets and taxpayer dollars, and the leg-- and this legislation is intended to promote openness, public trust, and fiscal-- and responsible fiscal stewardship at the local level across Nebraska. LB964, with the amendment, requires that a sale, lease, or purchase of real property heard-- is-- to be heard-- is-- will be heard in a public meeting and that clear public notice is provided so that these decisions are made in the light of day, with the opportunity for community input. Specifically, the amendment requires that before a political subdivision may sell or lease real property or purch-- purchase real property for greater than \$20,000, the governing body must list the item on the agenda of a public meeting so members of the community have an opportunity to review the transaction and may provide their input. LB964 and AM1952 also require advanced public notice of the proposed transaction. That notice must include key fiscal and transactional details, such as the legal description of the property, its market value, the proposed purchase sale or lease price and terms, and the identity of the parties involved. The notice must post at least 10 days prior to the execution of the action item, and it must be noticed in a legal newspaper of general circulation in the county where the political subdivision maintains its principal office or where the governing body conducts its public meetings. This ensures taxpayers can understand not only that a transaction is occurring, but the financial implications of that transaction before it is finalized. AM1952 also provides limited exemptions for the acquisition or release of easements and property purchases for certain infrastructure projects already subject to extensive federal or state regulatory oversight. These exemptions are intentionally narrow and designed to avoid unnecessary administrative burden regarding low-value, routine, or low-impact transactions while preserving transparency for

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transactions that meaningfully affect public assets and taxpayer dollars. In short, LB964 and AM1952 work together to promote openness, fiscal responsibility, and public trust while remaining practical and workable for local governments. I urge you to support LB964 and AM1952. Thank you for your time and consideration. I'm happy to answer any questions you might have.

SANDERS: Thank you, Mr. Flowerly?

SEAN FLOWERDAY: Flowerday.

SANDERS: Thank you for introducing--

SEAN FLOWERDAY: Spelled, spelled like it sounds.

SANDERS: Thank you for introducing LB964. I don't think we can ask you any questions.

SEAN FLOWERDAY: Different committees do it differently. And I'll, I'll play however you want.

SANDERS: Well, but we can ask the testifiers following you.

SEAN FLOWERDAY: Yes, you can.

SANDERS: Well, at least I think that's--

SEAN FLOWERDAY: The, the, the one thing I would add is I just want to say thanks to our partners in public power and at the counties, who have kind of worked with us to craft this amendment. There are still some ongoing conversations, and we're committed to continuing to work with them. There might be some questions around, around leasing and maybe changing some of the regulations around that, and we're committed to having an ongoing conversation about that. So.

SANDERS: Great. Good to know. Appreciate your input. And at this time, we'll ask for proponents on LB964. Welcome.

CHRIS ELLIOTT: Thank you. Good afternoon, Senator Sanders and members of the Government, Military and Veterans Affairs Committee. My name is Chris Elliott, C-h-r-i-s E-l-l-i-o-t-t, and I serve as the assistant general counsel at-- for Nebraska Public Power District. I'm here today in support of LB964, the Adopt the Nebraska Public Property Disclosure Act, with the amendment agreed to with Senator Bostar this morning. For more than 5 decades, NPPD has provided low-cost, reliable

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electricity to Nebraskans. Our customers are located throughout Nebraska, and NPPD serves 84 of Nebraska's 93 counties. In these counties, NPPD monitors more than 8,000 miles of transmission, sub-transmission, and distribution lines. Our 11-member board of directors, popularly elected from within NPPD's chartered territory, serve as stewards of all utility functions, including power supply, distribution operations, budgets, rates, capital improvements, finances, customer services, cybersecurity, physical, physical security, and regulatory compliance. Land management is an important part of the process of providing safe, reliable, and low-cost electricity. After careful consideration and productive dialogue with Senator Bostar, NPPD supports LB964 with the agreed-upon amendments. That's all I have, so I'm open for questions.

SANDERS: Thank you for your testimony. Are there any questions for Mr. Elliott? I'm glad you came, came to terms with an amendment that was brought today. It's good to hear.

CHRIS ELLIOTT: Thank you, ma'am.

SANDERS: Thank you. I see no questions for you. You got off, got off easy.

CHRIS ELLIOTT: Got off easy, Yes, ma'am.

SANDERS: Thank you very much. Any other proponents on LB964? Good afternoon. Welcome.

DEVIN BRUNDAGE: Good afternoon, Chairperson Sanders and the committee. My name is Devin Brundage, D-e-v-i-n B-r-u-n-d-a-g-e. I am the general manager for the Central Nebraska Public Power and Irrigation District in Holdrege, Nebraska. Central is the owner-operator of Kingsley Dam, Lake McConaughy. We operate the state's largest hydropower and irrigation project. And I'm here testifying on behalf of Central in support of LB964 with the amendments, as supplied to, to the committee and worked on by Senator Bostar and his, his group. The vast project that Central operates includes the state's largest lake, hundreds of miles of irrigation canals and various lake shoreline, and hundreds of folks living and farming and-- along our system, next to our system, leasing land from our district. And all of that made LB964 of-- particularly pertinent to our district. We do appreciate the work, collaboratively with Senator Bostar, and as Mr. Flowerday alluded to, the work to bring to terms things that will make sure that this will not cause excess undue burden to our districts to operate and, and to

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ensure that it does not erode the ability for us to do land management in a, a very fair, transparent way with, with the public. That's all I have. If you have any questions, I'd be happy to entertain them.

SANDERS: Are there any questions for Mr. Brundage? Senator Cavanaugh.

J. CAVANAUGH: Thank you, Chair. And thanks for being here, Mr. Brundage. And, of course, I'm a big fan of Central.

DEVIN BRUNDAGE: Thank you.

J. CAVANAUGH: Best logo around. So I-- you might not be the right person to ask this to, but I don't know who else is coming up, so I'm going to ask you, that on the amendment, the last section is-- there's an exception for-- the Nebraska Public Power Act shall not apply to and goes it through any purchase of real property for an infrastructure project that is sub-- subject to regulation by the Federal Highway Administration or Department of Transportation. Is that the state or the federal department?

DEVIN BRUNDAGE: I can't speak to those 2 pieces. Those were amendments from another utility. I, I will say that the Senator's office continues to work with us. We'll be requesting, probably, to add the Federal Energy Regulatory Commission on there, as well. So that would be a federal agency that would-- we would ask that that be removed as part of that.

J. CAVANAUGH: And that would be land you would buy from the Federal Energy Regulatory Commission?

DEVIN BRUNDAGE: No, lands that are, are regulated, subject to regulation by. So, Central, for instance, we have a, a license to operate that is regulated by the federal government, and we have to follow the rules to their, to their extent. So that-- that's actually a prime example. We are, we are undergoing a process where we're required to have so much erosion control, let's say, for-- at Lake McConaughy. And so, to acquire those lands, you know, we are required to do so. And so, this would provide some flexibility in that.

J. CAVANAUGH: Oh, OK. So-- well, I appreciate the answer.

DEVIN BRUNDAGE: If that makes sense.

J. CAVANAUGH: Yeah. No, that made sense. Thank you.

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DEVIN BRUNDAGE: Thank you, Senator.

SANDERS: Any other questions? That was fast. Thank you very much for your testimony. Appreciate it.

DEVIN BRUNDAGE: Thank you. Appreciate it.

SANDERS: Any other proponents on LB964? Welcome back.

BETH BAZYN FERRELL: Thank you. Good afternoon, Chairwoman Sanders, members of the committee. For the record, my name is Beth, B-e-t-h, Bazyn, B-a-z-y-n, Ferrell, F-e-r-r-e-l-l. I'm with the Nebraska Association of County Officials. I'm appearing in support of LB964. We'd like to thank Senator Bostar for offering the bill and working with us on the amendment to the bill. When we looked at the bill initially, we had some concerns about parcels that are acquired for easements on right-of-way projects. Most of the time, those are small-dollar projects-- or small-dollar easements, and it seemed like this would have required a lot of extra publication and notice and so on, for those kinds of projects. Senator Bostar worked with us on that language, and we think that the language that's in the amendment that would only make the publication and notice re-- apply to projects that are over \$20,000 and so on, would be-- take a lot of those right-of-way easement kinds of things out of there. With respect to your question, Senator Cavanaugh, about the federal and state highway issues, we had asked for that because there are a number of times when we need to require-- acquire a piece of right-of-way that-- it's part of a greater project. And so, this would exempt those from that. Some of those are higher-dollar proj-- excuse me-- higher-dollar parcels. I know in Lancaster County, there were some on the Saltillo Road project that were getting close to 6 figures, but this would help address those and, you know, a, a county could still publish and go through the process, if they chose to, on those parcels, but this would help address some of those that, you know, might kind of fall in, in between there. So, I'd be happy to take questions.

SANDERS: Senator Cavanaugh.

J. CAVANAUGH: Thank you, Chair. And thanks for being here. And then, thanks for answering that question. And so, just to-- my understanding, it's basically things you don't have a choice about buying. It's nondiscretionary purchases. Is that what you're saying?

BETH BAZYN FERRELL: Yeah.

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J. CAVANAUGH: And, and I didn't hear from Senator Bostar's office. And I don't think that he's allowed to close, but it's supposed to be the Nebraska Department of Transportation. So if that needs clarification, I'm sure they would add in the word Nebraska. But thanks for being here.

SANDERS: Any other questions? I see none. Thank you very much. Are there any other proponents on LB964? Welcome back.

JOE KOHOUT: Thank you. Madam Chair, members of the Government, Military and Veterans Affairs Committee, Joe Kohout, J-o-e K-o-h-o-u-t, appearing today on behalf of our client, the Lancaster County Board of Commissioners. Beth, Beth laid out for you, very effectively, the, the issues that have come up to the Board of Commissioners through our, through our county engineer and, and others in, in the county. And so, we appreciate the willingness to work with us alongside of our colleagues at NACO to fix those issues. And so we are here in support of the, the bill as amended

SANDERS: Thank you very much. We'll check to see if there are any questions for Mr. Kohout.

JOE KOHOUT: Thank you very much.

SANDERS: Nice and easy. Thank you very much for your testimony. Are there any others, proponents on LB964? Any opponents on LB964? Good afternoon.

JACOB FARRELL: Hi.

SANDERS: The floor is yours.

JACOB FARRELL: Thank you. Good afternoon, Chair Sanders and members of the Government, Military, and Veterans Affairs Committee. My name is Jacob Farrell, J-a-c-o-b F-a-r-r-e-l-l, and I'm the manager of real property and land management for Omaha Public Power District. I'm also a past international president of the International Right-of-Way Association. I'm here today to testify in opposition of LB964. While OPPD is committed to transparency in government, this bill as drafted introduces significant operational risks and administrative burdens that outweigh its perceived bene-- public benefits. There are a few key points of my opposition, really redundancy and bureaucracy and minimal public benefit, as well as operational delays and economic impacts. Existing processes within the district already ensure transparency regarding real property transactions. LB964 adds a layer

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of red tape that does not significantly increase public insight, but does significantly increase complexities of routine business. Requiring a dedicated public hearing for every sale, lease, or purchase, regardless of the size or impact, creates a unnecessary administrative logjam. The requirement to close a deal within 60 days of a hearing is commercially unrealistic for many complex real estate transactions, forcing political subdivisions to repeat the entire public hearing process multiple times for a single project, or initiate condemnation proceedings. By imposing rigid statewide, statewide mandates on real estate transactions, LB964 undermines locally-elected boards of their authority to determine the most efficient governance necessary for utilities to operate. Nebraska is currently seeing a significant surge in energy demand and economic growth. To meet this demand, OPPD must remain agile. The proposed rigid timelines and notice requirements could delay property acquisitions for critical infrastructure, impacting our ability to respond to the growth. The requirement to publish names of buyers, sellers, lessors, and specific negotiated terms in legal newspaper at 10 days before a transaction jeopardizes sensitive negotiations and hinders our ability to respond quickly to operational needs. So in conclusion, OPPD values transparency as an atten-- is an a-- and is a tenet of the public power business model. Unfortunately, UB-- or LB964 creates bureaucracy that offers minimal public value while creating the substantial hurdles for-- substantial hurdles that entities responsible for Nebraska's power and infrastructure; we should be seeking ways to streamline efficiency to support the state's growth, not introduce new obstacles that hinder it. Thank you for your time, and I'll answer any questions.

SANDERS: Thank you, Mr. Farrell, for your testimony. I'll check to see if there are any questions from the committee. Senator Cavanaugh.

J. CAVANAUGH: Thank you, Chair. And I know everybody wants to get out of here, but I'm sorry. I got to ask. Did you-- have you seen the amendment?

JACOB FARRELL: We received it at lunch time today. I, I haven't had the opportunity to really dive into it. But, but looking forward to, to seeing what changes were made.

J. CAVANAUGH: OK. I'm just wondering if it would change your position any. Because yeah, you mentioned the 60-day thing, and I, I guess I didn't remember seeing it in here, but maybe I'm misreading the amendment.

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JACOB FARRELL: Yeah. I was going off of the way that it sits right now. I haven't-- we haven't-- we weren't involved in that, and we have not really had the opportunity to review any amendments, so.

J. CAVANAUGH: OK. Well, maybe we'll revisit with you after, but I guess my other question is just the bureaucracy part of it. My read of it is it's just a disclosure that's going to be on the meeting before you buy it?

JACOB FARRELL: Or sell. Right? So there-- there's a multitude of these things. Right. So, so currently, any sale of real property by OPPD requires the approval of the board, which is put onto an agenda and, and approved. But the purchase of property doesn't require board approval. It's done within budget. And sometimes, what we run into, and as the evolving of, of, of electricity right now, the importance of getting into a queue position in the Southwest Power Pool is immensely important. And when you start compiling land to build a project, that really notifies people, so that-- that's a concern of ours that, that, that could hinder our ability to position ourselves for, for the service of, of our customers.

J. CAVANAUGH: OK. So when you're trying to discreetly assemble--

JACOB FARRELL: Yes.

J. CAVANAUGH: --par-- parcels. OK. Is there, I mean, I, I, I remember the story on why we're having this bill, which had not to do with OPPD, but our friends at NPPD--

JACOB FARRELL: Yeah.

J. CAVANAUGH: --purchasing some property. I mean, is there a solution to that, where we get the transparency and we don't have this sort of--

JACOB FARRELL: Yeah, I--

J. CAVANAUGH: --appearance of impropriety, but still get the clarity of-- you know?

JACOB FARRELL: That, that is a, a great question, Senator Cavanaugh. And, and I don't want to speak to another company's procedures. OPPD, if that was OPPD-- and we've had conversations about this in, in practice, right, that, that any acquisition of property from an employee of OPPD would be con-- go through the condemnation process.

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We would just condemn, have a friendly condemnation, the just compensation be determined by the board of directors that's appointed by the courts, and, and we would just move on.

J. CAVANAUGH: OK. Thank you.

JACOB FARRELL: Yeah.

SANDERS: Are there any other questions? Senator Meyer.

F. MEYER: So, so does this affect your negotiations on acquiring real estate?

JACOB FARRELL: Yeah. I, I mean, a lot of people don't want their names out there in, in the public and, and terms and conditions, right? So even when we go to our board and ask for condemnation rights, we don't list people's names. We, we ask for generic. It, it just-- we, we get a lot of--

F. MEYER: OK. Let's leave condemnation process out of it. Let's just-- 2 willing sellers-- or a willing seller and you're a willing buyer.

JACOB FARRELL: Yeah, so--

F. MEYER: So, so this would mandate that anything over \$20,000, which, in the-- in your service area--

JACOB FARRELL: It's everything.

F. MEYER: I suppose-- what, what is that, a cemetery lot?

JACOB FARRELL: Everything.

F. MEYER: I mean that's-- and I'm not, I'm not trying to be facetious. I'm just trying to-- I've been on both sides of this issue. And when you're acquiring real estate through sensitive negotiations, it's really, really hard to put the dollar amount that has to be advertised for 10 days out in public. I do believe that there is a process that public bodies can deal with some real estate-- I know school districts have, which is-- was perfectly legal, to acquire property in, in executive session, or at least talk about the price and the conditions and everything. And it's all been perfectly legal. So does this change that, when there's sensitive negotiations going on, on acquisition of property? Because I can see that being a real negative to this bill, and I probably would not support it, if that were the case.

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JACOB FARRELL: I-- yes. It, it would create challenges in negotiations, to, to your point, right. Like, it puts everything out in the public, it puts people in public's eye, and, and for 10 days, there's that period.

F. MEYER: OK. That, that clarifies a lot and--

JACOB FARRELL: Yes.

F. MEYER: Thank you

JACOB FARRELL: Thank you.

SANDERS: Any other questions? I, I do have a question.

JACOB FARRELL: Yes, ma'am.

SANDERS: Do you think there's room for an amendment, some negotiation with Senator Bostar?

JACOB FARRELL: I think we would-- no, that's a, that's a great question. I think OPPD would be open to, to discussions to make improvements to this, to, to alleviate things like that, allow for us to operate and be agile as we need to be. I, I mean, we didn't even get into the leasing components of this, but we have thousands of poles that we lease, attach [INAUDIBLE] to for communications that, that would hit this that, that create an immense challenge and, and administrative issues.

SANDERS: I will look forward to a possible amendment.

JACOB FARRELL: Yes. Thank you. Thank you.

SANDERS: Thank you very much for your testimony.

JACOB FARRELL: Any more?

SANDERS: I don't think there were any more questions. Thank you.

JACOB FARRELL: Thank you for your time.

SANDERS: Do we have any other opposition to LB964? Any neutral testimony for LB964? See none. Mr. Flowerday, would you like to close?

SEAN FLOWERDAY: Am I allowed to?

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SANDERS: I think--

SEAN FLOWERDAY: Sure. [INAUDIBLE].

SANDERS: Well, I think you can make a statement-- I think you can make you a statement, but we can't ask you any questions.

SEAN FLOWERDAY: Sure. The only thing I would say is just--

SANDERS: I need you on the microphone.

SEAN FLOWERDAY: Sounds great.

SANDERS: Otherwise, we're a little-- there we go. Thank you.

SEAN FLOWERDAY: The amendment removes both that 60-day window and the requirement for the public hearing. It is only an item listed on-- as an-- as a public action item on the regular meetings of the political subdivisions. So that's, that's the only clarification I would add. So the amendment addressed those 2 issues already. And we're happy to keep working with all of our friends in public power.

SANDERS: Perfect. Thank you for your opening and closing. Thank you. This now ends the hearing. Real quick, online comments, LB 964. One proponent, two opponents, and zero in the neutral. Thank you very much. And this closes the hearing on LB964. Thank you, and have a good evening.