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Floor Debate April 8, 2021  
Rough Draft

**FOLEY:** Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the fifty-seventh day of the One Hundred Seventh Legislature, First Session. Our chaplain for today is Senator Erdman. Please rise.

**ERDMAN:** Thank you, Lieutenant Governor. Good morning. Please join me in prayer if you would. Father, we thank you for this opportunity to gather here this morning to thank you for the seasons. We appreciate the fact that you've designed our earth in such a way. And I personally thank you most of all for spring. Spring is a new beginning. It brings hope and we thank you for creating that. Lord, we just passed the greatest event that ever happened in history, your resurrection, and we thank you for that as the new life as well. We pray for those who are protecting us today, whether serving in foreign countries or here at home. We pray for the police officers and those first responders and all those people that keep us safe. We ask today that you would guide and direct us to make decisions that would be pleasing to you. And we thank you most of all for allowing us to live in the greatest country on Earth. In Jesus name, amen.

**FOLEY:** Senator Gragert, if you could lead us in the Pledge of Allegiance, please.

**GRAGERT:** Sure. Please join me in the Pledge of Allegiance to the flag. I pledge allegiance to the flag of the United States of America and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

**FOLEY:** Thank you. I call to order the fifty-seventh day of the One Hundred Seventh Legislature, First Session. Senators, please record your presence. Roll call. Mr. Clerk, please record.

**CLERK:** I have a quorum present, Mr. President.

**FOLEY:** Thank you, Mr. Clerk. Are there any corrections for the Journal?

**CLERK:** I have no corrections.

**FOLEY:** Thank you, sir. Are there any messages, reports, or announcements?

**CLERK:** Mr. President, your Committee on Enrollment and Review reports LB81 to Select File. Business and Labor Committee reports LB665 and

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LB666 to General File, I'm sorry, LB666 to General File with amendments; LB665 indefinitely postponed, those signed by Senator Ben Hansen. An amendment, Senator Moser to LB579. That's all that I have.

**FOLEY:** Thank you, Mr. Clerk. Senator McCollister would like to recognize Dr. Steven Williams of Omaha, Nebraska, serving today as family physician on the day. Dr. Williams is with us under the north balcony. Doctor, would you please rise. We'd like to welcome you and thank you for coming here to the Nebraska Legislature. Proceeding now to the agenda, General File Appropriations bill, Mr. Clerk.

**CLERK:** Mr. President, LB322A by Senator Williams. It's a bill for an act to appropriate funds to implement LB322.

**FOLEY:** Senator Williams, you're recognized to open on LB322A.

**WILLIAMS:** Thank you, Mr. President, and good morning, colleagues. LB322A is the new A bill for the Safe2HelpNE report line that we have talked about and passed on Select File to Final Reading this week. The original bill, as introduced, had a fiscal note of using General Funds. The new fiscal note is all federal funds, so it has no impact on our state budget. I would encourage your adoption of LB322A. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Williams. Is there any discussion on the bill? I see none. Senator Williams, you're recognized to close. He waives closing. The question before the body is the adoption, excuse me, the advance of LB322A to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

**CLERK:** 33 ayes, 0 nays on the advancement of the A bill, Mr. President.

**FOLEY:** LB322A advances. Per the agenda, General File budget bills, Mr. Clerk.

**CLERK:** Mr. President, the first bill to be presented this morning, LB379 introduced by the Speaker at the request of the Governor. It's a bill for an act relating to appropriations. It defines terms; to provide, change, and eliminates appropriations for operation of state government. Introduced on January 14, referred to the Appropriations Committee, advanced to General File. There are Appropriations Committee amendments pending

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**FOLEY:** Thank you, Mr. Clerk. Senator Stinner, you're recognized to open on LB379.

**STINNER:** Thank you, Mr. President. Members of the Legislature, as I indicated in the briefing, we have about seven bills that comprise the entire budget. The first of those bills is the deficit spending bill, which changes the current budget. But before I get into the details relative to that, as tradition has it, I need to thank a whole lot of folks that were involved in this budget process. Certainly, I want to thank the Governor and the Governor's budget staff. Director Will did a spectacular job in a thorough analysis of their recommendations. Because of the compressed schedule that we were under, we actually used that as a template for the preliminary. The preliminary, obviously, is where a lot of the agencies take their information as to decisions that are made so that they can come to the hearings. So that was an incredibly important part of the budget process. I definitely want to thank the Fiscal staff. There's 13 members in the Fiscal staff. Six are on their maiden voyage. So that's a-- that's remarkable that we could get through a compressed schedule not only from the budget side in assisting the Appropriations Committee, but also providing fiscal notes during the all-day hearing side. So my hat's off to them. They did a great job. And, you know, I think we have a very capable staff. I also want to thank especially Tom Bergquist and Keisha for their leadership. Without them, their expertise, their professionalism, their creativity, without them, this is not possible to bring a budget as early as we had planned to bring that budget. And again, before the session even started, I was asked how fast we can bring this up. Obviously, I was putting numbers together and days together along with Tom Bergquist and we thought maybe middle of March to late March. Now that's been pushed back because of my request to the Speaker and we'll get into that later. But without them, this doesn't happen. This Legislature and I'm a little bit tongue-tied about this simply because the committee is such an outstanding committee. It's a group of folks that are dedicated to doing the right things. They're always prepared, good discussions, good questions. And you have a committee now that has been through two or three of these budget turns. So they are accustomed to how the budget comes together, how these agencies function and asking the right questions. So, again, my hat's off to them. I will say the committee is pretty resilient, obviously, because right out of the chute we get-- we had to go to quarantine for seven days. So we did the Zoom broadcast and we stayed right up to date with what we were supposed to do. So we were right on schedule. I would not prefer to be on Zoom for eight hours a day

again; but if need be, I guess that's a possibility. I was actually quarantined a second time and my hat's off to the Vice Chair, Anna Wishart, for her leadership and keeping that movement for the budget. So thank you, Senator Wishart. And I actually Zoomed in again to kind of look at things, but she did a remarkable job of keeping people on task and subjects moving in the right direction. The last group of people, I think is-- I want to thank is-- is and especially in this COVID environment. And that's-- that's all of the agencies, the commissions, and the boards that had to have a budget out by September 15. If you can remember back when we adjourned in August, COVID was-- was starting to ramp up again. There was a lot of unknowns and the agencies had to really kind of sit down and prepare their budget and request for the next year, not knowing how COVID was going to-- to react over the fall, over the winter, when it would last, when it wouldn't last, or when it would be over. So we did see a significant decrease actually for agency requests in this budget, but they did an outstanding job of preparing. And I-- I take my hat off to them. So now the bill, LB397, was introduced by the Speaker at the request of the Governor. It's part of the Governor's biennium budget recommendations. This bill makes adjustments to funding for the state operations, aid, and construction programs in the current fiscal year, June 30th, 2021. The appropriations will be used in programs where the forecasting cost has risen or decreased due to circumstances that were unforeseen when the appropriations bills were passed two years ago and subsequently amended by the Legislature in the legislative session 2020. This legislation contains an emergency clause. And so, with your consent, Mr. President, I would like to go to AM392.

**FOLEY:** Please proceed, Senator.

**STINNER:** Thank you. The committee amendment becomes the bill. The amendment reflects the Appropriations Committee's recommendation for funding of the adjustment. And as I took-- took you through the briefing, these adjustments, if you would look at your budget book page 95, it shows in detail what these requests are. And so at the top of the-- top of the page, there's a property tax request to increase the reimbursement to two counties for the personal property tax. If you remember, in LB1107, we actually discontinued the personal property tax. That was about a \$10,000 exemption. And due to timing, a lot of the-- a lot of the counties actually sent-- sent out the checks. So they need to be reimbursed. That's \$3,379,472. The other, well, the other adjustments are TEEOSA. We actually got more money from the insurance premiums. So that decreased our need for General Funds by \$1.6 million; \$2 million short in homestead exemption. We try

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to estimate what the homestead exemption number will be. It's over \$100 million now. They needed \$2 million more to fulfill their required reimbursement of the counties for property tax, real estate taxes on homestead exemption. One of the bills that we did look at and the Governor approved was centralized-- centralized alcohol management project. I think that's detailed in the description here. I don't need to go through it. There was a request prior to this four years ago to go to a new management system. I think there's savings associated with this. We agreed with the Governor's recommendation and the request from the agency. That is \$3,600,000. And again, Racing Commission, there was no gambling commission set up yet. So we put \$475,000 into the Racing Commission and in anticipation that the Gambling Commission would be set up. This is cost associated with or dollars that will help them to hire consultants to meet, to hire some people to start the gambling side-- side of the commission. Two big numbers, Corrections and the Parole side of things. The use of Corona relief money was prescribed for those-- those functions. So those came in and helped offset some appropriations. Those are decreases in funds or in General Funds for those programs, about \$38 million and another \$11.7 million. And of course, there are miscellaneous claims. But the big item, obviously, it's at the bottom in the first part of this, the liquor or the Corrections and Patrol are actually lapsed into the General Fund. The next part is lapses and reappropriations according to program and DHHS. Those lapses equal about \$61,300,000. What we opted to do was to lapse that for the first part of this biennium. That took pressure off of the base increase so the base increase can stay the same. Reappropriations will come in and take care of that base increase. And then, of course, the second part of the biennium, then you'd have your normal base increases. So there is considerable savings there. If you take a look at both components of this thing, it's over \$100 million that actually helped the General Fund's budget for this biennium. So with that, I would ask that you-- with that, I'd ask for a green vote. And thank you, Mr. President.

**FOLEY:** Thank you, Senator Stinner. Debate is now open on LB379 and the pending Appropriations Committee amendment, AM392. I see no discussion. Senator Stinner, you're recognized to close on the committee amendment. He waives closing. The question before the body is the adoption of the committee amendment, AM392. Those in favor vote aye; those opposed vote nay. Record, please.

**CLERK:** 38 ayes, 0 nays on adoption of committee amendments.

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**FOLEY:** AM392 has been adopted. Any further discussion on the bill? I see none. Senator Stinner. He waives closing. The question before the body is the advance of LB379 to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted? Record, please.

**CLERK:** 38 ayes, 0 nays on the advancement of LB379.

**FOLEY:** LB379 advances. Next budget bill, Mr. Clerk.

**CLERK:** LB381, a bill originally introduced by the Speaker at the request of the Governor. A bill for an act relating to appropriations. It provides funds for the payment of salaries of members of the Nebraska Legislature and payments to be made as provided by Chapter 68. Article 6. Introduced on January 14, referred to the Appropriations Committee, advanced to General File. I have no amendments to the bill, Mr. President.

**FOLEY:** Thank you, Mr. Clerk. Senator Stinner, LB381.

**STINNER:** Thank you, Mr. President. Members of the Legislature, LB381 introduced by the Speaker at the request of the Governor is a part of the Governor's biennium budget recommendations. The bill makes appropriations each year of the biennium for the salaries and benefits of 49 state senators. This separate appropriation bill is required by the State Constitution and funds the \$12,000 annual salary of each senator and the corresponding employer payroll contribution for Social Security. This legislative bill contains the emergency clause and becomes operative on July 1, 2021. With that, I would ask for your green vote. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Stinner. Discussion on the bill. Senator Machaela Cavanaugh.

**M. CAVANAUGH:** Thank you, Mr. Lieutenant Governor. Thank you, Senator Stinner. And thank you to the Fiscal Office for all of your diligent work. I'd like to echo all of Senator Stinner's comments this morning about-- about the work that went into the budget. I just wanted to take this opportunity on this bill to remind the public that this is our salaries and our salaries are \$12,000 a year, which works out to be \$5.27 an hour. We do not get health insurance unless we pay for it fully, not an employer match. There is no retirement for us to have a match with. So we are paid \$12,000 a year and after taxes it's significantly less. And I just wanted to make sure that the public understood that this is constructed in a way that your Legislature can

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only be people who can afford to do the job. And some of us are here in spite of the fact that we can't afford to do the job. But we have other people in our lives that are supporting us, helping us make this happen, or we have additional side jobs that help us pay for this. It is a burden. It is a burden that we obviously all enter into knowing that it's going to be a burden, but it is a burden nonetheless. And this salary has not been increased since, I believe, the '80s, perhaps maybe even longer ago. I think when my father served in the '70s, the salary was maybe around \$8,000. So clearly we haven't been keeping up with inflation. Many people think this isn't a full-time job and it can be a part-time job if-- if that's how you want to do it. I don't know who can have another part-time full salary job for a few months out of the year. But this is a full-time job for me. I come here for the 90-day session and the 60-day session. I participate in interim study hearings that I introduced and that other members of the Legislature introduce that come before committees that I sit on. I also participate in special interim hearings such as the YRTC Oversight Committee. And it ends up being that there's maybe a week that I purposely don't do legislative work in the summer. And it's a week that I make sure that I spend with my kids doing some sort of vacation activity. Otherwise, there is not a single week and very rarely is there a day during the interim that I am not doing some legislative work, whether it's meeting with constituents or meeting with advocacy groups. And I am not singular in this. And so I think it's really important for the public to understand that, yes, we are about to vote on our salaries, but this is something that we all do as a labor of love for the people of Nebraska. Thank you, Mr. Lieutenant Governor.

**FOLEY:** Thank you, Senator Cavanaugh. Any further discussion? I see none. Senator Stinner, you're recognized to close. He waives closing. The question before the body is the advance of LB381 to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted? Record, please.

**CLERK:** 39 ayes, 0 nays, Mr. President, on the advancement of LB381.

**FOLEY:** Mr. Clerk, I think it was 40.

**CLERK:** I think I lost the screen.

**FOLEY:** LB381 advances. Next budget bill, Mr. Clerk.

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**CLERK:** Mr. President, the next bill, LB382, is a bill introduced by Senator Hilgers at the request of the Governor. It's a bill for an act relating to appropriations. It appropriates funds for the payment of salaries and benefits of certain state officers for FY '21-22, '22 23. Introduced on January 14, referred to Appropriations, advanced to General File. There are committee amendments pending, Mr. President.

**FOLEY:** Thank you, Mr. Clerk. Senator Stinner, you're recognized to open on LB382.

**STINNER:** Thank you, Mr. President. Members of the Legislature, LB382, introduced by the Speaker at the request of the Governor, is part of the Governor's biennium budget recommendations. This bill provides for funding of salaries and benefits of certain state officers, as required by the State Constitution and current laws of the state of Nebraska. This bill includes judges as well as elected constitutional officers, the Parole Board, and the Tax Commissioner. This legislative bill contains the emergency clause and becomes operative on July 1, 2021. With your consent, Mr. President, I would like-- I would request that we move on to AM394.

**FOLEY:** Please proceed.

**STINNER:** Thank you, Mr. President. The amendment becomes the bill. The amendment provides for the Appropriations Committee's recommended funding of salaries and benefits of certain state officers as required by the State Constitution and current laws of the state of Nebraska. Most adjustments from the original bill amounts are difference-- differences due to the calculation of benefits. The bill includes appropriations for salaries of all judges, elected constitutional officers, the Parole Board, and the Tax Commissioner. Please refer to the budget book page 7, line 20 for line item on this portion of the budget. The amendment contains an emergency clause and becomes operative on July 1, 2021. With that, I would ask for your green vote on AM394 and LB382. Thanks.

**FOLEY:** Thank you, Senator Stinner. Debate is now open on the bill and the amendment. I see no discussion. Senator Stinner, you're recognized to close on the amendment. He waives closing. The question before the body is the adoption of AM394, Appropriations Committee amendment. Those in favor vote aye; those opposed vote nay. Have you all voted? Record, please.

**CLERK:** 40 ayes, 0 nays on the adoption of committee amendments.



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**FOLEY:** AM394 Appropriations Committee amendment has been adopted. Any further discussion on the bill? I see none. Senator Stinner, you're recognized to close on the advance. He waives closing. The question before the body is the advance of LB382 to E&R Initial. All those in favor vote aye; those opposed vote nay. Record, please.

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

**FOLEY:** LB382 advances. Next budget bill, please.

**CLERK:** LB384, a bill introduced by the Speaker at the request of the Governor. It's a bill for an act relating to appropriations; provides and changes uses and transfers of funds and repeals the original sections. Introduced on January 14, referred to the Appropriations Committee. There are Appropriations Committee amendments pending.

**FOLEY:** Thank you, Mr. Clerk. Senator Stinner, you're recognized to open on LB384.

**STINNER:** Thank you, Mr. President and members of the Legislature. LB384 introduced by the Speaker at the request of the Governor is part of the Governor's biennium budget recommendations. This bill provides for fund transfers, eliminates fund transfer provisions, and changes provisions governing the administration and use of funds. This bill contains an emergency clause and becomes operative on July 1, 2021. With your consent, Mr. President, I would request that we move on to AM396.

**FOLEY:** Please proceed.

**STINNER:** Thank you, Mr. President. The amendment becomes the bill. The original Section 1-6 related to transfers from the General Fund to the Property Tax Credit Fund, the Water Sustainability Fund, and the Water Resource Cash Fund is now contained in the committee amendment on LB380, which is the mainline budget bill. Refer to the committee's budget book, page 28 for a list of major transfers into and out of the General Fund. Section 1 and 2, pursuant to the Nebraska revenue statute 82-331 transfer an amount not to exceed \$500,000 from the General Fund to the Cultural--1 Nebraska Cultural Endowment Fund on December 31, 2021, and '22, respectively. Section 3 transfers the balance of the University Building Renewal Assessment Fund to the General Fund on or before December 31, 2021. Section 4 transfers the balance of the State Building Renewal Assessment Fund to the General Fund on or before December 31, 2021. Section 5 and 6 transfers \$10,000

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from the General Fund to the Hall of Fame Trust Fund, on or before July 15, 2022, and '23, respectively. Section 7 amends provisions related to charitable gaming to provide for quarterly transfers of \$100,000 from the Charitable Gaming Operations Funds to the Compulsive Gambler Assistance Fund for fiscal year '22 and '23. Section 8 includes weatherization and other energy improvements as an authorized activity eligible for assistance from the Affordable Housing Trust Fund. Section 9 transfers \$475,000 from the Water Sustainability Fund to the Department of Natural Resource Cash Fund on or before June 30, 2022, and \$475,000 on or before June 30, 2023. Section 10 includes landlord risk mitigation payments as housing-- as housing-related assistance authorized from the Behavioral Health Services Fund. Section 11 amends provisions related to the Health Care Cash Fund to change the amount of annual transfer from the Nebraska Medicaid Intragovernmental Trust Fund and the Nebraska Tobacco Settlement Fund to the Health Care Cash Fund from \$61.1 million per year to \$51 million per year beginning July 15, 2021. Section 12 amends provisions, excuse me, Section 12 amends provisions related to the Hall of Fame Trust Fund to include intent to transfer \$10,000 annually from the General Fund beginning 2021 and '22. Section 13 amends provisions relating to the Film Office Fund to authorize grants for the Nebraska-based films and allow the Department of Economic Development to review applications for grant funds. Section 14 amends provisions related to Nebraska Cultural Endowment Fund to provide a transfer amount not to exceed \$1 million from the General Fund beginning December 31, 2021. Section 15-22 amend provisions related to the University of Nebraska Facilities Program and the State College Facility Program to extend existing appropriations and include intent to increase appropriations to the University Nebraska by \$2.5 million per year. Section 23 amends provisions related to the Nebraska Tele-- Telecommunications Universal Service Fund to provide for annual transfers of \$300,000 from earnings in the fund to the 2-- 211 Cash Fund beginning July 1, 2021. Section 24 is technical change related to outright repeal of certain sections. Section 25 amends provisions related to the Rural Broadband Task Force to provide that money in the fund so it can be used to provide for a state broadband coordinator. Section 26 creates the United States Command Headquarters Assistance Fund, administered by the Adjutant General for the state of Nebraska. The fund shall be used to contribute to the construction of the U.S. Space Command headquarters if Nebraska is selected for the site. Section 27 is the repealer section. Section 28 outright repeals Section 85-412, 85-413, 414, 416, 417, and 418. Section 29 is the

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emergency clause. With that, I would ask for your green vote on AM396 and LB384.

**FOLEY:** Thank you, Senator Stinner. Debate is now open on LB384 and the pending Appropriations Committee amendment. Senator Hunt, you're recognized.

**HUNT:** Thank you, Mr. President. Good morning, colleagues. Good morning, Nebraskans. We are moving very fast. And so I haven't been able to gather my thoughts as much as I normally would, but I rise in support of the aspect of this budget that reflects broad compromise and cooperation between the state government and our leaders in Congress and our university and private businesses and the military, specifically to support Space Force being hosted in the great state of Nebraska. Nebraska has so much to offer, including low taxes and great schools and existing infrastructure, of course, to make Space Force successful here. However, as we compete with our sister states for key projects like this, we need to do more than just put taxpayer money on the table. We also need to update our laws so they reflect the modern culture of our country and make sure that our state is inclusive as well. We know that private site selectors, whether it's for private business or for government installations, site selectors always look at things like quality of life, and that includes nondiscrimination provisions. And we know that talented individuals who we want to come into Omaha or to Nebraska, sorry, or to stay in Nebraska, that they look at these quality of life issues when they're deciding where they want to go and where their families are going to feel comfortable and like they truly belong here when they decide where to go to school or start their career or raise their family and when businesses decide where to make a gigantic investment in starting a business. We know that private businesses always look at policy factors like clean energy and nondiscrimination laws and public transportation when they choose to invest. And we also know that brave LGBTQ service members are bravely and professionally serving our country right now. And thankfully, discrimination practices against their service, like the trans military ban, are starting to be rolled back by this new presidential administration. I ask you to work with me and work with other senators in the body who are champions for LGBTQ equality to update and modernize our laws so that Nebraska is truly for everyone. The business community supports these proposals. The Chambers of Commerce support these proposals. The university supports these proposals. The presidential administration, which is making siting decisions for key projects like Space Force, supports these proposals. As we compete with our sister states who have already updated their

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nondiscrimination laws, we need to do so, too, because it's the right thing to do and also because we need to level the playing field. So I hope that we can site these projects so-- so that we can be successful in trying to do that. It's not OK that our brave people in uniform who I respect and honor and support and I have family members who wear the uniform proudly and I support them and they're bravely serving our country, but they have nondiscrimination policies in the military and they need to have their service protected. And their partners and spouses who may be civilians in Nebraska do not have those protections. So let's remember those brave military families as we pass our budget and as we hopefully work on more policies in the future to erase the wrongs that we've done to LGBTQ families here in Nebraska and to signal to these families that they are welcome here. And that if we are so privileged to get Space Force here in Nebraska that this is a place where their same sex spouses, where their children, where they can have a family and they are going to be welcomed. Let's support the historic and wonderful effort to bring Space Force to Nebraska with the money in this appropriation. But let's not forget that we have to do more to ensure true equality--

**FOLEY:** One minute.

**HUNT:** --in Nebraska. And if we get bent out of shape that we don't get this, you know, we have Offutt Air Force Base. It makes total sense that Space Force could come to Nebraska. We have to look at the whole picture of what our culture is like here in Nebraska. Do we have policies that site scouts, that people who are trying to site new projects are looking for? And, colleagues, no, we don't, and you all know that. So don't think about being term limited. Don't think about what kind of mailers they're going to send out about you if you support LGBTQ people. You're working with one right now. That's me. And so let's update our laws. Let's make this place a more inclusive state for everybody, including our brave and courageous military families. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Hunt. Senator Machaela Cavanaugh.

**M. CAVANAUGH:** Thank you, Mr. Lieutenant Governor. Thank you, Senator Hunt, for bringing up such an important issue. I think we oftentimes don't talk enough about our LGBTQ community and especially when it comes to the military. Senator Hunt is 100 percent correct that these are protections that are afforded to individuals in the military. Just going to talk a little bit quieter.

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**FOLEY:** Members, please come to order.

**M. CAVANAUGH:** Thank you.

**FOLEY:** Senator Machaela Cavanaugh.

**M. CAVANAUGH:** These are protections that are afforded to members of the military. And we have done a lot of great work in this body to make Nebraska friendly to the families of military with reciprocity for different licensing and-- and different careers. But we still are missing the mark. And Senator Hunt just-- just highlighted what that mark was and that we are not friendly to our LGBTQ community. And that we have time and time again looked past our opportunities to create protections that make that community feel welcome and safe in the state of Nebraska. And if we want to have a project such as the Space Force here, which I know we all do, because we all signed on to Senator Blood's letter to the federal government about it. And I think it's important for us to realize that we need to be welcoming to all military families, not just military families that look like your family. And so I thank Senator Hunt for highlighting this really important issue. I really hope that the people that are listening in this body, not just the people that are listening at home, I know that the people are listening at home, but I hope that the people that are listening to this body take into real consideration the points that Senator Hunt made this morning. Because without being friendly to all families in the military, we are doing a disservice to all service members. Thank you, Mr. Lieutenant Governor.

**FOLEY:** Thank you, Senator Cavanaugh. Senator Bostelman.

**BOSTELMAN:** Thank you, Mr. President. Would Senator Stinner yield to a question?

**FOLEY:** Senator Stinner, would you yield, please?

**STINNER:** Yes, I will.

**BOSTELMAN:** Thank you, Senator Stinner. As I'm looking at the amendment, we're talking-- my question is and we talked off mike a little bit, and I'd like to have you explain a little bit more on the mike, is the university, the Building Renewal Assessment Fund, could you explain how that functions and the purpose for that?

**STINNER:** Yeah. What we've put together and over the years I've worked with the university in trying to-- to determine what the deferred

maintenance is at the University of Nebraska. There's over a thousand buildings, \$3 billion-plus in valuation. So a lot of those buildings are old. Some of them are out of purpose. So they came up with a study, an independent study that showed that there was about \$800 million worth of deferred maintenance. And what this bill does is it allows them under our statute, we're allowed to go 40 years. They'll sell bonds to up to 40 years. And actually the rate will probably be somewhere between 2.5 to 3 percent. This allocation then goes to actually doing the short term, taking care of the \$800,000. And then obviously the 2-- \$2.5 million extra that we're throwing in this will be matched by the university creating-- creating the stream of payments to pay back the bond. But as they do construction and as they start to say they do \$10 million of construction in University of Nebraska at Kearney, they have to contribute 2 percent back into a revolving fund, whether you want to call it a revolving fund or depreciation fund, but that will accumulate and build over a period of time taking care of their long-term needs. So then they don't have to come back to the Legislature every five years or so for deferred maintenance.

**BOSTELMAN:** Thank you-- thank you, Senator Stinner. I appreciate-- Chairman Stinner, I appreciate that. And the reason why I wanted to ask him to explain this on the mike a little bit is I was on the Building Maintenance Committee for four years and we have the 309 fund that provides money to repairs and other needs of state buildings and facilities across-- that we have across the state. And I think this is a good way perhaps to start addressing some of the things because we-- a lot of that money, those funds, went to the universities. And if this is a way to start minimizing that impact on that 309 funds to where the universities don't have to-- we don't have to expend that much money there, if you will, it opens it up to other state facilities, state buildings and that that are in desperately need across the state for those funds. So I appreciate this being in there and the conversation we had, because I've seen buildings that were being used, specifically the UNL. We looked at a building probably three years ago that was a shed and they were using 309 money to put siding on a shed that was a three-sided shed that really they had-- it was during the summer, they could have had students or those on the-- that are-- that didn't have work there or weren't fully employed, if you will, they could have actually painted the building and it would have been just as good, if not better. And also, they had another building there that was a barn that they were replacing the windows, no heat, no air conditioning, not-- not used at all other than it was

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a picturesque one that a lot of people like to take pictures in front of for the weddings. So they were going to replace the windows in that facility with-- with period specific windows, which are very expensive. So hopefully those type of things don't happen anymore. And with these funds that we're talking about here, they're being set aside over the years, that those type of projects will be taken care of with those funds rather than going to the 309, because we have facilities in the state that have--

**FOLEY:** One minute.

**BOSTELMAN:** --desperate need of repairs, maintenance, upkeep. And that's what those funds I think should be targeted for. And if we can use this specifically the-- the funding here that we're talking about with the Renewal Assessment Fund, I think that's a good way-- good thing to do, good direction to go with this. And if they can build that up so the university is, universities are less reliant on that 309 fund, that-- that will provide us a lot more opportunities in the state to preserve buildings, to update buildings, facilities that desperately need it, because university did take a big chunk of that money. With that, I do support AM396 and LB384. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Bostelman. Senator Briese.

**BRIESE:** Thank you, Mr. President. Good morning, colleagues. Senator-- would Senator Stinner yield to a question, Chairman Stinner?

**FOLEY:** Senator Stinner, would you yield, please?

**STINNER:** Yes, I will.

**BRIESE:** Thank you, Chairman Stinner. In Section 26 of this amendment, we are creating the United States Space Command Headquarters Assistance Fund. Is that correct?

**STINNER:** Yes, it is.

**BRIESE:** And all that this amendment does is create the fund, correct?

**STINNER:** Yes.

**BRIESE:** This amendment does not commit dollars to that fund.

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**STINNER:** It does not. We actually have language that is out there in the main budget bill, I believe, that talks about SpaceX program. I will say this. The reasoning for this creation of the new fund is that under the old law that we had, we were actually, or the budget that the Governor had recommended, they were transferring it to the-- his emergency fund. We felt like that was-- that did not fit as an emergency. So this is why we created this fund. In case we do get it, then they have to come in and, "they" meaning the administration and DAS, would get together with the budget director, certify that they indeed need the funds. The funds are sequestered. If you look at the Cash Reserve Fund, \$50 million got brackets around it. We'll get into the Cash Reserve Fund here next in the next round of bills. But we've sequestered those dollars in the Cash Reserve with the caveat that they can only be used upon certain criteria.

**BRIESE:** OK, very good. So if we adopt the mainline budget bill as presented, we will have committed \$50 million to this project if it comes to fruition?

**STINNER:** Yes.

**BRIESE:** Has anyone made a--

**STINNER:** If it comes to fruition, yes.

**BRIESE:** OK. Has anyone made a determination as to the necessity of our investment of \$50 million of tax-- state taxpayer dollars to that project?

**STINNER:** This was a request made by the Governor and actually during the off session, as they were talking about putting a package together, an incentive package to try to attract SpaceX, I actually received a call from the Governor and he asked me about it. I said, you know, for something that that-- that economically will benefit certainly Omaha, certainly the state and the region, the state definitely could sequester some dollars, \$50 million. And I thought we had the capabilities of doing that, didn't want to pass up the opportunity--

**BRIESE:** Sure.

**STINNER:** --if it became available.

**BRIESE:** Sure.



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**STINNER:** Now, interestingly, what I've heard is this is probably not going to happen, that it actually went to Alabama, but or maybe not happen, period.

**BRIESE:** Thank you for that. I like the project. I agree with the project. The project would be good for our state. I agree with Senator Hunt in that regard and Senator Cavanaugh. But again, I am questioning the wisdom of us committing \$50 million. If it's going to come our way, I would submit that it's probably going to come our way without our ponying up \$50 million. But anyway, that's a discussion, perhaps for another bill, another time. But again, I do support the project. I do realize we're all in this together and we have to do what we can to grow the state and invest in the state. So I, at this point, I'm not going to stand in the way of-- try to stand in the way of that project. But I'd be curious as to the debate on the mainline budget bill. Thank you, Chairman Stinner, for those responses also. And thank you, Mr. President.

**FOLEY:** Thank you, Senator Briese and Senator Stinner. Senator Kolterman.

**KOLTERMAN:** Good morning, colleagues, and thank you, Mr. President. I'd like to thank Senator Bostelman for bringing up the question about the deferred maintenance fund that's being established with the University of Nebraska. I think as many of you know, this is my first year of serving on the Appropriations Committee, and I thoroughly enjoyed doing that. It gave me an opportunity to look at all aspects of how we spend our dollars. But I want to make something very clear. When we talk about this deferred maintenance program, we can be thankful that we have a chair of our committee that-- that does a lot of work and a lot of thinking around the clock on how we can improve this state from a financial perspective. I would tell you that this idea of deferred maintenance was the brainchild of Senator Stinner. And if you don't think that-- that-- it sounds like it's more-- it's more complicated than it really is. But as Senator Bostelman has said, I served on-- I, like he, served on the Building Committee for the first two years I was here. And we have a lot of buildings that do have deferred maintenance, just like the University of Nebraska does. This is really a proactive, thoughtful approach that involves both the University of Nebraska as well as the state of Nebraska, and it took a lot of buy-in on their part to agree to this and also to get the Governor to sign off on this. And this is really a futuristic approach to how we fund our buildings going forward. So with that, I think we owe a debt of

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gratitude for Senator Stinner for thinking that up. Thank you very much.

**FOLEY:** Thank you, Senator Kolterman. Senator John Cavanaugh.

**J. CAVANAUGH:** Thank you, Mr. Lieutenant Governor. And I just want to echo everybody's sentiments about the hard work of the Appropriations Committee and everyone involved. I'm just kind of looking through, as everybody said, this is going a little fast so I'm trying to catch up on some of the conversations. I would also echo Senator Hunt and Senator Machaela Cavanaugh's comments about we can put a lot of money towards things and a lot of states can do that. But one of the ways you compete is by making your state and your community a place that people want to live and feel welcome. And so we are, I do think we should work to be financially competitive for things like space-- SpaceX or Space Command. But I do think that we miss the mark if we do not focus on making sure that the people that are going to work there actually are going to want to live here. But that's not the reason I rose to speak. I'm reading through the budget and I see that we're making almost a million dollars in cash transfers from the Water Sustainability Trust Fund. And that jumped out at me because we had a specific bill that's in LB507 in the Natural Resources Committee, which specifically said the Legislature will no longer be transferring funds out of the Water Sustainability Cash Fund. And so I guess I would ask if Senator Stinner would answer a question.

**FOLEY:** Senator Stinner, would you yield, please?

**STINNER:** Yes, I will.

**J. CAVANAUGH:** I guess first, my first question is just what's the necessity to transfer that money from the Water Sustainability Cash Fund to the Natural Resources Cash Fund?

**STINNER:** Yeah. This was actually it-- on Select, we're going to correct this because it's no longer necessary. There were two water studies that were commissioned, and so there was transfer of water sustainability dollars to the Nebraska Natural Resource agency to conduct those studies. That's no longer necessary. So we're going to wipe that out in the Select File.

**J. CAVANAUGH:** So both of those appropriations are going to be strick-- stricken-- stricken?

**STINNER:** Yeah, they'll be eliminated.

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**J. CAVANAUGH:** OK, well, that-- that eliminates my second question, because there was a date question in there that I think didn't make sense. Well, I appreciate the answer. And I guess that answers my question so I'll yield the remainder of my time.

**FOLEY:** Thank you, Senator Cavanaugh and Senator Stinner. Senator Flood.

**FLOOD:** Thank you, Mr. President. Good morning, members. I am interested in this for a couple of reasons. One is that I want to point out that this is an obligation of the state to the University of Nebraska, as I understand it, for \$2.5 million until 2062. So we are obligating the state of Nebraska to this program until 2062. Would Senator Stinner yield to a question?

**FLOOD:** Senator Stinner, would you yield, please?

**STINNER:** Yes, I will.

**FLOOD:** Senator Stinner, first of all, am I correct on the state obligation to the university for-- until 2062?

**STINNER:** Yes.

**FLOOD:** OK. And then on the state college side, it's what, what is it? \$1.125 million? Is that what we're talking about here?

**STINNER:** We-- we just extended the maturity date so that they can access the bond market--

**FLOOD:** OK.

**STINNER:** --and grab additional dollars.

**FLOOD:** OK, and what kind of projects would you say this will? I understand there's a \$800 million backlog of deferred maintenance and issues in the university system. What would be some examples of some of the types of projects that would be addressed with this?

**STINNER:** Well, the university system and we have, you know, kind of focus in on the system, includes UNK, University of Nebraska-Lincoln, Med Center, and UNO. And just driving through those campuses, you can see that many of those buildings are much more older than 50, 60, 70, 80 years. If you go to Kearney, especially, there are buildings that probably need to be razed. So there may be some of that for that

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purpose. There are definitely needs in that thousand buildings that the universities are supposed to and state colleges are supposed to take care of. There's an assortment of laboratories and buildings that need to be refurbished and updated. So you're talking about classrooms. You're talking about labs. You're talking about some of the other sites that we have throughout the state need to be refurbished. So there is a-- there is a very long, long list that we can provide if need be.

**FLOOD:** So I guess between General and Select, I'd like to see a list of the projects in the deferred maintenance that the university is addressing with this funding. What interest rate do you think, if you had to guess right now and that really is the value of what we're doing here, is that we're taking advantage of very cheap money. What kind of interest rate do you think we could be talking about here in-- in a favorable market for the university?

**STINNER:** Well, right now, you know, you're looking at Treasury rates in the 30-year range in less than 3 percent. Now, if we go tax exempt, I think you're probably looking 2.75, 2.5, maybe 3 percent. Our credit rating is-- is AA. That was another thing that we looked at, adding this much debt, would we maintain that? Would we still maintain days in cash, those types of things? We went through that analysis and we still think that we will qualify as a AA rated bond issue. So that means in a 40-year time framework, you're probably looking tax exempt 2.5 to that 3 percent range. Now, I will say this. The other thing that compelled me to take a look at extending maturities, this is a once in a lifetime, in my estimation, once in a lifetime opportunity for us to-- to do some of this stuff. When you look at other universities, they're going out 100 years. Some of them are going 50. So 40 is consistent with what we're seeing out there to address long-term needs.

**FLOOD:** I appreciate that. I want to make this point and I'm going to vote for this.

**FOLEY:** One minute.

**FLOOD:** I'm going to vote for this. I do want to see their projects. I want everybody to know we're making an obligation here until 2062 at 2.75 percent potentially. And yet we've waited since 1988 for a four-lane road from Norfolk to Omaha. And nobody thinks it's right to do any bonding there. This is an opportunity for us to have a real conversation about what is the value of money, what is inflation, and

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where are we going as a state. Everybody is going to get a chance to vote on a bill that does bonding for highways here later this session. I just want everybody to know this is a \$700 million deal, \$2.5 million a year obligated until 2062. So we are making choices today that I think we have to remember there's other things out there and roads, in my opinion, are vital for the future of most of rural Nebraska. And we are bonding today.

**FOLEY:** Time, Senator.

**FLOOD:** This is what bonding looks like. Thank you, Mr. President.

**FLOOD:** Thank you, Senator Flood. Senator Clements.

**CLEMENTS:** Thank you, Mr. President. I rise in support of AM396 and LB384. And I did have questions in committee about the \$2.5 million for the 40 years, but it appears to me that rather than having the university come to us every five years or so with a huge amount of spending needs for maintenance, that this is a good way to do that. I thank Senator Stinner for coming up with that proposal. The one thing I wanted to point out on page 26 of the budget for the taxpayers, we're talking about projects going to different agencies. But the first line talks about the Property Tax Credit Fund. That's the fund that comes off of your tax statement from the county. And it has been \$272 million currently. And we've added \$25 million to make it \$297 on the book. But there's some investment income, so it'll be \$300 million in 2021 off of your taxes statewide and the next year, another \$13 million, which shows it \$310 million. But with some interest, it'll be 313. So we have allocated in the two-year period another \$38 million to that Property Tax Credit Fund that comes off your tax statement and did want to let the taxpayers know that we are still thinking that it's taxpayer dollars that we're spending. It's not government money. It's your money. And we thank you for the taxes you pay. And when we have some extra funds, it's my priority to send it back to where it came from. And so I just wanted to point out in there that in the committee we did add funds for that Property Tax Credit Fund. So with that, I ask for your green vote on the amendment and the bill. Thank you, Mr. President.

**FLOOD:** Thank you, Senator Clements. Senator Machaela Cavanaugh.

**M. CAVANAUGH:** Thank you, Mr. Lieutenant Governor. Would Senator Clements yield to a question?

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**FLOOD:** Senator Clements, would you yield, please?

**CLEMENTS:** Yes.

**M. CAVANAUGH:** I heard you talking about the Property Tax Credit Fund, and I'm sorry I missed the end of what you were saying. I had pressed my light. But are there-- there's sort of two different Property Tax Credit Funds, is that correct?

**CLEMENTS:** Yes.

**M. CAVANAUGH:** And we're-- are we sunsetting one of them?

**CLEMENTS:** No, they're both still active.

**M. CAVANAUGH:** OK.

**CLEMENTS:** The new one that came in LB1107 last year is a tax credit off of your income tax, state income tax return. This one is actually a deduction from what the county statement is.

**M. CAVANAUGH:** And is there a path forward in which we could take the fund from LB1107 and put it towards the-- what we do with the county right now?

**CLEMENTS:** Senator Linehan could speak more to that. But my understanding is that it was not the-- the way that that credit is calculated, constitutionally, we cannot just take it off of the tax bill because it's calculated differently. And they looked into that last year. So it has to be done two separate ways.

**M. CAVANAUGH:** OK. I think-- I believe I know what that is the calculation with the-- the individual levies for school districts. So I understand that. Thank you, Senator Clements. I just wanted to rehighlight that because I do think that it's confusing for people to create-- to seek your property tax credit through your income tax return. And I know people are hustling to do their taxes right now. So it's just a good reminder to the citizens of Nebraska that if you own property in the state of Nebraska, make sure you are claiming that property tax credit on your income tax return for the state and you can always file an amendment. Thank you, Mr. Lieutenant Governor.

**FOLEY:** Thank you, Senator Cavanaugh. I see no further discussion. Senator Stinner, you're recognized to close on the amendment.

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**STINNER:** Thank you, Mr. President. I just wanted to clarify something that I mentioned to Senator Briese and I gave him the section. Actually, the section that pertains to SpaceX and controls the paying of the proceeds is in the Cash Reserve Fund, which is the next fund to be presented. So I gave him the language for that. And with that, I'd ask for your green vote. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Stinner. Members, you heard the debate on AM396, Appropriations Committee amendment. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

**CLERK:** 44 ayes, 0 nays on adoption of committee amendments.

**FOLEY:** AM396 has been adopted. Any further discussion on the bill as amended? I see none. Senator Stinner. He waives closing. The question before the body is the advance of LB384 to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted? Record, please.

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

**FOLEY:** LB384 advances. Next budget bill, please.

**CLERK:** LB385 is a bill introduced by the Speaker at the request of the Governor. It's a bill for an act relating to the Cash Reserve Fund. It authorizes transfer; states intent. Introduced on January 14, referred to Appropriations, advanced to General File. There are committee amendments pending.

**FOLEY:** Thank you, sir. Senator Stinner, you're recognized to open on LB385.

**STINNER:** Thank you, Mr. President and members of the Legislature. LB385, introduced by the Speaker at the request of the Governor, is part of the Governor's biennium budget recommendations. This bill pri-- primary purpose is to amend Nebraska Revised Statutes, Section 84-612 to provide for the transfer from the Cash Reserve Fund. The bill includes transfers from the Cash Reserve Fund to Nebraska Capital-- Nebraska Capital Construction Fund in 2021-22 and 2022-23 and a transfer of \$50 million to the Governor's Emergency Fund-- Program Fund in '22-20-- '21-22. This bill contains the emergency clause. With that, I'd ask for your consent, Mr. President, to move to AM705.

**FOLEY:** Please proceed.

**STINNER:** Thank you, Mr. President. The amendment strikes the provision relating to the transfer of Cash Reserve Funds to the Nebraska Capital Construction Fund. The amendment provides a \$50 million transfer to the United States Space Command Headquarter Assistance Fund and directs the transfer that shall not occur unless the state of Nebraska is selected as the site of the United States Space Command Headquarters. Please refer to page 16 in the budget book, detailed discussion of the committee recommendations regarding to the Cash Reserve. This bill does contain an emergency clause; and if you go to page 16, it really kind of enumerates out what the-- what transactions have happened within the Cash Reserve. And you can see that we are estimating that \$300 million by-- by virtue of law and exceeding the-- the certified budget will come in to the Cash Reserve and then I will cover the \$100 million, \$50 million per-- per year of the biennium addition by-- by our recommendations. And legislatively, we can add to that. You can also see the sequestering of the \$50 million for SpaceX. If it doesn't happen at just the brackets, it just goes away and adds to the balance. So the Cash Reserve Fund, obviously, I'm going to go into in more detail on the main budget, but that would give us 14.2 percent. And if you add the \$50 million back, you're over \$800 million, which would bring you a little north of 15 percent. In just looking at some of the historical data concerning the Cash Reserve, we-- we talk about fully funded Reserve at 16 percent. I think in the briefing I indicated that that really is a number that was derived as two months of operating cash in the Cash Reserve. The Cash Reserve is really there for two purposes. One, because we can't borrow so it's for those one-time spends. Number two is it's for that economic shock absorber. But obviously a strong and robust Cash Reserve position is a priority of the committee. It's a priority myself personally and should be a priority of this entire Legislature. It really is one of the criteria that is most looked at for assessing the fiscal posture for the state of Nebraska. And again, I will probably reiterate those comments as we hit the main budget. With that, I would ask for a green vote on AM705 and LB385. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Stinner. Debate is now open on the bill and the amendment. Senator Clements.

**CLEMENTS:** Thank you, Mr. President. I also stand in support of AM 705 and LB385. On page 16, you'll see that fiscal year '23 is projected to have a \$763 million Cash Reserve. I think that's the highest Cash Reserve in a budget in the four-- four years that I've been here, the fifth year now and I'm pleased with that. That was one of my priorities as we started the appropriations process. Because in my



opinion, the stimulus money that has been given to the state, over a billion dollars last year, and another billion dollars looks like it's coming, is stimulating our state revenues last year and this year. And I think that's going to taper off quite a bit in the future. And when I came in in 2017, we had a pretty good Cash Reserve, but we had to draw down several hundred million dollars of it to balance the budget so that we didn't have to cut as drastically. We did have to cut some. We cut about 3 percent. But we wouldn't have-- we would have had to cut a lot more if our reserve in 2016 hadn't been as good as it was. And Nebraska has been noted around the country as being very financially stable as a state. And one of the main things they point to is adequate Cash Reserve. In the formula that we use for setting our Cash Reserve or maybe just a policy, we would like-- we think full-- full funding of the Reserve is 16 percent and this would be 14 percent. And so it's getting close. I'm very pleased that we have built the Reserve up the way it is. And I think it's important especially because, well, I am a banker and we like to see reserves and businesses that have some cash funds for the tough times. I've been through tough times with farm economy and when the farmers who had saved back some money were able to survive through the tough times. And I hope we don't have tough times ahead, but I think it's a probability. And so I would ask for your support for AM705 and LB385. Thank you, Mr. Stinner, Senator-- Chairman Stinner, appreciate your good work on the budget. And thank you, Mr. President.

**FOLEY:** Thank you, Senator Clements. Senator Friesen.

**FRIESEN:** Thank you, Mr. President. I, too, stand in support of LB385 and the amendment, AM705. And I do want to thank Chairman Stinner for making sure that the Cash Reserve is built up. First year when I was here, I remember we had a Cash Reserve was running somewhere around that \$760 million. And it was only a year later we were down to \$300-some million. So I think a Cash Reserve is a-- is a-- is a good place to make sure that we're prepared for when the COVID money, the stimulus money someday runs out. I feel we have to have a very healthy Cash Reserve. And I know Senator Stinner has made it his mission to make sure that when him and I leave here next year that the Cash Reserve is going to be funded and hopefully it'll be at-- we could get it to that 16 percent if revenue continues to grow. Back in the day, the one thing I noticed is when we get the Cash Reserve to a certain level, it seems like it was easy for us to pull one-time appropriations out of there to do things. And it was easy to do because we were having this discussion of how big should the Cash Reserve be? Is it too big? Is it not big enough? And so when that pot

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of money is there, it's always tempting for someone to reach in there and take it to do these one-time projects. And I think our Cash Reserves should be something that is looked at a little differently than just this pot of money that's available. It should be there for when we need that rainy day fund to kind of smooth this out, because our revenue in Nebraska is very dependent on ag and we have these up and down cycles. So I appreciate getting that money into the Reserve. I think it's a prudent thing to do. And I think just in the future for everybody's references, let's make sure that that Reserve stays up there as best we can for when that downturn in revenue comes it's not so hard to try and find those places where we can trim spending and different agencies get trimmed back. I don't think we ever cut anyone's budget. We did cut their increases substantially and we played a lot of games and-- and in the end, our-- our Cash Reserve was depleted rather quickly. And if we would have had another couple of years of that down cycle, it would not have been a pretty sight here and there would have been a lot of substantial cuts needed to be made. So with that, I do support the bill and I appreciate what the Appropriations Committee has done. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Friesen. Seeing no further discussion, Senator Stinner, you're recognized to close on the amendment. He waives closing. The questions before the body is the adoption of AM705, Appropriations Committee amendment. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

**CLERK:** 41 ayes, 0 nays on adoption of committee amendments.

**FOLEY:** AM705 has been adopted. Any further discussion on the bill as amended? I see none. Senator Stinner, you're recognized to close on the advancement of the bill. He waives closing. The question before the body is the advance of LB385 to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted? Record, please.

**CLERK:** 41 ayes, 0 nays, Mr. President, on the advancement of the bill.

**FOLEY:** LB385 advances. Next budget bill, please.

**CLERK:** Mr. President, LB380, a bill introduced by Senator Hilgers at the request of the Governor. It's a bill for an act relating to appropriations; states intent; defines terms; and it makes appropriations for the expenses of Nebraska state government. Introduced on January 14, referred to the Appropriations Committee,

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advanced to General File. I have committee amendments, I have amendments to those committee amendments, Mr. President.

**FOLEY:** Thank you, Mr. Clerk. Senator Stinner, you're recognized to open on LB380.

**STINNER:** Thank you, Mr. President. Members of the Legislature, and now the fun begins. LB380, introduced by the Speaker at the request of the Governor, is part of the Governor's biennium budget recommendation. This bill is the mainline appropriations bill for the biennium that begins July 1, 2021, and ends June 30, 2023. This measure includes the budget recommendations for all state appropriations and aid programs. The bill includes the appropriate transfers from cash funds to the General Fund, as well as between specific cash funds. Finally, it provides the necessary definitions for proper administration of appropriations and personal service limitations. This legislation-- this legislative bill contains an emergency clause and becomes operative. July 1, 2020 [SIC]. I want again, once again, I want to thank the Governor's budget staff for their recommendations. We leaned pretty hard on those recommendations in our preliminary budget, and that was very helpful given the condensed time that was there. I think the variation between the Governor's recommendations and our preliminary budget was around a million dollars so almost immaterial differences. We did not include provider rates in that recommendation. But a little bit maybe to be said about the process. And the process really starts on September 15 when all the agencies submit their requests. And based on their requests, then obviously Fiscal Office, along with the Governor's budget office, starts to review those requests and probably have meetings as well with the various agencies. The Governor then comes up with his recommendations and this year was January 14, normally by the 15th of January at the start of the session. Based on those recommendations, then the Fiscal Office actually looks and adds his recommendations to our budget book so that we can look on a line-by-line basis about what the requests are about, what the Governor had to say about it and his budget staff had to say about it, and try to-- try to formulate our conclusions, at least on a tentative basis. And so then we come up with a preliminary budget that is really broadcast out to the various agencies so that they can see what we're-- we're taking a look at. And our questions are then sent to those agencies so they can prepare an adequate response for us. Hearings then happen. Hearings are fairly intense. Obviously, legislative bills that are sent to Appropriations are heard at that time and they are actually put in those slots with the agency so we're hearing consistency. And many times the agency weighs in as to the

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merits of the different-- different legislative proposals. Based on that, then we obviously meet and finalize our budget recommendations to the floor, and that's why I'm in front of you today with those recommendations for the Legislature. With that, Mr. President, I would like to request to move to AM393.

**FOLEY:** Please proceed.

**STINNER:** Thank you, Mr. President. I'm going to do something a little bit different. I've asked all of the Appropriations Committee to punch in, and I've asked them to really kind of take different parts of the budget and do a, you know, what-- what they favor, what they like about it, maybe what they don't like about it and really kind of give you a different in-depth view of the budget from their perspective. But I just want to start by talking about priorities and budget process to me is all about priorities. If you don't have priorities, you kind of willy-nilly go about maybe yes or no on everything. But our priorities, and I went around and I have a very experienced committee at this particular point in time, went around and asked them about their priorities. And really one of the priorities, there were several of them that came out. Cash Reserve we talked about. It's a dual purpose fund. It's on page 16 of your budget book. It outlines what has happened relative to the Cash Reserve. And really what-- what we're trying to focus in on is, yes, it is-- it is meaning to be a 16 percent reserve. But as you look at the out-years, you know, you're almost at \$6 billion in revenue. So 16 percent times there, starting to approach a billion dollars for a fully funded reserve. So keep that in mind in future years. Certainly, I'll be gone by that time. But certainly from the-- the perspective of the committee, building that Cash Reserve was a very important piece of the analysis. And as Senator Clements was talking about and Senator Friesen, there is an analysis on page 16 and 17.5 percent was the amount of reserve that I have when I showed up here in the Legislature and it was 700-- over \$700,000. Within a very short period of time, though, we were down to \$333 million. So those cycles and the use of the Cash Reserve for one-time spend can really deplete the reserve faster than you think. Now, we're in a position now to build back. And what the committee decided to do was to put an extra \$50 million per year in the biennium by legislative authority. And that's what we're asking for, for your green vote on. And that would build that reserve up to 15 percent and 14.2 percent. And as I said, SpaceX could possibly come in and take us to that 15, pretty close to a fully funded reserve. And I talked about fiscal posture in the briefings. I think fiscal posture, one of the things when you read Moody's or any kind of rating services, one of

the first things they look at is how-- how big is your Cash Reserve? What's your fallback position? And that and unfunded pension liabilities is a part of that discussion, strength of your revenue stream and diversity of your revenue stream. Those are things that are, those are elements of really a rating service in looking at the state of Nebraska. So having a healthy Cash Reserve will help us in a lot of different ways. The second thing we looked at and talked about was provider rates and we provided 2 percent. It's the largest, most significant change if you look at the significant changes. And I believe in the budget book, I'm not sure I have the page, but I think I do. The significant changes are on page 37. Interestingly, it's an \$83 million change and TEEOSA obviously stayed pretty flat because of the increase associated with property tax valuations. But the second biggest one was \$63 million that we put into the credit fund. And that was-- that was another priority that we had, the priority for tax relief, property tax relief. And I think if you go to page 3, it kind of outlines what property tax is under LB1107. LB1107 has safeguards. LB1107 says you have to hit a threshold of 3.5 percent. That is what we decided as a Legislature is a threshold number to run the state of Nebraska to keep the wheels going, to run it effectively and efficiently. The second piece is building up the Cash Reserve to a minimum of \$500,000. Obviously, that is going to be accomplished by that. But interestingly, if you looked at what we came to the Legislature with is \$125 million as a baseline number for this property tax relief. That stayed consistent through 2024-25 and we went to \$375 million. As you look at the current situation, we're at 125 baseline for this year. We go to \$313 million is what that's projected to be. Now, think of that in terms of 275 plus this 313. Now, the one thing we did, OK, we provide a 2 percent for provider rates. We discussed maybe 2 percent then could be allocated to the property tax relief fund. And that's the credit fund that we have, \$275 million. And if you actually want to look at the analysis that we went through and we heard from the press, and rightly so, that actually the assessed valuations went up and you stayed stagnant. So we got less property tax relief, OK? And as it looked, it went, we went from \$1.04 to \$1.02 between '19 and '20. So that was a decrease per \$100,000. Ag went from 124 to 122. So there is a decrease, and the projections are that they would actually go down to \$97 per hundred and 119. By putting this \$63 million in, which is 2 percent, we actually increased the property tax credit fund by 300 to 313 million. It's interesting, \$313 million, \$313 million. Now you got \$626 million. You add 105 or \$106 million for-- for the Homestead Exemption Act and we're over \$700 million in property tax relief. If we max this

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out, interestingly, if we max this out at 375 plus 80 to 90 million is projected from gambling, we could be closing in on a billion dollars in property tax relief. When you look at what we have done, TEEOSA is number one. Property tax relief will be number two. Property tax relief is number three. So when the press comes out and says we did marginal or meager attempt for property tax relief, I'm sorry. That's a big number. And we don't get any property tax. We're taking sales tax, income tax, corporate tax, miscellaneous tax and repurposing it for property tax relief. So when your constituents ask you about it, you can give them a nod that we are working on it. We are making significant changes. And there is a significant difference. Interestingly, at the bottom of this thing with the 2 percent add, we actually go back up to 108 and 110, which exceeds where we started out from. Also in that section, I'd like to point out the Health Care Cash Fund. There's a rolling debate on the floor and usually a heated discussion between Sara Howard and I about sustainability of the funds. I've had three LRs on health care sustainability. We actually are going to transfer \$10 million out of that, lowering the request from 62 million, 60 to 52 million. Hopefully Sara Howard's listening. I heard you. That makes that Health Care Cash Fund sustainable. So when we start to check off things that we-- we need to get done and our priorities, I've checked off property tax relief. I've checked off provider rates. I've checked off Cash Reserve. The next thing we checked off and what we looked at is curtailing spending. That's been a theme of mine, 2 percent inflation environment, 0 to 2 percent. We can come up with a 3 percent budget recommendation. We're coming up with a 1.6 budget recommendation this time. We've been at 2.7. Curtailing expenses, but still being efficient and effective is one of the keys. So that was accomplished. That's another checkmark [INAUDIBLE] then bringing dollars to the floor. We're bringing \$211 million to the floor. As I looked at and the Speaker looked at and Senator Linehan looked at the list of priorities associated with the appropriations, with some maneuvering, we can probably get a lot of that stuff done. So anyhow, that's-- that's kind of where we were at. Sorry.

**FOLEY:** One minute.

**STINNER:** One minute. Thank you. So anyhow, in conclusion, we're just checking off boxes, but we've covered a lot of ground. We've covered a lot of ground in property tax relief. We've brought money to the floor that can be started up either with more tax abatements or we can probably spend it on some-- some additional programs. But property tax relief was-- was definitely one of our high priorities and we've done

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a great job on that. With that, I will ask for your green vote on AM393 and LB380. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Stinner. Mr. Clerk.

**CLERK:** Mr. President, the first amendment to the committee amendments is by Senator Cavanaugh, AM896.

**FOLEY:** Senator Machaela Cavanaugh, you're recognized to open on AM896.

**M. CAVANAUGH:** Thank you, Mr. Lieutenant Governor. Thank you again to the Appropriations Committee and the Fiscal Office for their diligent work on the budget. AM896 is-- is a, I guess you would call it an amped up version of my bill, LB493. It seeks to appropriate money to the developmental disabilities waitlist. Today, I am asking this body to consider AM896 to appropriate funds to the mainline budget to fully fund the developmental disabilities waiver. Almost 5,000 Nebraskans received developmental disability services in 2018. Another 2,300 sat on the state waiting list, not receiving services such as respite care, home and vehicle modifications, and work support. In the last two years, that number has risen to 2,900. We have an opportunity today, colleagues, to do something bold. We have an opportunity today to show the state of Nebraska and the country who we are as a state and what we value. We talk about valuing life. And this is the greatest thing we can do for the people of Nebraska, for the families of Nebraska. I appreciate that the Appropriations Committee has put additional resources towards the waiting list, an additional million dollars, which will serve 26 individuals. I'm asking us to be even bolder. I'm asking us to come together and to take care of our most vulnerable citizens. This is not a partisan issue. I believe that this is something that we all hold in our heart as a value. I know that there's a lot of other things going on today, a lot of other conversations happening, but I really hope that you will take time to engage in this conversation today. Because in my mind, there are very few more important conversations for us to have. I think that property taxes are important. I think that infrastructure is important. I think that the arts are important. I think that healthcare is important. But what is the function of government if not to do this? What is the function of government? Is the function of government to make corporate tax cuts, or is the function of government to take care of our most vulnerable citizens? Is the function of government to build roads before making sure that every single citizen with a disability is cared for appropriately? To me, there is no greater value than the value of these lives, and we should be valuing every single cent that



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we spend in this body by putting it towards supporting people with developmental disabilities. There is nothing else that we could do that would make a greater impact with this budget. And we stand at a moment in time where we can do this. We can afford to do this. It's our choice whether we do this or not. We can choose to take care of our most vulnerable populations or we can choose to cast them aside. And I am putting this choice in front of the entire body, in front of the entire Legislature. I am asking you to join me today and make the choice to value these lives above all else. Make that choice. We can do that now. We are at a point in our economic situation where we can do that. We can choose. We get-- we get to choose. We get to choose at the expense of nothing. We get to choose to support these individuals, these citizens. We get to make that choice. It's such an exciting thing that we can do together. Forty-nine of us can come together and say, we chose you. We chose you above all of our other interests. We still are able to-- to function and operate government and fund the things that we need to fund. But we chose you. We value you. You matter to us and to the state. You are loved and we want to care for you. What an amazing thing we can do today, colleagues. I hope you will join me in this. I hope we can have a great conversation about this. I have so much information to share with you all, but I really just want you to choose. Choose to value human dignity above all else. You can do that today, and it's not even going to be hard. It's going to cut funds from what we have for floor bills. But it's not that hard. There are so many things that we all care about that we want to see funding for. But I challenge you to prioritize this above all else, because you can. There is nothing stopping you but yourself. And I hope you will stand with me in solidarity with the people of Nebraska, with the families of Nebraska, that we are going to change their lives with this. I really truly hope that you will stand with me in this endeavor. I oftentimes quote my dear colleague, Senator Anna Wishart, that the budget is a moral document, and I don't know what we could do that is more morally righteous than this. So my amendment, it's a little amendment. It's a simple amendment. It's one page. But it does come with some sticker shock because these things cost money. To fully fund the developmental disabilities waiver is going to require an additional appropriation from the General Funds of \$54 million. Now we know we have more than that left for the floor. We have far more than \$54 million left for the floor. So my challenge to all of you today is to engage in this conversation and to consider what I am asking of you. I know that it is an enormous ask. I appreciate that and I think that everyone in this body knows that I like to do hard things, but I actually don't think that this is that



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hard of a thing. I think that this is a thing that we can come together on and we can do successfully and we can celebrate. This is an achievement that we as a state can celebrate. We can show the families of Nebraska that we want them here. We don't want them to leave. We don't want them to go to Iowa, where it's easier to get these service-- access to these services and waivers. We want them here because they are our family and their family is our family. And we are here to take care of our most vulnerable populations. So, again, colleagues, I-- I ask. I know it's a big ask. It's the biggest ask I'm probably ever going to make, but I ask that you join me in doing this. I ask that you put all other priorities aside and give this the consideration that it is due on the merits of what it will accomplish. How much time do I have left?

**HUGHES:** 1:14.

**M. CAVANAUGH:** I will leave it at that and join the conversation. Thank you, Mr. President.

**HUGHES:** Thank you, Senator Cavanaugh. Those in the queue are Senators Wishart, Vargas, Hilkemann, and others. Senator Wishart, you're recognized.

**WISHART:** Thank you, Mr. President. Good morning, colleagues. I will speak to AM896. But first, I did want to open on LB380 and have a chance to speak at our overall budget. First and foremost, I also want to thank the Appropriations team. It has been an absolute honor to serve with the members of the committee. We are a diverse group that spans the state and it's been an incredible honor to serve with Chairman Stinner and have the opportunity to be Vice Chair this year. When I ran for office, the number one reason I ran was for economic development by far. I want Lincoln and the community I represent and the overall state to be competitive economically, to be a place that attracts and retains young people, to be a good business ecosystem. And this budget reflects a lot of smart investments in terms of economic growth. And I would include the work that we have done as an Appropriations Committee on addressing DD and the waitlist and what Senator Cavanaugh is discussing as part of an economic development package, because it's important that you provide services to people of all needs so they can live as independently as possible, be able to have a job and contribute to the community. I'm going to focus today on a few items in-- in this bill that have to do with economic growth and development. First and foremost, I brought a bill to increase the Business Innovation Act. For those of you that are not familiar, this

act provides funding to help businesses develop new technologies that lead to quality job opportunities across the state. Competitive grants provide funding and technical assistance for research at Nebraska institutions, new product development and testing, and it helps small businesses, especially entrepreneurs, with outreach efforts in leveraging these seed dollars to be able to bring in more investments in their projects. Hudl is an example of a project that has benefited, as well as many across the state that are startup companies that have benefited from these seed dollars. What we'll be doing is almost tripling this fund. It really works well for us. There are kind of two ways we can think about economic growth in our state. There's hunting for companies outside of our state to try to bring them here. That was the work done by Senator Kolterman last year with LB1107. And then there's what you call gardening, which is investing and growing in startups, in local entrepreneurs here and small businesses to make sure that they are able to gain roots and be successful in our state. So very excited about that. I also wanted to do a shout out to Senator Murman for his AgrAbility program that we will be funding. This was probably one of the best hearings that I have witnessed in Appropriations Committee. This is an opportunity through Extension, I believe, and the university to fund farmers who have experienced a setback due to some form of a disability or-- or ailment that has caused them without special equipment to not be able to farm. So what we'll be doing is funding the equipment to help them be able to continue farming and running their businesses. And it was just an incredible hearing and I'm very happy that we're getting that in there.

**HUGHES:** One minute.

**WISHART:** I will continue to give some more details and some of the work that we're doing. And then, of course, I will talk about AM896 and where I stand on-- on that legislation as well. Thank you.

**HUGHES:** Thank you, Senator Wishart, Senator Vargas, you're recognized.

**VARGAS:** Thank you very much, President. Good morning, colleagues. I take extra pride in calling the men and women in this Chamber my colleagues today. Staff at our various state agencies started working on their budget requests last July. Our analysts who work tirelessly with our budget, and Fiscal analyst specifically, started working on these requests in September. We've offered our input since January in the form of bills, our committee hearings, and many long conversations with agency heads, other local elected officials and such. All that

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work is combined to produce this package that includes requests, the Governor's requests, our collective work and bills that we'll be considering here, and the budget. There's a couple of highlight items that I want to make sure to bring up, because they've been brought up by Senator Stinner. But I want to hit home on the fact that it's-- this is a sort of a labor of-- of love, the thing that we worked on. I also want to do a quick thank you here to Chairman Stinner and to Senator Wishart for their leadership and contributions. This budget provides a lot of important aspects, millions of dollars in property tax relief, an increase of \$63 million just on what we already do, bringing up to 310 in the biennium, adding everything together, getting to a billion. We've had this conversation on the floor. The Appropriations Committee has made-- this is a Herculean effort over the last several bienniums. And the place we're in right now is because of collaboration and bipartisan work to make sure that we are investing in our Cash Reserves to making sure that we're investing in property tax relief, to ensuring that we're-- we're prioritizing economic development and taking care of the welfare, the welfare and the well-being of Nebraskans and safeguarding our economy over these next two years. A couple of pieces of legislation I want to touch on. There's two I want to touch on and then I'll come back on the mike to, similar to Senator Wishart, react. But I do want to make sure to thank everyone for this bipartisan effort, because the last five years, this is actually going to be Senator Stinner's last biennium budget, which is really sad for most of us here that we're going to be losing him here. So a couple of things I wanted to make sure to touch on. These budgets are about taking stock on what is in our rearview mirror. Budgets are about investing in our future and confronting the challenges that face us not just in the next two years, but for decades to come. And sometimes we can only think about these two years. But I think this is actually thinking about long term. One of-- there's a couple of proposals that I think are really important. The Job Training Cash Fund I want to highlight here. It's something that has been debated in the past. We created the position so I want to make sure I am recognizing two individuals here. Senator Bostar brought this bill here in this package. Senator Kolterman worked on the incentive package last year. And we're actually funding this in the Nebraska Legislature's budget. And the reason why we're funding this is because we need to make sure that we are investing in economic development. The Job Training Cash Fund is an opportunity for us to make sure that we are investing in our people. We want to keep jobs. We want to make sure people work here. We don't want new economy moving jobs overseas. In this moment, this is perfectly fitted.

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Nebraskans are gritty. They're independent, innovative people. It's a Job Training Cash Fund, this one-time investment. And it is going to make sure that we are bouncing back and retraining people so we're bouncing back strong. If we let this slip away, we'll never get to the moment of opportunity back. And the Job Training Cash Fund will put us in a position to support our businesses so that we can get back to where we need to be. And so I'm really thankful for Senator Bostar for bringing that bill, Senator Bolz for bringing that bill last year, and Senator Kolterman's work on that as well. Another thing that I wanted to make sure to touch on is our additional funding for our 18 public health departments. Now when we talk about public health, it is proactive. It's preventative.

**HUGHES:** One minute.

**VARGAS:** This budget invests \$4.5 million in our public health departments. We need to do this because we need to make sure that we are investing in our proactive public health agencies. We've learned a lot this past year about public health departments. We're already stretched thin. They're being asked to do too much with too little funding and the coronavirus pandemic has struck. So this investment is going to make sure that we're not just reacting to coronavirus vaccine distribution, future variants, but also making sure we're reacting to opioid epidemic, HIV/AIDS, asbestos, lead exposure, and other different public health concerns. It's because at the end of the day, public health is preventative health. And if I've known this this entire year, I lost my father to coronavirus this last year. And I think about how public health plays a role in preventative health every single day. I think it's important that we protect our people and public health represents an investment that we should be making. And this is an equitable way of doing this across the state of Nebraska. I want to thank my committee for work making these investments because although very small investments--

**HUGHES:** Time, Senator.

**VARGAS:** Thank you very much.

**HUGHES:** Thank you, Senator Vargas. Senator Hilkemann, you're recognized.

**HILKEMANN:** Thank you, Mr.. President. Well, it was an interesting year. This is my seventh year on the committee. As Senator Stinner said the other day, we were visiting, he said we've sort of been

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joined at the hip on this committee for the last seven years. And this was-- this was certainly one of the more interesting years. It begins by not having our regular meeting room. We used to complain a little bit about being in the garage, but now with all the different rooms that we had to meet with and put up with a very hot room that echoed a lot, I think we'll be happy to get back to the garage if that ever comes back into being. And it was also the year that we had only one new member of the committee. So we've worked together as eight of us have been on this committee through this process before. And Senator Kolterman was a wonderful addition to the committee this year. And it just felt good to be working with people that we understand, trust. We've been through these arguments before and concerns. Also appreciated our chairman doing a tiered approach. We oftentimes we hear years before we would have some of the very small agencies that would come in and we would just hear their-- a little bit about their-- their work and not-- not that that's important. But it's also time consuming and it's also some-- it was-- it was an opportunity for us to focus in on more the-- the-- the important part of this-- of the budget that we're-- that we're dealing with, not that any of those agencies that we didn't hear from are not important. I don't want to insinuate that at all. But it was just different to work on it this way. And Senator Stinner has already referred to that. At the very beginning, we had the-- we outlined those priorities. He asked us what we wanted. You know, he mentioned the rainy day, increase that rainy day fund, the property tax relief, provider rates. And we also had to deal with the prison overcrowding. Probably one of the things I want to highlight for you all is that this is the first time in seven years that the budget came out 9-0, 9-0. So that means that all of the members of this committee felt confident with what was in this budget and-- and that the-- that the needs are being met. I have to say, for me, it was interesting in a sense that this is the first time in-- in-- in that-- that we actually had a little excess revenue to deal with and to work with. And then we've had the CARES money come in. I think sometimes this maybe is more challenging than if you have to be cutting and find ways to cut, cut, cut. How do we spend this money and invest it in our state, in the state of Nebraska and for our people that you get the best bang for your buck? And as I was visiting with Senator Halloran after our budget process because I said, you know, this was harder in the sense that we had more money. We talked about the CARES money. In some ways it was like people winning the lottery. And sometimes when people win the lottery, they don't spend that money very well. And so it's very important as we talk about the CARES money that comes, the additional money that there is in the education that

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we-- that we spend this money smart. And I appreciate Senator Stinner and his leadership and that. And I believe that we were very-- that we did come up with a smart budget and--

**HUGHES:** One minute.

**HILKEMANN:** --not long-term issues. A couple of things, just some little things that I-- that I, I'm going to highlight, because we'll be talking about the big things during the course. One of the, just a small thing, is that we restored senators' out-of-state travel to \$2,500. This had been taken out of the budget four years ago. And I would encourage those of you who are members of this body and new members here use this to go to NCSL, ALEC or CSG, some of these. It is so important to interconnect with people from other states and learn different ideas, bring those back for this legislative body, think beyond what we just do here in Nebraska. And then number two, I want to talk about and Senator Wishart has already mentioned it, the AgrAbility program was--

**HUGHES:** Time, Senator.

**HILKEMANN:** Thank you, Mr. President.

**HUGHES:** Thank you, Senator Hilkemann. Those in the queue are Senator Dorn, McDonnell, and Erdman and others. Senator Dorn, you're recognized.

**DORN:** Thank you, Mr. Chairman. I wanted to talk a little bit about the budget also. But first, I wanted to really, I guess thank, just like some of the others have, thank our Fiscal staff. They've been great to work with again this year. They give us a lot of valuable numbers, a lot of valuable input, and they really work good with the Appropriations Committee. Want to thank the rest of the Appropriations Committee for all the work they did this year, working through COVID and everything else that we had. Chairman Stinner mentioned about some of the Zoom meetings we had. But I'd really like to thank Chairman Stinner. I think he did an outstanding job this year of developing a budget that I'll get into here a little bit, that we have funding available. When I came in two years ago on Appropriations, we were looking at a rainy day fund of, I know what it says in the book around \$333 million. But as I sat on that committee, we were looking at \$275 million in the rainy day fund. A lot of the comments at that time were about the cuts that had to be made in previous years. About that time also, if you remember back a year, 18 months ago, the state's revenue

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started increasing. Through this process then, last year COVID hit. We heard so many stories about we wouldn't have funding, we wouldn't have this or that, and yet our revenue took a little dip, stayed strong. I think people need to take that in context that our revenue right now because of various things, stimulus package, low unemployment, and other things, our revenue in the state has maintained a very, very strong position. That's important because I don't care how we come up with a budget or how we design a budget, if the revenue is not there, we have different challenges than what we had this year. This year we have come to the floor with \$211 million. We have \$763 million in the so-called rainy day fund. I know there were some comments, questions about the rainy day fund. That rainy day fund is there for our cushion when we have unexpected things happen, like the flooding two years ago, like COVID, that rainy day fund is there so that we now have something to draw back on. And that's part of where I wanted to go with my conversation. I, I-- two years ago when I sit there in the budget, I was more focused on agencies making sure that the spending lined up and all of that. This year what I think the Appropriations Committee and especially Chairman Stinner really did a good job was what I call planning out into the future. I see many things in this budget that will help us not only with our cash fund, but also will help us three and five years in the future. Senator Clements talked about the amount of stimulus money that we've gotten in. We are going to have another round of stimulus money. We'll have discussion about how that will be allocated. Some of that will go through 2024. At some point in time, that's going to dry up or stop. What I think the appropriation, at least in my mind did this year, was we-- we also had a focus on positioning ourselves so that we can sustain a lot of these programs that we want to do in the future. If we don't make wise decisions, if we don't what I even call the rainy day fund and then I call it sticking away some things in the budget besides just the rainy day fund so that we have something to fall back on. And when we do get a downturn, when we do have less revenue, instead of looking at cuts, we can look at drawing down--

**HUGHES:** One minute.

**DORN:** --some of those what I call reserves, those vital, important things. This morning was on a Zoom conference with the ag groups again. Senator Williams was on that Zoom conference. This was going to be part of my comments anyway. But he-- he reiterated a very, very valuable, valuable point. When you are in a strong financial position, I call it the bankers, the fiscal people, that is what they look at. If you don't maintain that strong financial position going forward, in



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other words, in good times when you do have revenue, if you don't basically put away, sock away some money, you will have ups and downs when the revenue starts decreasing, then will--l when you will really be challenged,--

**HUGHES:** Time.

**DORN:** --you need to make--

**HUGHES:** Time, Senator.

**DORN:** Time?

**HUGHES:** Time.

**DORN:** Thank you.

**HUGHES:** Thank you, Senator Dorn. Senator McDonnell, you're recognized.

**McDONNELL:** Thank you, Mr. President. Good morning, colleagues. One of my favorite days of having the opportunity to serve the citizens of Nebraska is today. And I'd like to start off with thanking Senator Stinner and Hilkemann for their seven years of-- of service and everything they've done to try to educate me when I became a new member of the Appropriations. As was mentioned earlier, Senator Kolterman is now a member of our team, and he's brought a new vision and ideas and a sense of fresh air to the committee. Also with the other members that I served with, we don't agree. We don't agree on a daily basis. Then we work through it and we start saying, OK, how can we compromise? And there is an old saying, you could have 100 percent of nothing or 50 percent of something. And we start working on that compromise because as was mentioned earlier, we do reflect the state, east, west, north, south with our districts that we're coming from. This is far from a perfect budget, far from a perfect budget. Is it a good budget? Absolutely. But I base everything on 2017 when the first budget I was-- I was part of Appropriations, that wasn't a pleasant experience at all. We almost had a billion dollar hole. We had to find a way to fill it, continue to try to provide the services for the citizens that we represent, but at the same time find ways to cut. Historically, I've asked how much money has ever been left for the floor? Approximately maybe \$90 million. This budget presents \$211 million for the floor. Now, at the same time I keep going back to 2017 in my mind and having to go through the budget twice, having to make those painful cuts, having to tell people that we're not happy with our decisions, that again, privately in Appropriations that we agreed



with or disagreed with, but that we came together. And I'm supporting this whole budget. There will be not one thing I say on this floor opposing this budget. There's things in this budget I oppose. There's things in this budget if God opened the sky today and said, Mike, it's up to you to change, I would change. This is not Mike's budget. This is the Appropriations budget. This is part of the process. This process started with the Governor proposing a budget, giving it to us to depose. And this is part of the process. I know that there's plenty of people in the queue right now that are-- are not happy and I understand that. We had-- we've had people that had that opportunity to tell us privately and then we talk about it as a committee. The committee is supporting this budget based on-- on compromise and working together and trying to bring the best budget forward, forward to you based on a number of concerns. And we're here to answer your questions. And we want you to have a clear focus of what this budget is trying to do and-- and how it's going to affect the people of Nebraska's lives for the next two years. But at the same time, it's not easy to put together almost a \$5 billion budget. And some discussions, and I think myself included in this, we get caught up with potentially the federal money. The money is coming from the feds. And-- and-- and I like the discussions that Senator Stinner's had with the Governor, with the idea that federal money and going through a similar process that we go through for the budget that that he would propose, we would depose would go through this process so everyone would have a chance to discuss how that federal money could best assist the state of Nebraska, east, west and north, south. But again, today is my-- one of my favorite days because of the process, because I respect--

**HUGHES:** One minute.

**McDONNELL:** --the process. I appreciate the two branches of government working together, agreeing and agreeing to disagree, but moving this forward, bringing it to you for your concerns, to hear them, your criticisms, your objections. We want to hear them. We want to hear them on the mike and we also want to hear them if you want to talk to us individually under the balcony. But, you know, thanking the members of the committee that I have the opportunity to serve with and, you know, especially recognizing seven years of-- of work that Senator Stinner and Hilkemann's put in. I am proud to be a member of the Appropriations Committee. I'm proud of the budget that we brought you today. And also, I'm open to try to answer any of your questions and help you understand this budget before you have the opportunity to

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vote on it. I appreciate your support in this budget and open to your-- your questions throughout today and tomorrow. Thank you.

**HUGHES:** Thank you, Senator McDonnell. Senator Erdman, you're recognized.

**ERDMAN:** Thank you, Mr. President. Good morning. It's good to hear that this is Senator McDonnell's favorite day. I appreciate that. There was another person in Nebraska that may be her favorite day, and that's Senator Clements' wife, Peggy. This is her birthday and I wish her happy birthday. So after I said-- after I've said that, let me just share with you a couple of things about the Cavanaugh amendment, AM896. When her request, her bill came to the Revenue or the Appropriations Committee, LB493, that was an appropriations of about \$18 million that she had asked for. About \$24 million or so would come from the federal government. And when we had the discussion in committee, the committee had concluded that even if we were to approve the \$17 million or \$18 million plus the federal money, there weren't providers to provide that service. And so no matter how much money we would give today or designate today to be designated for that, it probably won't happen because we just don't have the providers. It's not that we don't understand there's a need. We understand that. But sometimes that we have to have the people available to do the service before the money is needed. And this will be an ongoing, this will be an ongoing budget requirement. And I would share this, as I've shared before on the floor of the Legislature this year, that we have raised the base on several of these agencies. And when you raise the base, you require funding in the future. History is something that we need to review and understand so we don't repeat it. In 2008 and '09 when we had the recession, the Kansas legislature decided to use some of those federal funds to raise the base for education in their state. In a year or two after the federal funds ran out, they went back to the original base they had before they included the federal funds. And people said the governor of Kansas cut it, cut appropriations to education. He did not. What he did, he went back to the prior base. And that's what will happen here as we go forward and add things to the base and we go forward and have to continue to fund those, we'll have to make a decision on what to cut. So there are several things in the budget that are one-time expenditures that I voted for. If they were ongoing, I probably wouldn't have voted for those. But Senator McDonnell said it correctly. There are things in this budget that I didn't vote for. There are things that I don't appreciate being in the budget. But as an Appropriations Committee member, when the committee votes and the majority says this is the budget, then it's my

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obligation to support what the decision was. And so as we listen to Senator Stinner, very "commonsensely" make a statement about what the budget does and how we apply that, I appreciate that. I appreciate the fact that he explained what we're doing here and we're trying to take care and check the boxes of all the needs that we have. And I think we've done that. But we talk about property tax relief as being significant. And that is a big number and I appreciate that. But one of the things that we need to keep in mind on property tax relief is that during that same period of time that we're making larger contributions to property tax relief, property tax is still going up 200-plus million annually. So we are making a difference. We're reducing it some. And just keep in mind that property tax is going up significant year over year and the reduction or the refund that we're giving is not as significant as one would believe because they don't take into consideration the increase in property tax. And so when we get next week or maybe the week after when the Speaker decides to bring the consumption tax bill to the floor for conversation,--

**HUGHES:** One minute.

**ERDMAN:** --then we'll make a difference in property tax. And that will be an opportunity for us to once and for all fix the property tax in the broken tax system we currently have. But until then, we need to contribute to the property tax fund so that people do get some relief. So I appreciate AM393 and LB380 and I'll be voting for those and I will not vote for AM896. Thank you.

**HUGHES:** Thank you, Senator Erdman. Those in the queue are Senators Kolterman, Clements, Friesen, and others. Senator Kolterman, you're recognized.

**KOLTERMAN:** Thank you, Mr. President. And good morning again, colleagues. Senator Stinner did ask us to talk a little bit about items in the budget that we liked. And I thought I'd focus a little bit on two areas that-- that I've worked in since I've been here. The Health Care Cash Fund is one of them, that it was an intriguing process. As you know, that money derived itself from the tobacco settlement funds that we've gotten from some class action lawsuits over the years. And it continues to bring in, I think, approximately \$35 million a year to the state. But we're one of the few states in the nation that has protected the corpus of that money. And we've only spent the income off of it and we've allowed that to grow. So when when they brought the idea to us this year that maybe we ought to pull some of the things out of that fund that had been used like Program

38, the behavioral health, and some of the Medicaid funds and-- and child welfare, that was 10,100,000 that we pulled out of that fund and put it back in the General Fund that we had used. And we'd use that money in the past to help balance our budgets when-- when things were tight. So I appreciate the fact that we're still-- we still have a committee that's trying to protect that. And I'm-- and I-- I'd like to give a shout out to Senator Howard as well. She was a good colleague here for six years, and we are trying to protect that. The other thing before I talk about the next item, I failed to say anything about the Fiscal Office. Being new on the committee, it was very intriguing to me to see exactly how the budget is built and how the Fiscal Office there's-- there's a lot of analysts in the Fiscal Office, and each one of them is assigned a certain number of departments that they work with. And so they would come in and give their report and they would answer to, as an example, what's going on in the fire service arena or what's going on in the Education Department, or as an example, the Health Care Cash Fund. Each one of them came in and gave us an opportunity to ask questions and-- and then they responded or they got the answers for us. So we have a Fiscal Office while we have a lot of new trainees in that office, they're all very dedicated employees and they need a shout out, as does the leader of the pack in there. And finally, I'd like to talk a little bit about if you look at page 56 of this budget, one of the things that I've been involved with for the past six-plus years is the Retirement Committee. And if you take a look at page 56, it shows you exactly how many dollars we're spending as a state to make sure that our retirement plans are funded adequately. And so we take that very seriously and that-- those are all negotiated items throughout the years that have been negotiated and put into our budgets. But as an example, a lot of people don't realize this, but we put \$51 million a year into the state school plan. That's our matching 2 percent. Now, I'm telling you this, though, the teachers themselves put in 9.78 percent. And then we put-- we match that with 2 percent and the local school districts match it as well. But that plan, as an example, is funded at 92 percent, which was-- is well on its way to getting it funded over 100 percent. The other items are the judges plan, the State Patrol plan. But overall, we put about \$57 million in the first year of the biennium and \$58 million in the second year into retirement.

**HUGHES:** One minute.

**KOLTERMAN:** By having those plans funded adequately, we can recruit good quality people. I look at it as a strong investment of this state into the teachers, into quality judges, and a good State Patrol, and

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then our county and state officials as well. So it is a very eye-opening experience to sit and learn how this all comes together. I have enjoyed thoroughly my colleagues that I've served with. I, like Senator Erdman, haven't agreed on all the issues. None of us are all going to agree on everything. But at the same time, we had thoughtful discussion and it was remarkable to see how this budget came together. So again, I'd like to thank the committee for being open to my ideas and bringing-- bringing me in and help teach me where we're at in the budgeting process. Thank you very much.

**HUGHES:** Thank you, Senator Kolterman. Senator Clements, you're recognized.

**CLEMENTS:** Thank you, Mr. President. I'll start with AM896. I oppose AM896. We did consider funding that program in the budget. I believe the Governor already had about a million and a half dollars in it. And we added another million to that for the developmental disability services. And I voted for that. And I think that is an increase. That's the increased amount. That's not the total amount. The amendment is asking for over \$54 million of General Funds in the first fiscal year and another \$54 million in the second fiscal year. And then once that program is started, it would be asking for \$54 million-plus ongoing and out into the future. And I have a concern that the finances of the state are not going to remain as generous as they have been. And the revenues-- if the revenues drop, it's going to be very hard to disrupt some lives and make cuts of this sort or cuts in a lot of other areas of when we have to decide how to prioritize \$54 million. So I'm not comfortable with that amount. I think it's excessive more than we have able to-- ability to afford-- afford permanently. Next, I wanted to mention a couple of items that I wanted to point out. The-- Senator Stinner had LB421, rural health student loan debt forgiveness, I call it. We're going to add a million and a half each year for taking care of medical students who are willing to come out to the rural areas and help with student loan forgiveness to attract health providers out into rural Nebraska. And there-- we had an indication that there's definitely a shortage of healthcare workers in, especially doctors, out in rural areas of Nebraska. And we have added a million and a half each year for that program. And any medical people, medical students listening, please apply for that. And if you would like to come back to your hometown, we'd like to have you do that. Then the next item was, again, as I said, it's been mentioned. But I wanted to also highlight on page 3 the other property tax credit that came from LB1107. That's the percentage of your school property tax that you pay on your-- and you get a credit on your Nebraska

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income tax return. That's form PTC if you do your tax return, if you just do a search for Nebraska property tax lookup tool. I want to thank the Department of Revenue for coming up with a very convenient way to look up that credit and to put it on your tax return. For the 2020 return, it's 6 percent of the amount you paid the school district. But with the revenue increase in the formula in LB1107, currently your 2021--

**FOLEY:** One minute.

**CLEMENTS:** --tax return is showing \$313 million instead of \$125 million. And that if that stays the same, that would be approximately a 14 percent increase-- a 14 percent credit instead of 6 percent in 2020, 14 percent 2021. That number is not locked in. It could change with revenue forecasts. So it could go down. If the revenue goes down, it could also go up. That could get up to 375 million, which would be an 18 percent credit if we have a big revenue forecast. But right now, the way our finances are, \$313 million in the 2021 tax returns for your state tax credit would be a 14 percent credit, and I'm sure hoping that'll hold true. Our revenues have continued to be positive. And I--

**FOLEY:** That's s time, Senator.

**CLEMENTS:** Oh, thank you.

**FOLEY:** Thank you, Senator Clements. Senator Friesen.

**FRIESEN:** Thank you, Mr. President. So I've had-- there's numerous people have talked about the property tax credit dollars that we're putting towards the solution towards high property taxes. And we've all said over and over how the state doesn't collect them. We all know that. And we all know that property taxes are going to continue to go up because expenses keep going up. But it's-- it's the rapid increase that some have seen that we've got to somehow put a stop to this. And we still not have, you know, haven't addressed how we fund our public schools and some of the rural schools and unequalized schools and the lack of state aid that they get. And so when we-- when we talk about it, I know we've committed a lot of dollars, but we have still not addressed the main problem that I started on when I first came here. And that is the increase that ag land has seen in property tax increases. And so we're still looking for a solution there. And I look at, you know, the budget increase that we're going to-- we're going to give to community colleges. And they've been one of the highest ones

to increase property taxes in the last ten years. And so I look at the money that they're-- they're getting with property tax increases, the state aid increase we're giving them, and some of the COVID relief money that they're getting. And I sometimes question maybe how much we're putting in there and that we need to look at our community college system and maybe see that there isn't some overlap and there are some things that we can do to make the whole system more efficient. I proposed early in my career here that we move the community colleges onto state funding and off of property taxes. It didn't go anywhere then because we didn't have any money to do it with. But back in the day, I think it would have cost us 200-and-some-million dollars to transition them completely off of property taxes. And so I still think that should be a goal that we-- we try to achieve. I think the day of them being funded with property taxes is long gone and we could move them under the state college system. And if you look at the-- probably the largest increase in property taxes collected of all of the schools, community colleges are the highest by far percentage increase that we've seen. And so I think it's time we take a hard look at how we fund those. And I'm a-- I'm a community college graduate. I love community colleges. I think it's for a lot of kids, it's the place to go. It's not the necessarily the university or a four-year college. There's some really good opportunities in the community colleges. But I think it's time we look at some of those increases in spending. You know, we talk a lot about the COVID money that has come in and we're talking about an infrastructure bill that might be sent down the road yet. And I just wanted to touch on things. And we talk about increased funding for things. But I'll just use Department of Transportation as an example. We could give them \$200 million tomorrow, but they really can't spend it. They-- they do build out a budget that looks about 10 years or 15 years out and they plan accordingly. They know about how much money they're going to get and the whole process of acquiring those permits and, you know, the environmental permits and everything else that's included, it takes time to process this. And so if we're going to start ramping up infrastructure like that, we need to give them a heads up that they're going to be getting money maybe five years from now, not tomorrow. When you talk to the construction companies that are out there, they want longer term consistent funding, not just throw \$100 million, \$200 million at them. They want to know that they're going to be building new roads or doing road work of a certain amount for the next ten years. And then they can better plan on--

**FOLEY:** One minute.



**FRIESEN:** --equipment purchases, whether or not they lease equipment, whether or not they try and hire more people. And one thing I will say, out in rural Nebraska right now, everyone is looking for employees. They are short of help and can't find employees. And so there's something going on here that is-- it differs maybe from the large cities where unemployment is still there. But in rural areas, everyone I've talked to, they've tried to hire people. They cannot hire people. Those that used to bring in workers from out of the country are having trouble now with COVID bringing in workers from South Africa that they had been dependent on. The co-ops have been doing a lot of that. So there is a need for employees out there and for some reason we can't find them. So we've got to start looking at the bigger picture and how this impacts our budget. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Friesen. Senator Arch.

**ARCH:** Thank you, Mr. President. I would like to provide some context to the issue that Senator Cavanaugh is attempting to address in AM896 regarding developmental disabilities and the waitlist, because this is certainly not a new issue to the committee, to the HHS committee. And I want to tell you a little bit of the work that is going on there within the committee because we are seeking to address this issue. This is not new. This has been-- this has been an issue the state has struggled with over, over many years and has attempted on several occasions to address it. But I wanted to provide some of that context. First of all, I want to talk about this waitlist, because with-- on page-- on page 47 of the budget book, it identifies how many individuals are on this waitlist. And it's 2,964. Now, we've met with Director Green for Developmental Disabilities and we are seeking some additional clarification. It's-- that's a-- that's a difficult number to get your head around to understand exactly. Does this mean that no-- that these individuals are receiving no services? Does this mean that if we offered all services that they would take all services? And those are the types of issues that-- that even around the waitlist that we're trying to determine whether even the services for those that are on the waitlist, all of those services are wanted or needed in their families. And so we're seeking some clarification on that. However, I want to turn your-- your attention to page 47 of the budget book. And I-- and I just want-- I'm going to-- I'm going to lay out here and I'm going to ask Senator Stinner if I'm thinking straight on this and if I understand this particular section here. But as I understand it, in the two years of this biennium budget, the agency, the Governor's budget came in with some increases. And you'll see that



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in the first year it was 1.582 to address the waitlist and the second year it was 3.155. However, if you read into the narrative, you'll see also that there is a reappropriation so dollars not spent would be applied to the first year so approximately \$3.1 million per year for these two years of this budget. Now, Senator Cavanaugh also brought LB493 to the Appropriations Committee. And I believe one of the-- one of the speakers mentioned that, Senator Erdman, I believe, mentioned that that was funded at an additional \$1 million. So within this budget right now, there is an additional approximately \$4.1 million per year that is to be applied to reducing this waitlist. And I-- the question to Senator Stinner, if he would yield to a question, is, am I thinking straight on this?

**FOLEY:** Senator Stinner, would you yield, please?

**STINNER:** Yes. The reappropriation of one point-- \$1,582,000 is a real number. It's just the excess dollars that were moved over. So instead of having to appropriate it and increase the balance, that million five can be utilized that first year. Second year is \$3.1 million. That's the real number. That includes the one point five. It slides over with the increase. Then we added a million dollars on top of that. So you're talking about, in essence, the department having 2.582 the first year and 4.155 the second year. Also included and should be included is over here in the court-ordered custody cases, we actually picked up 136 cases there. And I believe that the number that we are ending up as a General Fund cost of \$2,463,087.

**ARCH:** OK, thank you. Thank you very much. Thanks for clarifying that. So within the budget, within the two-year budget, the dollars have certainly been increased to address this very serious issue. Also, we are still in discussions on LB376. We prioritized LB376 as a committee priority this year. It's not yet been passed out. We're still working on language. But again, it's very important to the committee, very much appreciate the work of Arc of Nebraska--

**FOLEY:** One minute.

**ARCH:** --in discussions about the best use of these funds. I will-- I'm not going to get through all this. I'll continue it later. But-- so LB376 requires the department to apply for a 1915(c) waiver. Now, this-- this (c) waiver is again an attempt to address the issue in particular of children that are waiting for services and making sure that the families, that the families are receiving support. So we're looking seriously at American Rescue Plan Act, which was signed into

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law March 11, 2021. The rules are not yet written. However, it looks on first read, I've been told, approximately \$48.471 million will be provided in that for the COVID money for the home- and community-based services. Three years to spend that. It gives us an opportunity to take a serious look at some-- at some innovative ways of addressing early intervention for these families and for the children and how we can best serve it. And with that, I would say, again, context--

**FOLEY:** Time, Senator.

**ARCH:** --the committee is very active in addressing this problem. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Arch. Senator John Cavanaugh.

**J. CAVANAUGH:** Thank you, Mr. Lieutenant Governor and colleagues. I rise in support of AM896. So my first reaction was that the way we spend money is a statement of our principles and what are important to us. And obviously that gets lost and muddled sometimes in the complexity, in the minutia of the budget. There are a lot of complex movements of money into specific accounts and for specific objectives that are all over the years we've talked about and hashed out and decided that those are priorities to us. This AM provides more money to fully fund something that we years ago said was an important objective, and we have chronically underfunded it to the point where there are 2,900 people waiting for this service. The amount of money per person in the budget says 30-- \$38,500. You can look at any line item in the budget and you can see, easily do the math and say this is how many people if we move this to the developmental disabilities waitlist, how many people would get services from that. Senator Erdman, I think, correctly pointed out that we do not have enough service providers in the state currently to meet the demand if we fully funded this program. That I think just gets to the point of a bigger problem, that we have chronically underfunded this for so long that the infrastructure is not in place if we chose to do what we should do. And so the first step to getting the providers is funding the program. I know that the provider rates were increased in this budget, which, of course, the reason you increase provider rates is to attract more people to participate in that space. So that will actually induce more people to provide these services. If we fully fund the waitlist, more people will have access to it, which means there will be more opportunity for providers to enter the marketplace. In the last two years, 20 new providers have entered the state of Nebraska. So we are getting more providers to offer the services. And

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we will only full-- ever, we will never fully be at capacity, be able to fully serve these folks if we don't fully fund, if we don't start increasing the funding. I think it is admirable that we are increasing the funding here. However, with the amount of money that we have available, we should do more. We should find the optimum amount of money that is going to stretch us to continue moving forward, to continue getting more providers so that next year we don't come back and have the same conversation and say, well, we can't give more money to this because there are no providers. We need to fund this program so that the providers will be available for the people on this list. Thirty-eight thousand five hundred dollars is what it costs in the budget to provide services for individuals, which is to give people an access to a more full life, give people an opportunity to live at home, give opportunity to work, give opportunities to be educated. There are-- these are people, members of our community in Nebraska, who we can help have a more complete share of the good life that we have in Nebraska. I wanted to, the other part. Sorry, I-- so I think that it is a good question whether-- I'm in favor of AM896. I do think that we should fully fund this list. I do think that there's been a lot of conversation today about the forward-looking nature of this budget. And I-- and I agree with that. I think that it's an overall good budget. Senator McDonnell, I think hit it right on the head. There's not-- we're not all going to agree with everything, but overall, it's a good budget.

**FOLEY:** One minute.

**J. CAVANAUGH:** And so I think we should --we have money available. We should-- we are going to pick and choose about \$200 million worth of things that we think deserve more money than is put in this budget. I think this is one of those things that is deserving. These are 2,900 individuals in Nebraska who we could help, who we can build a better future for people and we can build a program that's going to continue serving people into the future. It'll never happen if we don't start. And so that's what this amendment is about, is about starting down the path to fully funding and getting full services for everybody that we decided a long time ago we should be serving. And so I ask you for your vote on AM896. Thank you.

**FOLEY:** Thank you, Senator Cavanaugh. Senator Walz.

**WALZ:** Thank you, Mr. President. I stand in favor of a focused approach to AM896. First of all, I just want to say that, you know, we all have priorities, don't we? We all have someone who is depending on us to

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help them in some way. Advocating for individuals with developmental disabilities is something I'm very, very passionate about. At age 18, I started working for a service, human services agency and I actually moved in with three ladies who had developmental disabilities. I was there to help them learn skills necessary to live and work in the community. And my friends, that they came to be very quickly, actually all moved into services from an institution. I learned firsthand about the experiences that they had in an institution. But anyway, that was really-- that was the best job. It was really the best job that I have ever had. It provided me with the opportunity to learn about people, people's differences. It gave me the understanding of empathy and it taught me how to stand up and advocate for people who are not like me. For years and years, parents and families have struggled and fought for the rights and opportunities for their children who have developmental disabilities. This history did not begin with the American Disabilities Act. It did not begin in 1988 when the ADA was first introduced into Congress. The struggle for opportunity and equality and human-- humane treatment for people with disabilities goes much, much farther back. It's a history of hundreds of years of abuse and discrimination and a lack of compassion and a lack of understanding. In 1955, just 66 short years ago, state mental institutions in the U.S. housed nearly 500,000 patients, 500,000 patients because parents did not have resources and supports available. And they were forced to leave their children in institutions. From 1950 to 1980, parents advocated, advocates and policy workers worked toward deinstitutional-- the deinstitutional movement. And in 1975, deinstitutionalization process began, as well as the exposure to horrifying conditions of its-- of institutions. I wanted to talk to you a little bit about that history because I think it's important. And fortunately, we have come a long way since 1975, thanks only to advocacy-- advocacy efforts and voices of parents and groups who wanted to see changes, who wanted to see opportunities for people who have disabilities and demanded compassion and equality. History is important. It reminds us of where we've been and it keeps us focused on the work that is still left undone. Parents and families continue to struggle and fight for those opportunities. Today, we, as advocates and as representatives, listen to the stories about what it's like for an individual to live every day with a disability. We listen to those stories and we hear the concerns every single day. We hear concerns of families who wonder what is going to happen to my child if something happens to me. The fear of what if is very real for us as parents. But it is a much higher concern for parents who have a child with a disability.

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**FOLEY:** One minute.

**WALZ:** Eliminating the waiting list is another step we can take to further continue the long history of work that's been done in the past. And it's a step to protect and support people who have developmental disabilities. Eliminating the waiting list assures that individuals and their families can be proactive and-- and can participate in the design of a plan, a life plan-- this is the important part-- a life plan that helps them gain access to community services and individual supports and assistance. And it promotes independence and productivity and possibilities. Eliminating the waiting list can alleviate a parent's fear of what if. As a side note, and if I don't get time to talk about this, I'll-- I'll push my button again. But I just wanted to say that not everyone, there's 2,900 people on the waiting list. Not every single one of those people--

**FOLEY:** That's time, Senator.

**WALZ:** -- will need services. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Walz. Senator Machaela Cavanaugh.

**M. CAVANAUGH:** Thank you, Mr. Lt.. Governor. Colleagues, I appreciate everyone's diligent attention to this issue. I know that we are-- have about 15 minutes until we probably break for lunch. So I want to start out by saying that I am happy to discuss over the lunch hour this with anyone that is interested in continuing the conversation before we return this afternoon. I put the amount in that I did because that's what the fiscal note on my bill in front of Appropriations said it would cost to fully fund the waitlist. And I think that is an extraordinarily important starting point. I appreciate the complications and the hurdles that would lay before us and before our providers in the state if we were to move forward with fully funding the waiver. That said, Senator John Cavanaugh spoke about providers, addressed that issue that some people have brought up. We have an increase in providers in the state over the last two years, 20 new providers have entered into the market and more providers are waiting to enter into the market. It's lazy for us to say and to agree with the Department of Health and Human Services. It is lazy to say it is too hard to do this. Everything we do is hard. This isn't any harder than anything else. It's not too hard. It takes political will, it takes political capital, and it takes political will. I am open to the conversation of approaching this differently. As Senator Arch mentioned, that HHS Committee has prioritized my family support waiver

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and we are working on that as well. And that is another avenue. And I brought this amendment because I didn't want to miss this opportunity for us as a body to have this conversation. I appreciate that the Appropriations Committee has increased funding to the waitlist, but we just heard Senator Walz talking about how long this has been going on and what a problem this is and that we need to help families plan. We've had people on the waitlist for 20-plus years. You can't plan for life with an adult child when you've had that child since they were 18 on the waitlist. And there are more people on the waitlist than need services and the people on the waitlist don't need all of the services. So, yes, we are going to have to claw back some of this money. And I understand that too. I'm OK with that. I know that that's hard, I know that that's complicated, and I know that that makes accounting challenging. But that's OK, because our heartburn over numbers means nothing compared to providing services to these individuals and families. And I am asking this body to consider this. Consider it, what we can do for these families, and we don't have to do it this way. And maybe you all think that what we've got in the budget is enough when we're talking about hundreds of millions of dollars on the floor for whatever we want, I don't think what we have in the budget is enough. And I'm not willing to miss this opportunity to have that conversation and have the families in Nebraska, the families in my district know that I care and that I am here to serve them. I'm not here to make anybody's life easier in this body. I am here to serve the people of Nebraska and the people of my district and they want this. All of your constituents want this. And if you have providers calling you up and complaining, then they're in the wrong business because there's plenty of providers clamoring to come into this state and start providing services. Let's get our priorities straight.

**FOLEY:** One minute.

**M. CAVANAUGH:** Thank you. Let's get our priorities straight. We need to do better. We need to be better. We need to be the state that we want our children and our grandchildren to want to live in to raise a family. And we can talk about how important property taxes are. But I guarantee you if I go to a constituent store and talk to them about prop-- are property taxes more important to you or developmental disabilities, nine times out of nine times, they're going to say developmental disabilities is my priority. Helping our most vulnerable people is my priority. I would love property tax relief. Yes, give me property tax relief. But not at that expense. No, sir. No, ma'am. Not

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at that expense. Yes, property taxes are important. Yes, roads are important.

**FOLEY:** Time.

**M. CAVANAUGH:** Thank you.

**FOLEY:** Thank you, Senator Cavanaugh. Senator Wishart.

**WISHART:** Thank you, Mr. President. Colleagues, I rise in support of the underarching goal of us working to eliminate the waiting list. And services to people with disabilities has been a-- has been a priority of mine and has been reflected in our work in the budget over the years that I've served on the committee as well as a priority of the committee's. I will not be supporting this amendment. And here are the reasons why. What the Appropriations Committee has done this year is we have prioritized dealing with the waiting list. We are doing it in a very focused, conscientious approach that is financially responsible, recognizing that in order for us to eliminate a 2,900 person waiting list, we have to also have the providers, quality providers available to provide the services to people who are on that waiting list. I did want to turn everybody's attention, my colleagues' attention to page 35 just to show this gives you a rundown of the percentages of increase that we've done for different programs throughout the years. In our budget this year, if you go down and look at developmental disabilities, they are one of the program prior-- that the Appropriations Committee has prioritized more than-- more than pretty much any other investment area, including K-12 education. So I just want to be very clear for those who are listening in and to my colleagues that supporting people with disabilities, getting the services they need has been a critical priority of this Appropriations Committee and is one in this budget as well. I think the approach that would be the most responsible that we should take is passing this budget this year. We have increased dollars to address the waiting list, but then looking at a tiered approach moving forward, where we would increase the rates for providers to be able to then meet the needs as we continue to target and try to reduce that waiting list moving into the future. I would be happy to support legislation that would come next year to do that in a focused, targeted approach that is responsible because here's the issue and the underlying issue that we have to think about. When we set up budgets and we move forward, we need to make sure that when we make these commitments, especially when it is providing lifelong services to somebody who's on this waiting list, we need to make sure that we have the dollars available way out



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beyond biennium to support their needs. Otherwise, there's a cliff effect where we provide services to every single person on that waiting list and then come two years when we don't have the dollars to provide those services, all of a sudden they're not able to have them. That's a-- that's a concern and a reality that we all have to think about, which is why in our budget we are taking a very focused and targeted approach at addressing the waiting list, while also increasing provider rates to make sure that we are incentivizing people to do business in this state in support services for people with developmental disabilities. The other thing that I think is important, and Chairman Arch has mentioned this, is addressing and passing legislation that's currently in the Health and Human Services Committee, I believe, and hopefully will be before us to address the priority list. One of the concerns I have with our overall waiting list system is how we have set up priorities. Right now, those who get off of the waiting list are those with acute issues. What we're seeing happening with this waiting list, that is that somebody who comes in who doesn't have a significant needs will sit on there

**FOLEY:** One minute.

**WISHART:** --for years at a time until their issue becomes acute enough that then they get the prioritization to get the services. Colleagues, we need to-- that is a problem. We should be addressing preventative care for people early on so they don't get into that acute situation. So, again, that would be something that I think we should look at over the summer and come ready to hit the ground running next year and address. So just in summary, colleagues, while I support Senator Cavanaugh's overall work on this issue and look forward to working with her in the future on this, I think the correct approach is what we are doing as a-- in our budget now. And therefore, I encourage you not to support AM896. Thank you.

**FOLEY:** Thank you, Senator Wishart. Senator Lathrop.

**LATHROP:** Thank you, Mr. President and colleagues. I find myself in the same place Senator Wishart is. I very much appreciate the conversation or the debate this morning that includes bringing attention to the developmental disability waiting list. I also understand the practical difficulties with simply figuring out a dollar amount and then trying to fund that right now when you don't have the infrastructure in place. I actually put a bill in years ago to fully fund the waiting list, and it was educational. You can't simply just drop the money and expect that everyone's going to get services and they'll be provided



indefinitely. But I turn my light on because I-- many of you may know that years ago I chaired the what we referred to as the Beatrice State Developmental Committee-- Center Committee. It was a special investigative committee that looked into the scandalous problems down at the Beatrice State Developmental Center and also looked at developmental disability providers, patients, folks that were on the waiting list. It was a-- it was an eye-opening, eye-opening experience for me. We looked at the history of children born with a developmental disability. Two generations ago, they were simply taken from the family, not taken, but, you know, they talked to the parents and the child would end up at the Beatrice State Developmental Center. We have thankfully gone to a different place. These children are being raised in their own homes with their own families. And, of course, they need services. We also in the course of that special investigative committee, we had a day where I called it open mike. That committee drew a lot of testifiers and on open mike day, we let parents come in and talk to us about their difficulties, the challenges they had, they face having a child with a developmental disability. And similar to what Senator Walz said, maybe one of the themes that we heard over and over and over were people about my age who have a child that has a developmental disability. And they say, you know, my son is welcome to live with me, but I'm scared to death about what's going to happen when I die. Will they be provided for? What will happen to my adult child that has a developmental disability? We also heard from a second group of parents and that group of parents were, I would put in the category, I can't do this alone. And we heard a lot of those stories from-- from families. Typical of that is somebody I met when I was knocking doors. This is somebody that lives in my district. She has a developmental disabled-- a son with a developmental disability and with strong mental illness, 17 years old, the size of an adult person. And these, these families, they can't do it alone. They can't-- they can't go to work. They can't go to work and then come home and-- and then spend full time night and day providing care. They need help. They need respite care. They need respite services. This is a real issue. It's a real problem. I appreciate the practical difficulties in trying to address the waiting list. I tried it myself once. You can't just do it all at once. We also heard from providers when we were doing that special investigative committee, and I can tell you they predicted the spot we would be--

**FOLEY:** One minute.

**LATHROP:** --which is if you're not providing a way for us to provide the services and be compensated well enough so that we're not losing

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money, we're going to leave the state and you won't have the providers you need to provide the services we'd like to see people get if we were to fully fund the waiting list. So I do think it is a stepped-up approach. I'm pleased that the Health Committee is working on it and that the Appropriations Committee has tried to address it today. I am fully on board with an effort that-- that recognizes that it has to be a stepped-up approach. And with that I would say I will not be voting for AM896 in its current form. And I do support AM393 and LB380. Thank you.

**FOLEY:** Thank you, Senator Lathrop. Members, we're going to preserve the speaking queue over the lunch hour and at 1:30 the first three senators in the queue will be Senator Vargas, Senator Clements, and Senator Arch. Items for the record, please.

**CLERK:** Mr. President, Enrollment and Review reports LB322A to Select File. Senator Briese, new resolution, LR87. That will be laid over. Executive Board meeting at noon in Room 1524. the Executive Board at noon in 1524. Name adds: Senator Flood to LB306; Senator McCollister to LR85. Senator Moser would move to recess the body until 1:30 p.m.

**FOLEY:** Members, you've heard the motion to recess. Those in favor say aye. Those opposed say nay. We are in recess till 1:30.

[RECESS]

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

**CLERK:** I have a quorum present, Mr. President.

**FOLEY:** Thank you, Mr. Clerk. Are there any items for the record?

**CLERK:** Just one, Mr. President, a Reference report referring LR85 to committee for a public hearing. That's all that I have.

**FOLEY:** Thank you, Mr. Clerk. Senator Machaela Cavanaugh, if you would like just one minute to refresh us on the amendment, then we'll get to the speaking queue.

**M. CAVANAUGH:** Thank you, Mr. Lieutenant Governor. Yes, this amendment is to appropriate an additional \$45 million-- \$54-- \$54 million to the mainline budget for developmental disabilities. I do intend to pull

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this amendment after we get to some of the people in the speaking queue. I wanted to make sure that we heard a little bit more from Senator Walz specifically about the Olmstead plan. Thank you, Mr. Lieutenant Governor.

**FOLEY:** Thank you, Senator Cavanaugh. Senator Vargas.

**VARGAS:** Thank you very much, President. I-- I will react to this bill or this amendment here in a second. [INAUDIBLE] me start off with that. You know, we worked on this budget. This is a collaboration. There are things that I love about this budget. There are some things that are not issues that necessarily affect my constituencies, but are really important for their-- for our state. And so I hope everybody will support the underlying LB380 and the AM393. As it stands right now, I'm not standing in opposition, but I'm not in support of AM896 because we worked on this budget and we really tried to do our due diligence. It's a balance. We did try to work on funding and we did increase funding for the DD waiver, but there's obviously more work that we need to do. I'm committed to, and many others have said they're committed to, doing a step-by-step approach. We need to do multiple things to then meet the emerging needs. There are also some federal tools that I believe somebody else will talk about on the mic here in a second that led-- that leads a little bit more light to this. But at the end of the day, this is a good budget. One item that I did want to react to in here is the Business-- Business Innovation Act. Now this is a nod here to Senator Wishart because this is her bill within this budget, and this is a very important bill because the success of our innovation in Nebraska is directly tied to what I believe are our entrepreneurs and this business sector. People leave when they don't find better opportunities here. They'll look elsewhere. And we don't know if there's any upper limit to the efficacy of this program. You know, some amount of funding where we can make sure that we're addressing this will address any diminishing returns, but I can tell you that we'll never find the limit if we don't reach for it and push against it. So let's keep growing Nebraska's economy and we can make Nebraska competitive nationally by out-innovating everyone else out there. Now this program has been a success. Earlier this year, the University of Nebraska published an economic impact study on the act. The report found that 217 participating businesses took part and there were over 1,100 direct jobs created because of the act. And even more importantly, the average wage of those jobs created has steadily increased. In 2014, these jobs were paying, on average, just over \$50,000 a year, and by 2020 the average wage has increased to over \$67,000 per year. That is

substantially higher than the statewide annual median-- mean wage of \$47,000. This is an important bill for us or part of this package that we need to elevate and lift up. I talked about the public health support that we put in, the additional \$4.5 million over the two years. I talked about our job training, retraining cash fund, and I'm-- now I'm talking about this Business Innovation Act. All these things are important aspects of the-- in addition to the many things that we've heard on the mike. Provider rates, investment in-- in justice reinvestment, all these things are critical and important. We've worked on them together. I ask that you support the underlying LB380. It's-- it is a process that we've taken months on and we-- I think we're a much more veteran committee than we were when we all came here, at least in my class. And-- and again, Senator Stinner, we'll be losing him here after this this biennium. And it's-- it's a really, really great package. And so I ask that you support the package. I'm asking you support AM393. I'm not in favor right now of AM896. But I am in favor of what we need to do in the future for addressing the waitlist and the disability waitlist and making sure people get the services they need and we have the providers to provide the services they need. All these things are important, so thank you very much.

**FOLEY:** Thank you, Senator Vargas. Senator Briese.

**BRIESE:** Thank you. Thank you, Mr. President. And good afternoon, colleagues. And I first want to thank Senator Stinner-- Chairman Stinner and the Appropriations Committee for their work on the budget. And I can't say enough good things about their efforts and the product they've presented here today. And what they've done really epitomizes what this body should be working towards and that's working together to find consensus, to arrive at consensus, to move the body forward. And they've done that in an admirable way here, in my view, and I thank them for that. And as a few others have said, I wouldn't vote for every component of this package if it was presented to me individually. But as a package, I'm going to give deference to the judgment of the Appropriations Committee. I'm going to support what they've done here. But specifically, I do want to thank the committee for their recognition of and attention to the property tax issue. And I think all Nebraskans will thank the committee and thank this body for the additional dollars that this budget is injecting into the property tax credit fund. But as Senator Erdman had said earlier, we have more work to do on property taxes and we will continue to address that issue going forward. But that's a-- that's an issue for another day. So I'd urge your support of LB380. Thank you, Mr. President.

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**FOLEY:** Thank you, Senator Briese. Senator Moser.

**MOSER:** Thank you, Mr. Lieutenant Governor. I don't envy the task of the Appropriations Committee. I think it's a-- it's a grueling task to sort through a \$5 billion budget. And I'm thankful that we have people who will go to that level of effort and in that level of-- of detail to make sure that we have a budget that the majority of us will approve. And I appreciate the passion of some senators who champion causes that they deeply believe in and-- and causes that, you know, sometimes bring them to tears when they describe how they feel about certain programs that the state funds. And I'm glad we have those people here, because that's not me. I mean, I-- I just-- you know, I-- I look at it from the business standpoint and the people who are paying the tax and, you know, somebody has to make a profit somewhere to pay the taxes to make all these programs possible. So, yeah, I'm going to support the budget. It already has 35, 36 percent designated for social programs, for mental health, for-- there's just a whole list of them. It's on page 35 if you want to look it up. I'm not going to repeat them all. But, you know, 35 percent of our budget goes toward these types of things. And I'm glad that we have the advocates for those things so that we-- they're the conscience for the body to remind us that, you know, we need to take care of the-- the underprivileged and the-- and-- and those who need help. But nonetheless, in the big picture, the state government is a business and it has to run like a business and it has to have income and businesses have to make a profit in order to pay the tax to make all the programs work. So, again, thanks for the-- thanks to the Appropriations Committee and thanks for all the-- my fellow coll-- colleagues here who bring many different aspects together for all of us to consider. Thank you, Mr. Lieutenant Governor.

**FOLEY:** Thank you, Senator Moser. Senator Walz.

**WALZ:** Thank you, Mr. President. I just wanted to stand up and finish the conversation that I was having regarding opportunities and making sure that we're providing supports and resources to people with developmental disabilities. I wanted to go back to the waiting list that we've been talking about all morning and just reiterate the fact that not every person who has a disability and on the waiting list will want to receive services. A lot of people are comfortable and have the opportunities and the resources they need without having additional services. But again, there's always the fear of parents saying, what if, or, what happens to my child if something happens to me, and the ability for us to reduce the waiting lists and provide

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services for individuals and families allows them to plan for the future, plan for services and supports that they will need in the future. I also wanted to just mention that a few years-- oh, I don't know, three years ago we passed the Olmstead act-- the Olmstead plan. And I think that this is a perfect opportunity to look at providing funds in collaboration with the work that we're doing on the Olmstead plan, to provide further supports for people with developmental disabilities, as well as their families, and try to get people off the waiting list. I do support having the-- the focus that we have on AM896 and focusing on eliminating the waiting list for people with developmental disabilities. Thank you.

**FOLEY:** Thank you, Senator Walz. Senator Machaela Cavanaugh.

**M. CAVANAUGH:** Thank you, Mr. Lieutenant Governor, and I will use this opportunity to just wrap up my final comments on AM896 before I pull the amendment. I had hoped for a little bit more robust conversation than we've had on this amendment and this issue. I believe I had made it clear-- and if I hadn't, I apologize-- that I was very open to a conver-- this was a starting point. This was go big. This was bold. This was everything, the whole enchilada. And I had hoped that we could engage in a robust conversation about what we can come to do in addition to the appropriations bill, which I very much appreciate that the Appropriations Committee has made an investment in this. But when I introduced this bill, my bill to Appropriations, I didn't know how much money we were going to have in the budget, and now we all know how much money we have. And so I thought, why not; why not have this conversation for the people of Nebraska, for the families that this would serve? And-- and so I did it and here we are. I-- I'm pulling this-- this amendment because I do realize that \$54 million is a heavy lift, and I would happily vote for this and I know that several of you would as well. But I want it to be right. I want it to be done right. I want it to be in a way that our providers can handle it, and I think that a stepped approach is appropriate. And I hope that you all will come work with me on this. I would love to get something accomplished between General and Select, but if that's not possible, then this is something that I hope we can make a commitment to the people of Nebraska, to the families that this would serve, that we will continue to work on this and make it a priority for this body in the next year. This is just such an important issue, and I think it touches everyone in this Chamber's lives. And I am grateful for the opportunity to serve in this Legislature, to give voice to these families. I-- I do not have a child with a developmental disability and I can't speak from experience, but I can speak from education, from the amazing

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parents that have come before HHS repeatedly to share their stories. And I-- and by parents, I mean parents of children from newborns to 45 years old. I-- two doors down from my house is-- is a house with several individuals that have an intellectual disability, that they live there and they have full around-the-clock caretakers, and they are the most delightful neighbors you could possibly have. One of the gentlemen, every time my girls are riding their scooters by, yells, "Hi, neighbor, hi, neighbor!" very excited. And it's such a thrill for my girls because nobody else is that friendly to them, and it's just really a wonderful addition to our neighborhood to have individuals like that, that can live a semi-independent life. And that's what I want to give. And I think that's what we all should want to give, is a-- is an inde-- as independent as possible and dignity in life. I hope that that is something that we can come together to achieve. I hope that that's something that can be a shared goal and value for everyone in this body. And I appreciate everyone's time and attention today, and I do hope you genuinely take me up on the offer to continue this conversation because there-- there's very little we can do in this body that's going to impact lives more positively than this. Thank you, Mr. Lieutenant Governor. I will pull my amendment.

**FOLEY:** Thank you, Senator Cavanaugh. AM896 has been withdrawn. Mr. Clerk.

**CLERK:** Excuse me, Mr. President. Senator Flood would move to amend the committee amendments with AM891.

**FOLEY:** Senator Flood, you're recognized to open on your amendment.

**FLOOD:** Thank you, Mr. President. Good afternoon, members. Here we are on the budget, which is a \$5 billion-per-year endeavor, roundabout, and this budget is leave-- living, breathing expression of what we are working on and we want to accomplish as a state. I have filed an amendment. You can find it in AM891, which addresses the cultural districts that were actually created last year by this Legislature under the name "creative districts." We have to harmonize the language. But you might ask yourself what is a creative or cultural district? It is a region of a community that has-- think Benson or-- that has identified the need to use the arts and culture to attract people to live there. I can tell you that I personally probably would not have voted for something like this ten years ago, but I have seen it work in my community. I have had people from O'Neill say, you know what, I'm willing to move back home, I really like what's happening in Norfolk, I like the advancements in the downtown. I like the fact that



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it's a little bit more like what we find in Omaha and Lincoln. What I'm asking you today is to change the appropriation that the Appropriations Committee has identified in LB380 as amended with AM393 from \$100,000 to \$1 million. So Senator Stinner introduced LB264, and you can find that on your gadget. It's essentially a creative-- or it's essentially a competitive grant program for communities that want to create a cultural district to showcase not only the arts and culture, but to draw people in. My concern with the \$100,000 is the idea of dosage. We're not using enough money to make the difference to make it happen. Ten \$10,000 grants is not going to change the projection trajectory of rural Nebraska's growth in arts and culture. You'll see this in front of you. This is a report from the National Governors Association where it has been proven that the creative sector is an economic catalyst for rural America. This is one of the last things municipalities and some communities think about, but it is one of the most important things we can do to create an environment where people want to live there, where people feel included, where we create an inclusive environment, where we spur innovation. In fact, the Harvard Business Review has been clear in stating that the more you invest in the arts, the more and the better you do in creating a hub for business innovation. And as our economy changes from the industrial revolution into the information economy, these are the kinds of things that we have to think about and do and execute on to grow the communities that we have. So right now in the appropriations bill, there's \$100,000, which in my opinion is not going to have any impact for the-- I shouldn't say any. It will not have a significant impact. And I'm asking to go to \$1 million. Senator Hunt has championed the cause of creative districts in prior legislation. She knows, as I do and so many of you do, that this is economic development. This is the way economic development looks today. And you may look at your hometown, you may look at what's going on and say, hey, I don't see how it works. Read this article. Find out. In fact, they quote Governor Ricketts in the article that I passed out for-- for promoting creative entrepreneurship by providing access to maker equipment, 3-D printers, rural libraries. It's intended to help strengthen the maker culture in rural areas. We are raising innovators on these farms. We are raising the gold that the rest of America wants. But we do a good job of shipping them out to communities that have their act together with these things. We need to unlock the power inside these young people, unlock the creative and the entrepreneurship inside people that are in their 30s and 40s and 50s, and make our communities' quality of life go up, make people feel more welcome, and ultimately grow our population. Now, if you look at the



budget, on page 235, you'll see that the Appropriations Committee has included an appropriation for \$7.5 million for the Museum of Nebraska Art, which is a sizable-- is a sizable appropriation for a community that has embraced arts better than anybody else. I support it. I think that the committee in this case recognizes the need to-- to be supportive of these types of endeavors. What I'm saying is look at the next line under and say \$100,000 isn't the number that's going to move the needle. One million dollars moves the needle; \$1 million gets communities moving; \$1 million means that cities like Kearney and Superior-- which, by the way, in Superior, Nebraska, they have numerous Victorian homes and they are putting together and have put together a tour of Victorian homes that's attractive to tourists. One of the things that I'd like to see in Norfolk, I'd like to see us take our historic downtown and apply grants like this and funding like this and be a welcoming space for people that want to create, that want to practice art. And you may say, well, why do people practice art? Well, you know what they do in Boston? And I-- I had to figure this out. In Boston, if you walk up and down the streets, there's a jewelry maker, there's a painter, there's a pianist. They embrace the arts. And which economy in America has the fastest-growing information technology business hub, innovation zone? It's places like Boston and Austin. And, no, we're not going to turn Norfolk into Boston and we're not going to turn Columbus into San José or Austin, Texas. But we are going to grab more of the people that live in our area, that are inspired to be in a creative district. You may say, well, the Appropriations Committee didn't include the million dollars. No, they didn't. I'm asking you to include it. I'm asking you to say, you know what, this budget belongs to all of us. This is not something for Norfolk. These are competitive grants. These are for the rest-- this is-- these are for the entire state. They're for north Omaha, they're for Lincoln, they're for the Haymarket, they're for south Omaha. Imagine what this can do in a state that gets it. Utah gets it. Check out Utah. Google the arts in Utah. Utah has a Republican Governor that has been investing in the arts and their population is booming and it's working. I don't stand up here today because this is the easiest pitch to make. I stand up because I've come to learn that this is one of the few ways we can grow Nebraska. We can do something significant. And we can take that young person that grows up in one of these rural communities and says nobody here is interested in what I'm interested in, if we can reintroduce them to a community that says you're all welcome here. The arts, the culture, the sports, one thing that we get very good in rural Nebraska is sports, very good, like we have indoor field houses, we have soccer fields, we have football fields. We-- we

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spend a lot of money on sports and it works. There's a lot of families that love it. We don't spend much money on this and we leave out a segment of the population that flees to larger communities that do embrace it. And I want to make the point that doing this involves using the right dosage. I'd rather have a million dollars or nothing because I'm afraid that \$100,000 creates a lot of false expectations that it's going to have the impact long term. And, sure, it might inspire somebody, you know, but I think the million dollars sends the communities a message that this is something the state prioritizes, this is something the state believes in--

**FOLEY:** One minute.

**FLOOD:** --and at the end of the day, we are about creating spaces where we can start businesses. The last thing I will say is economic development in Nebraska is not searching for smokestacks anymore. There are not many new Nucor Steels that are coming to Nebraska. Manufacturing is important, but the economy is getting created in one or two jobs at a time. It's-- it's-- the-- the economy is building itself off of innovative ideas where somebody gets a \$50,000 grant from Invest Nebraska, and then they get friends and family funding. And then they go out in the market and they have their first round and they end up getting a million dollars' worth of capital and their business takes off, businesses like we see right here in Lincoln. Hudl is a great example. This is the future of economic development. This is a hard pitch for me to make because I don't know that everybody's had the ability to see what I really think this can do. But I'm passionate about it, and you're going to hear more from me about it. And I hope that you'll vote for LB-- or for AM891. Thank you, Mr. President.

**FLOOD:** Thank you, Senator Flood. Debate is now open. Senator Groene.

**GROENE:** Thank you, Mr. President. I had meetings, but I heard everything, watched it all. I sent Senator Machaela Cavanaugh a thank-you about her comments on the \$12,000 a year. I see we're going to do terms for 12 years so we can hang around here, but Exec Committee is afraid to bring out a constitutional amendment to raise the salary. I guess I think I'm worth more, and I think Machaela is worth more than \$12,000, and I try to recruit people to run who are small businesspeople from out-- way out west, and they just can't do it for \$12,000, Nebraska. I hear from citizens who say, well, you're not worth \$12,000. I might not be, but then pay-- raise the pay and the next guy will be worth it if you get some better quality here. So

anyway, maybe we could have one of those disability-- handicapped people could afford to be a senator and represent that if we paid them more than \$12,000, but the-- we need to bring a constitutional out of the Exec Committee and we need to put it on the ballot. But anyway, that's my first comment. This is déjà vu all over again. If those of you who are seniors-- Senator Stinner remembers the yellow T-shirts from Mr. Mello where all nine members of the Appropriations Committee said, we-- "Mello Yellow," we all got along, we all said cheerful things. They did-- I wasn't on the committee my freshman year-- because we had more money to burn. It was the first time in like 15 years we-- we funded fully funded TEEOSA. We're here again. Guess what happened my next four years? We were cutting and running. There was no everybody got along. We had split votes in the Appropriations Committee because we didn't have the money. You have to understand, folks, we are living on borrowed money. The huge amount of COVID CARES money that pumped into the state and the nation, a lot of that money got taxed and went into our revenues. That did not exist because of productivity in our free-market system. That money won't last forever. It might be another year of it because we're getting another \$1.5 billion or something. But then the other thing that always bothered me about the budget, which I need to tell the state of Nebraska, we're all claiming we're only increasing the budget by 1.6 percent and \$161 million over two years, but then go back to the transfers out of the cash fund: \$435 million the first year, \$330 million the second year. If you put that-- that as spending, guess what? Transfers out of the cash fund, which is spending, does not show up in the budget. So if you want to be political and say you didn't increase-- increase spending, buy it out of the cash fund because it doesn't show up. So the amount of money we're spending this year versus the last budget, you divide-- you add another \$775 million to the \$165 million, then divide that number out. It's 15 percent-- 10 to 15 percent we've increased spending. Now we'll save-- if it's property tax relief, I don't agree. It's a coupon. We tried with LB1106 last year to actually do a firm budget where it was actually a line item. We were spending it on public education, not some kind of credit. I just can't go along with credits. Last time I used a coup-- cash coupon at J.C. Penney's, I went in to buy one pair of blue jeans for \$50. I came out with two--

**FLOOD:** One minute.

**GROENE:** --for \$75. So credits don't control spending. They just push it off over here. Oh, I'm going to support the budget. Why not? Let's spend and let's all be happy. Maybe I'll order some T-shirts for the Appropriations Committee. But, no, they did a good job and they do a

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lot of work. What-- what would you do if you had all that money laying around? You got to spend it. This is government. You got to spend it. So they spend it. And thank God they did most of it one-time spending so that we don't get in a bind. We did last time. When I was a freshman, we got in a bind because the next two years weren't so fruitful. Next two after that were worse, and then came COVID and Keynesian economics where if we throw enough money at it, economy looks good until it crashes, and it will crash. As Senator Clements said, it will--

**FLOOD:** That's time.

**GROENE:** --go down.

**FLOOD:** It's time, Senator.

**GROENE:** That time?

**FLOOD:** Yes, sir. It's time.

**GROENE:** Thank you.

**FLOOD:** Thank you, Senator Groene. Senator Pahls.

**PAHLS:** Thank you, Mr. President. I'm going to be speaking to Senator Flood's amendment. Earlier, when I talked to the good senator, I-- I really liked this idea. I-- it really had merits. And he knows that. I said, I would help you with this, because with my background, this is how I think-- excuse me-- the world should go, that creative vent. The only issue that I have with Senator Flood is I was listening to Senator Cavanaugh earlier. She attached an amendment, pretty expensive, and she pulled it because, I don't know, is that appropriate? Is this the appropriate time? And your bill, I would think it needs its own legs. I think it has merit. But what happens if the rest of us start looking back at some of our bills and say, maybe I can insert this somewhere in there? That's the only issue I have with that. Great idea, and I looked at-- they did start-- this is just a year old, the \$100,000, so they're just starting now. It's in its infancy stage. I know you want more money and you have some-- I've read the articles because-- that you gave me. The potential is-- it seems sort of unlimited if you're in that vein, that creative vein. But I just don't know if we should start inserting all this at the-- during the-- this part of the budget. That's just my perception, because all of a sudden I have a feeling there are some other senators could say, I have something I like to-- to get in also. I may be wrong

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on that, but I like your-- your concept, your idea. I think it has merit. And I see-- do see it as an economic tool, but I think it needs its own legs somewhere else. Thank you.

**FLOOD:** Thank you, Senator Pahls. Senator Hunt.

**HUNT:** Thank you, Mr. Lieutenant Governor. Good afternoon, colleagues. Good afternoon, Nebraskans. I am very excited about this amendment. I sort of consider it as a love letter to me, although it's really kind of a love letter to all of us in here and all of our districts, because it's something that everybody can actually benefit from in a really measurable way. I understand how this would work very intimately. It was my bill that created the creative districts that all of our districts are able to have now. And it's-- and we also created the-- the grant program that the Nebraska Arts Council can use to give out these grants. And so it's something that was a labor of love for me. We worked with Suzanne Wise at the Nebraska Arts Council and we worked with Doug Zbylut at Nebraskans for the Arts. We worked with all different stakeholders from Scottsbluff to Kearney to Norfolk to Omaha and everywhere in between, from Alliance, Sidney, and all these communities had really exciting ideas about what they could do, not with a million dollars, but if they could just get a \$5,000 grant to do a mural that was meaningful and important to that community, and it gave something to local community college or high schoolers to-- to unite around and do and create kind of a town square. That was something a lot of small towns wanted to do. Or maybe they just wanted \$10,000 or \$15,000 to update the seats in their theater. That was something that we heard from many places. So I can explain a little bit about how this money is given out by the Nebraska Arts Council and how it works. In this amendment, it's not like line items, like, you know, your district gets this much and Norfolk gets this much and Nebraska-- and Omaha is going to get a whole bunch. It's not like that. It appropriates the money to the Nebraska Arts Council and they administer the grant program that goes to all of the arts districts. So the highest-- the main elected official of the town, so like a mayor, has to apply with the Arts Council to be a creative district. The Nebraska Arts Council has all of these cultural district guidelines that they publish, and then they make the decision about whether the application to become a recognized cultural district in Nebraska, if they're going to approve or deny that. And once they're approved, they can be designated that way; they can use that in their marketing materials and tourism materials. We can use that at the state level to say, you know, Nebraska, we finally recognize cultural districts and there are all these amazing places in our state where

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you can go and see a gallery or see a show or be connected with local makers. And that's a really good thing for our economies, and we know that because when people support the arts, they're also supporting the restaurants nearby and the hotels and the lodging nearby and the other small businesses nearby that make up the part of that economic ecosystem. And I know you all understand that. So, yeah, so this really just enables every locality, every community, to get that designation and apply for the funds that go for the project that they're trying to do. You know, maybe they're trying to do a \$100,000 project. They can apply for those funds and the Nebraska Arts Council will decide, you know, if they-- if they're going to receive that grant or not. Or maybe it's just a small amount, like \$1,000 or \$5,000. But having these funds is going to be a really good thing. Currently, how we fund this is through sales of a license plate, a "Support the Arts" license plate that is also from a bill that-- one of my bills that we passed last year. And we can also assume, correctly, that license plate sales are not like a million dollars. And so, you know, we're putting some, like, you know, couch change into the grant program through the license plate bill, but this type of appropriation will really give an injection to the economy. It'll really support these small cities and small towns that want to connect with young people, that--

**FLOOD:** One minute.

**HUNT:** --want to connect with makers and creatives in their districts and keep people there, say, we will give you a venue to showcase your art, to showcase your talent. And this is exactly the appropriate time to talk about this appropriation. We're talking about the budget. We're on General File. We have money on the floor. And this is the process. This is how we use it. This is how we appropriate it. I would have supported Senator Cavanaugh's amendment, too, for the developmental disabilities program, but she chose to withdraw it. That's the process. Now we have this amendment on the floor. I support this as well. That's the process. And we all know that we're-- can expect many more amendments to come. And so this is the right time. This is a conservative and smart amount of money. And we know from research that we will see dividends on this investment from the state, both in our young people and future talent and in the economic development of our cities and districts. Thank you.

**FLOOD:** Thank you, Senator Hunt. Senator Stinner.

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**STINNER:** Thank you, Mr. President. This is a little bit perplexing for me because I brought the \$100,000 at the request of Nebraska Arts Council. If you remember last session, we passed this-- the bill that allows this process to happen, cultural districts to happen. So nothing's been done on it. No rules have been written. No grant rules have been written. So even in the testimony they said, give us some time, we're going to write some rules, we need \$100,000, we're going to break it into \$10,000 grants, and then we can distribute that. That will be a start. I'm not opposed to a million dollars at some point. What I'm opposed to is setting a precedent that allows anybody that has an idea to stand up and offer an amendment on the budget. I get that. You're free to do that. We got 33 days. We got 49 senators. You do the math. The way we change the budget, folks, is on your green sheets. Do you want to look at that? You got Select File, you got Appropriations, and you got Revenue changes. This is how you change it. This is how you make the statement. I'm not opposed at all to supporting Flood's ideas-- Senator Flood's idea at all. Don't get me wrong. It's the process. That just means everybody can stand up and do what they want with the budget because it's a statement. Well, there's also a statement and a process in this. When you get up, General File, you make your statement. When you do it in committee, you get the appropriate amount of votes to pass it so it goes into the budget and it changes the budget. So that's all I wanted to say. I just think this is the wrong way of doing business. Senator Flood obviously will get up and defend this, but I do not and I will vote red. Thank you.

**STINNER:** Thank you, Senator Stinner. Senator Flood. Senator Flood, you're next in the queue.

**FLOOD:** Thank you, Mr. President, members. I was just visiting with Senator Groene. I-- he was at the country club last night. I don't know if everybody here knew that, but-- [LAUGHTER] I guess I'd like just to say, as we get started here today, this is the process, ladies and gentlemen. We are in a building, in a legislative body that is deliberative. And if the deal is that we have to accept what comes out of one committee as a whole or nothing, then that is not the right way the place works. So to the suggestion that I'm breaking the rules or doing something wrong, what do we do here? We have amendments to bills that come out of every single committee. This budget, if you make the case to me that it's not touchable, then you tell me that the most important thing we do every session is not something that I get to say unless it goes through you. I got to go to you, Senator Stinner, to decide what's going to happen in the state. I got to go to you, member of the Appropriations Committee, to make a change. The reality is



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we're spending \$7.5 million in Kearney at the Museum of Nebraska Art, and the Appropriations Committee did it, which I think is good. I'm talking about taking a million dollars and spreading it around the entire state, the entire state, and I'm doing it because I think it leads to business growth. This is economic development. Look at the sheet in front of you. There is a study that says, from the USDA and the National Endowment for the Arts, rural counties that are home to performing arts organizations experience population growth three times faster and higher with household incomes than rural counties lacking performance arts organizations. The studies prove it. I'm not doing something here to be reckless. I'm doing something because I believe in it and I am an elected state senator that says this is the state budget and I have a say. So please do not suggest to anybody that I'm doing something wrong. More than that, look at what I'm doing and say, could this work? This-- I am passionate about trying to repopulate rural Nebraska. I didn't go out and just pick a couple things because they're pet projects. Personally, I would have never picked the arts, if you really knew me. I'm picking it because it's something that works. Invest Nebraska works. The fact that the Appropriations Committee put Invest Nebraska in the budget the way they did tells me they get it. The fact that they recognized the importance of these cultural districts and put \$100,000 in sends me the message that they get it, they know. And I understand what Appropriations Committee members commit to and I appreciate the process they go through, and I'm not entirely surprised that there's going to be some of them say no. But if we take five days or five weeks on the budget, it is worth it because this is how Nebraskans spend their money. And so I'm asking you to look at the big picture. And if you have something you want to do with the budget, introduce an amendment. This is not untouchable. Seven-point-five-million dollars for Kearney's Museum of Nebraska Art, \$1 million for every other community in the state-- I'm going to walk around and I'm going to talk to folks. I'm going to get feedback. I know that-- I know that this is maybe something that some legislators haven't done in the past. I tell you what, I've been here when we spend a week on the budget--

**FLOOD:** One minute.

**FLOOD:** --and we make a lot of changes. We've all got the budget book. My guess is we've all read it. We can go into depth on these things. It's OK. Please consider voting yes for AM891. Thank you, Mr. President.

**FLOOD:** Thank you, Senator Flood. Senator Groene.



**GROENE:** Thank you, Mr. President. I didn't inf-- want to infer that the Appropriations Committee didn't do their job or they're dastardly and they're spending money, out of control. I know Senator Clements and-- and Senator Erdman and they watch everything real close. We just got a lot of money lying around. That-- that's the reality. I was just looking at the note here about last year's budget. Less than a year ago-- this is hard to believe, but less than a year ago, we were \$170 million in the hole. I believe that's right, more than that, less than a year ago. That's how fast things change. That's how fast they change, so don't think this is forever and ever, amen, but-- and it's all because of a pandemic that turned into a hell of a-- heck of a-- I don't know what you'd call it-- a period in our economy, a fake one, because of the printed money that was not created by productivity. But I just want to also reemphasize, these transfers out, folks, it's-- it's not good-- it's not good bookkeeping because you paid in X amount of money. If-- if a-- if a banker or an accountant seen this and said, well, here's your debits and here's your credits, you paid this much in but you paid this much out, but there's-- hey, wait a minute, there's \$775 million missing because you claim you only increased your spending by 1.6 percent, where'd that \$700-- it was a transfer out from your cash fund and it's not accounted for in our spending. And, granted, it's-- most of it's get-- given back to the taxpayer, but it's not given back to the same taxpayer who paid it in, the income and sales tax. I don't know if it's ever going to happen. I tried for six years, so did Senator Linehan, to do good government, to actually change how we fund our schools, that it's actually you pay your taxes, the money's spent for a government purpose. But instead, you pay your taxes and we give you-- some of it back to you as a credit on your property taxes, which we don't put any spending controls at all on the local entities about how much they spend. Actually, we give a Band-Aid over what they're spending by giving a credit and they can just spend more because it doesn't look like they raised your taxes. I don't consider that good government. I am very, very glad that the Appropriations Committee did not spend the money otherwise and did increase the tax credit, because at least it's going back to the taxpayers. But it's a mirage. It will not last. This present economy was not built on growth of population, economic growth, sales by business. It grew by a huge printing press in Washington, D.C., who printed money and sent it out. I actually took, first time in my life, some federal money. I told my wife, I said, you know, I used to say to my grandkids I didn't want to take any government money because they're borrowing it and it came-- my grandkids are going to have to pay it back. But I'll tell you what, it won't be my grandchildren. it

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won't be our great-grandchildren, won't be our great-great-great-great grandchildren who pay this back.

**FLOOD:** One minute.

**GROENE:** It might be a whole different country. It might be a whole different society, because this one just might fail, and there won't be any debt, like when Nazi Germany failed, like Brazil or Chile, because we're on that path. History does repeat itself. As far as this-- Senator Flood's amendment. I appreciate him showing all of us that, hey, there isn't nine kings in this body, that we do have a right to have our input on-- and Senator Cavanaugh also-- our input on how the budget and the money is spent. Our 39,000 or 40,000--some constituents have a right to have some input, too, about how the money is spent. And that is what Senator Flood is doing. That's what Senator Machaela Cavanaugh did. Me, I just don't want the money. I just don't want to spend it. It scares me, this much money--

**FLOOD:** It's time.

**GROENE:** --that was generated--

**FLOOD:** It's time.

**GROENE:** --not by productivity--

**FLOOD:** It's time, Senator.

**GROENE:** --by a printer-- printing press. Thank you.

**FLOOD:** Thank you, Senator Groene. Senator Erdman.

**ERDMAN:** Thank you, Lieutenant Governor. Good afternoon. I appreciate the conversation so far. I understand where Stinner is-- Senator Stinner is coming from. I also understand that Senator Flood has a right to do what he did, and that's fine. He had said that he had probably in ten years ago wouldn't have voted-- voted for the arts. I haven't come that far. I'm where he was ten years ago. I have a difficult time believing that doing this is going to create jobs. I think he's got it backwards. He's making an assumption: Build it and they'll come. I've heard that before. But I think what happens is you get high-paying jobs and then the arts will create themselves because you have people who make enough money to enjoy the arts. So I-- I think we have this backwards. And when they came in and asked for the \$100,000, that was their-- that was their ask, was \$100,000. They

didn't ask for a million and we granted them \$100,000 as what they asked for. So I'm not so sure that they have it set up to use this other \$900,000, and so I won't be supporting Senator Flood's bill because I-- as I said earlier, I'm where he was ten years ago and I'm not voting for the arts. So I did vote for the \$100,000 because that's what they asked for and we approved it as a-- as an Appropriations Committee, so I'll stick with-- with that. But I'm not interested in increasing it by \$900,000. Thank you.

**FLOOD:** Thank you, Senator Erdman. Senator Wayne.

**WAYNE:** Thank you, Mr. President. I listened this morning on most of the budget debate, and I just want to-- I want to-- the budget is always interesting to me, and I just want to give you a perspective of maybe something you-- you all take for granted that-- that I have to think about every day I walk into this body, I am getting negative feedback on my LB544 because I only asked for a cap of \$8 million while Senator Groene asked for a cap of \$50 million. And as I struggled when I introduced that bill with a cap of \$8 million, I struggled, how do I sell this to the body? These are things that most of you all don't have to think about when it comes to budgeting, but I do. And I spent hours talking to Speaker Hilgers about when to schedule it. Now I-- I want to give you guys a perspective here that's important, and I know not everybody is listening, but I-- I hope they just take a second from their conversations and-- and listen. I scheduled that bill intentionally behind Senator Groene's because I have to think about every dollar that goes to urban versus every dollar that goes to rural. In this budget, there's a loan program for rural, for books, relief, and throwing an extra million dollars may not care to most of these people in this body. But if I were to ask for a million dollars for urban, I have to think about that, and I have to think about how I even approach it, whether it's just because it's good, because we need jobs, because most of the time we don't get stuff passed when I say we just need it. So this budget is always interesting to me for the last four years, because I don't get the same benefit of the doubt that many of you all get in this room, I don't get the benefit of the doubt if I want \$5 million for my community, it's just going to sail through. But if you need \$5 million dollars for a tax credit on trailers, it will sail through. I don't get the benefit of the doubt that if I want \$8 million cap over a three-year period while Senator Groene has a \$50 million gap that I have to schedule that behind, just in case somebody brings up this is going to urban, I can argue back, well, you just got \$50 million for rural. And if you don't believe I've had these conversations, talk to

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the person in the Chair. Senator McKinney doesn't have to just walk and say, hey, you know what, we got a museum that we are trying to build in north Omaha and we want \$7.5 million like Kearney. If that was in the budget, how many people in this body would have objected to the budget or tried to remove it? But Kearney, it's OK. Forty million dollars for Nebraska to have broadband when there are people in north Omaha who don't have broadband, and if we were to ask for a million dollars, there would be an issue. So what happens in the committee, while I respect the committee process, the rules and the history shows we can make amendments on the floor. Do I agree that the Arts Council probably needs an extra million dollars? Not right now, but I will vote for this because we have to break this habit of what comes out of the committee in budget is sacred and we can't change it, because there are people that I represent, people that--

**HILGERS:** One minute.

**WAYNE:** --Senator McKinney represents, who never get an opportunity to get that feedback and get that input into the budget, because, again, I will stress, if we put \$7.5 million for a north Omaha museum, this body would object. But nobody said a word on Kearney getting something, nobody, but we're OK with that. So I get it. So every time I bring a bill forward, I'm not just looking at who's going to be there that day. I'm looking at the bill before and the bill after, because I have to carry a different burden that nobody else in here has to carry. If I would have asked for my other bill, LB547, to come out for rural Nebraska, an \$8 million dollar cap, there wouldn't even have been a discussion. That's why this is a breathing, living document we tied to our Constitution.

**HILGERS:** Time, Senator.

**WAYNE:** The budget is the most important thing. Thank you, Mr. President.

**HILGERS:** Thank you, Senator Wayne. Senator John Cavanaugh, you're recognized.

**J. CAVANAUGH:** Thank you, Mr. Speaker. Well, I rise in support of AM891. Partly, I think Senator Flood made a compelling case for why this is a good program and why it could use some more funding. But then I heard what Senator Stinner said and, no disrespect, and I-- I really do appreciate the hard work that the Appropriations Committee did, and I would echo what Senator Wayne said, is that you all get the

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opportunity to craft this budget and you do have a great sense of ownership over it. This is the first opportunity of the remainder of the body to make changes and to come into it. And if we act like it is sacrosanct and that we can't make any changes, what is the point of what we're doing here? Is there any reason that we come and go through the reading process and that we all get to even see what's in the budget? If we-- if that were the process, let's just go to a system where we vote it up or down and nothing else. And so this is important. This is about why we are here, is to have a conversation about whether the rest of us agree with all of the priorities. I think it is admirable that you all agree to stand together and to-- to defend it, as is. And I appreciate that and I think that that is a sacrifice that you all have made. The rest of us did not strike that bargain. And so we need to have that conversation about what belongs in here, what needs more money, what we should prioritize, and it does need to be more dynamic than just what is reported out; otherwise, there is no point and this is all for show. And so I-- I wanted to say, Senator Erdman, I think there's still hope for you, that you-- you've come-- I'm sure you've come a ways since you've been here. But you can look down the road and see you can be like Senator Flood and be open to new ideas, and so I'm-- I'm there for you to join you on that journey. And Senator Groene, I'm always-- I-- I enjoy and am a little disturbed when you and I are on the same page on so many things. But I agree with Senator Groene about the fact that this is our opportunity to have that conversation. And I do think I agree with him on the fact that we need to be careful about where all this money is coming from and-- and not assume that it's going to be here forever. So we do need to be judicious about how we're spending the remaining money. But that's the nature of this conversation. It's about what we prioritize, what we think is important, where this money should go, and it is the opportunity for the full body to have that discussion and to have-- to put our stamp on it and to say what it is. Sen-- I-- I don't know if Senator Flood brought this bill originally and how this \$100,000 got in here. I guess I missed that part. But my recollection when I got here was that we were under the impression we weren't going to have very much money, and so I would guess that the Arts Council asked for an amount that they thought would get funded and not what they really could use. And so to-- to say they only asked for \$100,000, I think that that was-- that that's a bit of a misargument because they were brought this-- this request in a different environment when we thought that the tax haul from last year was going to be less than it is. The estimates going forward, we didn't know there were going to be any more federal money. So I think

the question is whether this is a good idea, whether we should fund this, and whether it's going to give us a good return on our investment. I think Senator Flood made a good, compelling argument that this is a good use of a million dollars, and for that reason I think we should put it into the budget. And I think that we should have that case-by-case conversation about every amendment people bring, whether this amendment makes the budget better or worse, whether we're going to get what we want out of it, whether this is something we should do. We should not just have a conversation of, was this in the original budget as is, if not, then no. The conversation should be on the merits of the amendments and whether or not they are a good idea going forward. The members of the Appropriations Committee, I understand where you all stand on this and I appreciate the work that you've done. But for the rest of us, we need to have this conversation and make our own determination about the merits of the ideas on the floor. Thank you,

**HILGERS:** Thank you, Senator Cavanaugh. Senator Matt Hansen, you're recognized.

**M. HANSEN:** Thank you, Mr. President, and good afternoon, colleagues. I do rise in support of the overall budget and the Appropriations Committee amendment, and I do also rise in support of Senator Flood's AM891. I think this is a key investment that we can make in these creative districts, these cultural districts, at the onset, when they're starting out, to make sure that some of the first programs for the first grants can be successes and can get to as many communities as they want and they need to be. Some of the-- the stories and explanations we've had and why we should be supporting this issue and Senator Flood's speech and others' really strike home for me. I wanted to share-- those of you who know me, those of you who know my wife, Jane, she's-- she's an artist. She works for a theater. And she's from, you know, a smaller community in Nebraska. She's from Fremont and left the state for college. And the fact that we got her back to Nebraska and the fact that we drew her back to Lincoln, where she-- where we now live, there was a minimum amount of arts and culture that had to exist in our state, in our community for-- for her to consider this a place that she would want to call home for a long time, as she now does. And we see that across the board and we see that especially in our friends and our-- and our people we know and her coworkers in the sense that there's many of them who are from all across the state of Nebraska, who end up living in Lincoln and Omaha solely for, you know, that is where their passion, that is where their field, that is where their expertise can be valued and can be utilized. And had their

hometown had a bit of an anchor, had a bit of a cultural hub, had a bit of an arts hub, that could have provided an opportunity for move back home or an interest for them to move back home or show that the arts are valued in their community, you would retain some very motivated, passionate, interested individuals in different communities. I understand this isn't going to be something every town is interested in or wants, but that's the-- why it's a great opportunity for, you know, civic leaders, city leaders to come together and propose it and accept these funds. And if there are communities such as Norfolk that are interested and want to be leaders in this, I think we as a state, and especially in a year where we have a key opportunity for strategic investments with the amount of money we have on the floor, making sure that we do above the bare minimum for the arts is very important. And the final thing I do want to say is, when we're talking about the arts, people are talking about good jobs supporting the arts. The arts themselves can be good jobs. The arts themselves can provide, you know, industry, can provide consumers, can provide all sorts of things, both, you know, firsthand in terms of employees of, you know, a gallery, a theater, or what have you, and they could also, you know, provide the overall benefit for the community. You know, just thinking locally, nearby, just going to Hickman, going to the Stage Theater, seeing the new facility that they have come together to build, the new Nebraska Communities Theater and how that is going to change the downtown front of that town, you know, there are people who routinely go from Lincoln to Hickman for the arts, to participate in shows, and that is a draw that community has figured out how to do, and that is something they can invest in and grow over a long time and would be-- I don't know if they have any plans for these creative arts districts, but that-- certainly that-- that intersection downtown would be a wise place to look. I just wanted to add that perspective to this debate. When we have an opportunity like this, when we have an opportunity with so much funds in the state of Nebraska to make strategic investments, to know that there are certain things that individuals, individual communities, individual persons want and look for, such as the arts, an opportunity to have a kind of a--

**HILGERS:** One minute.

**M. HANSEN:** --a scheme-- thank you, Mr. President-- a scheme of our whole budget, a tiny little grant like this to have some individual start-ups is a great opportunity. And my final thing I'll say is the Support the Arts" license plates are fantastically designed and they look great on my wife's car. With that, thank you, Mr. President.



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**HILGERS:** Thank you, Senator Hansen. Senator Groene, you are recognized and this is your third opportunity.

**GROENE:** Thank you. I wanted to make sure I do appreciate what the Appropriations Committee did by leaving a pretty good chunk of money on the floor. If we're-- all 49 senators get a piece of it, maybe, when-- and my community in rural Nebraska will get hopefully \$10 million of it if it fast-- on rail park bill to incentivize growth in greater Nebraska. But that's a good thing. We always should leave some money on the floor; otherwise, it'd be a dogfight about who wanted to be on Appropriations Committee because it's a very powerful committee and it takes special people who don't abuse it. I do appreciate what they did this year and did not combine a bunch of individual bills in the committee. Has a little bit different makeup of the committee. I really appreciate that Senator Stinner heard our plea last year that we were-- did not like the idea that members of the committee were introducing bills directly to Appropriations and then it was just being swallowed up into \$11 or \$12 billion dollar budget. And see that he's sent the-- they-- the committee sent most of those bills out individually so that they have to compete with the rest of us for the \$211 million that's on the floor. That-- that-- I really appreciate that, Senator Stinner, that you changed that policy and-- but anyway, so then after we get done with this, we'll all hopefully spit up with tax cuts. And I hope a bunch of the money goes to tax cuts, some to special programs, some to North Platte, if we get a new railyard. And just remember, folks, we're spending an awful lot of money and a lot of it is make-believe money, so-- but let's have fun while we can. Thank you, Appropriations Committee, for what you did and the good explanation you gave today, and we'll go from there.

**HILGERS:** Thank you, Senator Groene. Senator Wayne, you're recognized.

**WAYNE:** Thank you, and this will be my last time talking on this issue. I do like to get to a vote. So, colleagues, I just-- so I had a couple of senators come over and say I-- you know, I represent my district well and I-- we're moving things forward in north Omaha in-- in some direction. While I'm appreciative of what we're doing, we have to put it in perspective. This is a huge budget. We are-- we are handing out hundreds of millions of dollars, whether it's in tax relief, whether it's in grants for businesses, whether it's in tax credits for loan, for rural Nebraska. It's a lot, and the issue that I'm struggling with is I'm only one-- I keep saying this in-- in the Judiciary Committee this year, but I'm only one generation removed. And when I see \$200 million, I'll give you an example. A couple of years ago, we spent

\$175,000 for a study for north Omaha traffic. And many in this body feel like they gave me something and it-- it's going underway right now. It will have a big impact, but in the grand scheme of our budget, \$175,000 to what has happened systematically by our government is-- is pennies. And I wish we can start off on an even playing field and start today from scratch and everybody's at zero, and let's divvy out the money that way, but if we did that in the budget, if we started out and we say there are no tax credits, it's a blank sheet of paper, this floor would be-- everybody would have their button pushed, everybody would be fighting for dollars. But we have a system that has already been in place for years that appropriate dollars in a certain way. For example-- and I wasn't here this morning to talk on it, but there will be some-- an amendment on Select File. Why are we putting money into the old Property Tax Credit Fund when everybody in this body agrees that it doesn't work, that the valuations and how they are actually paid out by individuals in rural versus urban, that it doesn't work? It's like \$1.20 to \$0.80. But we're going to put more money in it. How is that equitable to Omaha? How is that equitable to my district when out of a valuation that's \$100 and you only pay \$80, you get a refund check for \$100 if you live in rural and we pay \$100 and we only get a refund check for a \$100 in-- in urban? How is-- that even make sense and be fair? But it's OK because it's a system we already started, Senator Halloran, and we're not-- like you said, we're going to keep things going the way we've always done it. Even though we know inherently it's unfair, we're adding more money to it in this budget again. But it's OK. We're not going to stand up to object. We're not going to object to that, but we're going to object to the process of adding a million dollars, which across the counties is-- each county could theoretically get \$10,000 of fair, equitable distribution of a million dollars. We're going to object to that, but we're not going to object to the old Property Tax Credit Fund getting money this year of \$20 million-something and 40-something next year when we know it inherently causes an urban and rural divide. But we're OK. But everybody knows it's not fair.

**HILGERS:** One minute.

**WAYNE:** That's why we came up with a new one last year, but we're still going to put money in it. So when are my rural senators going to stand up and say, yeah, I agree with you, Senator Wayne, it's not fair, we should put it into the Property Tax Credit Fund that we had last year? See, it's-- it's OK to come talk to me off the mike and say, hey, we're helping you out, but here's a prime example of one thing in our budget a rural senator can stand up and fix to make it more equitable

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and equal, so when Senator Briese's bill comes up around lowering bonds in future things, I feel better about maybe supporting it. But how do I feel better about supporting it right now when the Property Tax Credit Fund we're using is inequitable? We don't want to have that conversation. We don't want to talk about one Nebraska when it comes to that. So I'm going to vote for the million dollars because, to me, this is more equitable than many of the things I see in our budget.

**HILGERS:** Time, Senator.

**WAYNE:** Thank you, Mr. President.

**HILGERS:** Thank you, Senator Wayne. Senator Slama, you're recognized.

**SLAMA:** Thank you, Mr. President. And I'll be brief, because I do think we're about ready to get to a vote here. I'd like to briefly thank Senator Flood. While I agree with him in principle, and I'll discuss this in a bit, I don't agree with his specific amendment. District 1 is very blessed to have a strong culture surrounding the arts, from Brownville's art galleries to Nebraska City's murals, it's really a wonderful place for artists to thrive. However, I do have a concern with additional spending in our budget. And I would like to thank the Appropriations Committee. The members on that committee are some of the hardest-working people in this body. And I agree with Senator Flood's point that when that budget comes to the floor for discussion, it is a living, breathing document. All 49 of us should feel empowered to get up and offer amendments, offer our opinions, to bring amendments to increase spending for ideas that they think are worthy or bring amendments to cut spending. Guys, we can bring amendments on the floor to cut spending you see as wasteful, so feel free. I'd like to encourage that. And we can discuss those changes and decide as a body how we want this budget to be shaped. So while I am grateful to the Appropriations Committee-- they do an outstanding job-- I just wanted to drive home the point that even if you are a freshman member of this body, you should feel just as entitled as the most senior member of the Appropriations Committee to get on the mike, to drop amendments, and have your own say in this budget. And I think we've had a rich discussion on that front today. I would also like to piggyback off of Senator Groene's point of on the federal level, we are seeing unprecedented levels of spending. Our national debt is \$28 trillion and counting. Now, we might not have to pay for that while we're alive, but our kids, our grandkids will have to deal with the repercussions of those spending decisions. So I am grateful to see the Appropriation Committee making reasonable decisions with this

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biennium's budget and setting up Nebraska for a strong, stable financial future. And with that, I-- I would encourage a green vote on the overall budget. Thank you, Mr. President.

**HILGERS:** Thank you, Senator Slama. Senator Friesen, you're recognized.

**FRIESEN:** Thank you, Mr. President. Well, Senator Wayne, I'm going to rise to the challenge. So when we talk about inequitable funding, should we talk about the 170 school districts that don't get any state aid, about the \$300-400 million that goes to OPS, about the \$1 billion dollars we spend on state aid and the 170 school districts that don't really get much of that? I get it. I've been trying to fix this for seven years. I've always had to try and find the money. I've tried to find it, couldn't come up with it. Is the first tier, and I'll call it the first tier of Property Tax Credit Relief Fund, is it inequitably distributed? Yeah, maybe, but it was done that way for a reason, because ag property taxes went up 180 percent. And in order to try and offset that, a deal was made back in the day to change the funding. At the time, we were going to have an agreement that it was supposed to be \$30 million and some shenanigans were played on the floor here and we ended up with \$20 million, so I've-- still have not forgotten that \$10 million. But some deals were made and we settled for \$20 million and how we distribute that fund differently because of that huge difference in ag land taxes that were being paid to support our schools that we're receiving no state aid. So in my long-term picture, I-- I think both of those funds should be gone. At some point, we're going to have to address TEEOSA and how we fund K-12 and there wouldn't be a need for those funds. But right now they're there. Do I like either one of them? Not really, not if we could properly fund those 170 school districts out in rural Nebraska. So until that happens, until I come up with some magic answer in the next year, I'll continue to fight to keep those funds intact and keep them funded and will stay-- still keep working on the budget. You know, I don't know how I-- I-- this-- this budget has been a fairly easy one. In the past, you know, we've poked at Chairman Stinner quite a bit and usually got him to use his linebacker voice quite often. This year I've been rather nice. But all committees work hard to get bills out of their committee. It's not just Appropriations. And I don't expect bills that come out of TNT to just go sailing through because we worked hard on them. So, again, I do think the debate should be the budget. I know the first year I was here, we probably spent a total of three hours on the budget, and that's all three rounds, so it is refreshing to at least have people talking about one of the main things that we're required to do here in this body is pass a budget.

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So I know some people enjoy it more than others, and I know the committee has worked hard to get it there. I don't think I've ever brought a bill in front of Appropriations Committee in my entire career. Yes, I've had some A bills, but not very many because we didn't have any money. So, you know, Senator Wayne, I've-- I-- I don't look at when I do something to help Omaha or wherever. I really haven't been keeping track of that to see once how much I've done here or how much I've done there because I do-- hopefully I look at it as a good for the state. And I think more of us probably need to continually look at that as, how does this benefit the state, how does this benefit the bigger picture, rather than just your district, which, you know, you're representing your constituents. I get that.

**HILGERS:** One minute.

**FRIESEN:** But we need to make the state better. Thank you, Mr. President.

**HILGERS:** Thank you, Senator Friesen. Senator Wayne, you're recognized.

**WAYNE:** Thank you, Mr. President, and thank you, Senator Friesen. I, too, have brought bills to actually fund the districts you speak about, and actually the cost is around \$500 million. You look at the Property Tax Credit Fund, we have that money, so let's move the Property Tax Credit Fund to funding TEEOSA to make sure all school districts are funded and they can lower their rate and you can still have property tax credit. We can do that on the floor. There's-- there's enough bills that have been introduced to cover all those sections of topics, and we can do that amendment and I will cosign it with you today. But as property taxes have raised in the ag community, let me tell you what happened during that same time in my community. Cell phone tax went up. OPS pass the override. Their property tax went up. Our occupation taxes have gone up. And if you live in the SIDs, your taxes have gone up. Property tax have been felt across the entire state. So, Senator Friesen, if you are willing to move money and support that effort out of the Property Tax Credit Fund to the other tax credit fund, we got enough days left. There's not a whole lot of debate on the budget, it seems like. Let's put a bill and bring it to the floor. There's enough bills in Education. There's enough bills in Revenue around funding. Let's solve it here. I'm willing to do it. We got enough money on the floor that we can hold every school harmless for at least two years, because I know the numbers of what it costs per kid across the state, because I've introduced bills on it pretty much every year except for this year. So it's around \$500-600 million,

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depending on what you want to start with a fund-- fundamental foundation aid. We can have a simple formula that consists of poverty, foundation aid, English as a second language, and we'll add sparsity to make sure that the poverty and the sparsity balance out so rural and urban can actually have an equitable distribution of funds. It's \$500-600 million. There's money on the floor of \$200 million. We have \$1000- or \$1 billion in property tax relief over the next two years. I don't see why we can't fully fund education through the next two years. So if you're willing to have that conversation and you're willing to do it, I'm willing to put in the time over the next two to three weeks to put a bill out on the floor that we can get it done. And with that, I'll yield the rest of my time to Senator Friesen.

**HILGERS:** Senator Friesen, 2:30.

**FRIESEN:** Thank you, Senator Wayne. It would be an interesting piece of work to try and get done in time. God, do I take him up on it or not? I think we've got our work cut out for us. But that-- that's the point and-- and I think both of us agree is that we haven't funded education properly. We have done this Band-Aid and we've been doing it for a lot of years. We do it because that's the way we've always done it. And I've-- I've always joked in the past that until I come up with a billion dollars, I can't talk about TEEOSA. And so I-- I-- we're getting close. We're-- we're getting that funding up there. Pretty soon we're going to be able to discuss changing TEEOSA to where every school at least receives some basic form of funding from the state, instead of providing just with property tax dollars, which some schools are pretty well solely funded. We get less than a half a percent of their-- their needs in state aid. So I think it's a challenge that we all need to be thinking about and see once if we can do it. And I think we're getting to the point where we're getting the money together where we actually could have a conversation where I don't want to-- I've always said I don't want to hurt the larger schools. I just want our schools properly funded. And so I-- I continue to look for that solution. And with that, thank you, Mr. President.

**HILGERS:** Thank you, Senator Friesen and Senator Wayne. Senator Wayne, that was your third opportunity. Senator Briese, you're recognized.

**BRIESE:** Thank you, Mr. President. Good afternoon, colleagues. Senator Wayne, I'm not going to take you up on that proposition to do away-- to do away with the Property Tax Credit Fund. Property Tax Credit Fund is fair. It's effective. It's easy to understand. Admittedly, Property

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Tax Credit Fund is ag-friendly. It's rural Nebraska-friendly. But let's compare that to something that's not rural Nebraska-friendly. Look at the TEEOSA formula. Look at state aid to our public school students. I've got a school district about six miles down the road from me. I just looked it up and they get about, from the state in terms of state aid, about 85 bucks a kid. I-- I looked again thinking that was a misprint. But that's-- that's how my math comes out, \$85 a child. Compare that to OPS who gets \$5,500 dollars per child. And so there's a lot of disparities here we can talk about. We could talk about unfairness and-- but it works both ways. And the urban-rural, you know, urban and rural was used in the context earlier that there's some kind of divide, there needs to be some kind of divide. We're working, pulling in opposite directions. We can't let that happen. We have to be pulling in the same direction. And I think we do try to pull the same direction. This morning, I just signed off on a bill to dedicate \$50 million to the Space Command, if that thing happens. Last July, I signed off on something that's probably going to send or could send \$300 million to the UNMC project in Omaha. I signed off on the Imagine Act that's going to be weighted towards urban Nebraska. I supported your LB544, Senator Wayne, and I intend to support your sales tax exemption on water. But again, we have to work together on these issues. We can't be talking about urban versus rural and complaining about who gets what. We have to work together for the overall good of the state, and I would encourage everyone to do so moving forward. Thank you, Mr. President.

**HILGERS:** Thank you, Senator Briese. Seeing no one else in the queue, Senator Flood, you're recognized the close.

**FLOOD:** Thank you, Mr. President. Could I have a call of the house?

**HILGERS:** There's been a request to place the house under call. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 21 ayes, 2 nays, Mr. President, to place the house under call.

**HILGERS:** The House is under call. All unexcused senators please return to the Chamber. All unauthorized personnel please leave the floor. The house is under call. Senator Flood, you wish to proceed with your closing?

**FLOOD:** Yes, Mr. President. Thank you, members, for the time that you've afforded this today. I want to explain what this is and where



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it came from and how it got here. So AM891 amends what is the mainline Appropriations bill. You'll note in your budget book, on page 235 under the Nebraska Arts Council, Agency 69 printout here, that the committee heard LB264, which is a bill that was actually introduced by Senator Stinner. And he did that with the support of the Nebraska Arts Council. And the committee appropriated the \$100,000 that was requested by LB264 for the purpose of providing competitive grants to communities investing in cultural districts. Honestly, I did what I think we're all supposed to do. I got my budget book. I read it over the weekend. I made some notes. I looked at what I thought were the right numbers and the wrong numbers. You know, everybody's got their own opinion. And I-- I truly respect the Appropriations Committee. And you can't write a state budget on the floor, but if you do your job as a state senator, and I think all of us do, I looked at the \$100,000 and I have an issue with dosage. If we're going to commit to a program, then let's provide it enough money so that it's successful. And I know that you're not going to mobilize people in a lot of communities with a \$10,000 planning grant or a \$10,000 grant to do something. I feel strongly about this and you're going to hear more about it this session. But at your desk, you should have an article. It's called "The Creative Sector: A Proven Economic Catalyst for Rural America." And if you look inside there, you'll see that Nebraska is mentioned under the leadership of Governor Ricketts. "Two out of three rural businesses report that arts and entertainment are important to attracting and retaining workers." Here's the challenge we have in rural areas. You grow up in Pierce. You grow up in Neligh. Maybe you grow up in Hoskins or even Norfolk. You are not an athlete. You are interested in other things and you don't have the chance to express yourself that you find when you go to the University of Nebraska at Lincoln or to Dallas or to Denver. What I'm saying is that we can grow our rural communities using arts and culture, and it is what the USDA calls, according to a actual study that was also cosponsored by the National Endowment for the Arts, quote unquote, the secret sauce for those prospering areas. It's their ability to leverage their creative-sector assets to analyze-- to catalyze economic and workforce development. Here's the reality. In my community, we have an overabundance of low-wage, low-skill jobs. We have a lot of people that are working at pork plants and that are working in jobs that don't require any postsecondary education, and in some cases not even a high school education. In the next ten years, America is going to use automation to change the face of where we're going. There will not be 1,200 people working at the pork plant in Tyson-- at Tyson in Madison. There'll probably be 400 and there'll be more machines. The

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pigs will come in. They'll get-- you know, they'll-- they'll separate the meat from the hide. They'll work it all down the processing line. And it's not going to take 1,200 people standing six feet apart. Things are going to change. What you can't-- and I really believe this. What you can't automate is creativity. The information economy requires people that can think creatively and create in the information economy.

**HILGERS:** One minute.

**FLOOD:** And this is what this does. This is a-- this is an investment. I know that some of you that are voting no are voting no because you're doing it out of deference to the Appropriations Committee. I expected that when I started this. But I'm asking you to vote yes to help put us on a path in the next ten years to provide the kinds of opportunities in communities that you can't automate. You aren't going to get another smokestack in your community, but you can do this and it is the way that economic development is going. So with that, Mr. President, I would ask for a-- I'll start with a machine vote. Actually, no, let's do a roll call vote in reverse order and just mix it up.

**HILGERS:** Thank you, Senator Flood. All unexcused senators are accounted for. The question before the body is the adoption of AM891. A-- a roll call vote in reverse order has been requested. Mr. Clerk, please call the roll.

**CLERK:** Senator Wishart not voting. Senator Williams-- Senator Williams voting no. Senator Wayne voting yes. Senator Walz voting yes. Senator Vargas not voting. Senator Stinner voting no. Senator Slama voting no. Senator Sanders voting yes. Senator Pansing Brooks voting no. Senator Pahls-- Senator Pansing Brooks, did you-- what-- what-- how do you want to vote, Senator? Senator Pahls not voting. Senator Murman voting no. Senator Moser voting yes. Senator Morfeld voting yes. Senator McKinney voting yes. Senator McDonell not voting. Senator McCollister not voting. Senator Lowe voting yes. Senator Linehan voting yes. Senator Lindstrom voting yes. Senator Lathrop voting yes. Senator Kolterman not voting. Senator Hunt voting yes. Senator Hughes not voting. Senator Hilkemann voting no. Senator Hilgers voting no. Senator Matt Hansen voting yes. Senator Ben Hansen not voting. Senator Halloran voting yes. Senator Groene voting yes. Senator Gragert voting yes. Senator Geist voting yes. Senator Friesen voting yes. Senator Flood voting yes. Senator Erdman voting no. Senator Dorn voting no. Senator DeBoer voting yes. Senator Day voting yes. Senator Clements

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voting no. Senator Machaela Cavanaugh voting yes. Senator John Cavanaugh voting yes. Senator Briese voting yes. Senator Brewer voting no. Senator Brandt voting yes. Senator Bostelman voting no. Senator Bostar voting yes. Senator Blood not voting. Senator Arch not voting. Senator Albrecht voting no. Senator Aguilar voting yes. Senator McCollister voting yes. 28 ayes, 12 nays on the amendment.

**HILGERS:** AM891 is adopted. Raise the call. Mr. Clerk for an amendment.

**CLERK:** If I may, Mr. President, some items before: an amendment, Senator Pansing Brooks to AM-- or, excuse me, LB247. And Senator Pansing Brooks offers LR88 and LR89. Those will both be laid over. Mr. President, next motion, legislate-- Senator Cavanaugh, Machaela Cavanaugh, would move to bracket the bill until May 4, 2021.

**HILGERS:** Senator Machaela Cavanaugh, you are recognized to open on your motion.

**M. CAVANAUGH:** Thank you, Mr. Speaker. Congratulations, Senator Flood. You made an amendment to the Appropriations bill, so that can happen. That's good to know, everybody. I have a bracket motion to-- to hold on discussion on this bill until May 4. I picked that date because I know we've got a few Star Wars fans in here and "May the 4th be with you." So where to start? It's been an interesting day for me. For the folks at home, I want you to know I've put my flats on, no longer wearing my heels, because I'm going to be here for a while. We're all going to be here for a while. Senator Blood starts her remarks out every time, "Senators, friends all," and I always loved that: friends all. We should aspire to such a thing. I don't have too many friends in this body. I have very few, even fewer than I thought. Today is a great disappointment to me as a person, as a professional, as a colleague. Today has been the most disrespectful moment for me in this Legislature, and there have been many disrespectful moments to me in this Legislature. Last year, my priority bill passed in this Legislature and the Governor vetoed it. It passed in spite of the Speaker at that time seeking an AG's Opinion where there was no constitutional question. It passed because I did what was right. I mind my P's and Q's. I put up with physical intimidation. I made compromises for men in this body. I did what I was supposed to do, what you wanted me to do. I behaved like a lady. And what did it get me? Twenty-seven votes and a veto from the Governor and no hope ever of being able to override that veto. Thank you, friends. Thank you so much. There are so many things that I care about, but I really only push on the things that I think are the absolute most important for

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this state, things that I think are a moral imperative. And when it comes to children in this state, there is nothing more important to me. But it is clear that politics are more important to you all, especially our Executive Committee, who didn't even have the respect to tell me that they wouldn't vote for me for my own committee. Five people on the Executive Board did not vote for me for the Saint Francis Ministries Special Investigative Oversight Committee. I don't believe it has ever happened in this Legislature that someone created a special committee and wasn't put on it. If that is not politics at its purest form, I don't know what is. Senator Arch does not know more than I do about Saint Francis Ministries and Senator Murman doesn't know more than I do about Saint Francis Ministries, but they will be the representatives of my committee, on the committee I created. No Democrat from HHS is on the committee, no woman from HHS is on the committee, and certainly not the woman and the Democrat who created the committee, who stood here and took her lumps, who compromised with the Speaker, who compromised with all of you. And I'm not on the committee. I have been nothing but collegial to this body. I have worked with all of you. I have done what has been asked of me. How dare you. How dare you. This is beyond egregious. Why? Because I ask hard questions? Because I make people in authority uncomfortable? Too bad. That's my job. That is your job. But, hey, if you want to be puppets for the Governor, be puppets for the Governor. I have nothing left. I can be as bold and honest as the day is long because I have literally nothing left. All I have is time, and I am going to take my time and I am going to take your time. So October 25, 2019, HHS came, the department came to the committee to tell us how things were going with the transition to Saint Francis Ministries from PromiseShip, the train wreck, the fraudulent contract that Saint Francis Ministries themselves admitted was fraudulent. But that's OK. Senator Machaela Cavanaugh wasn't nice enough in the way she asked her questions, so she's not going to be a part of the investigation that would not exist without her because there is zero political will in this body to do the right thing. Cavanaugh: Thank you, Chairwoman Howard. Thank you, CEO Smith, for being here today. You and I have spoken about this, that there's a difference in the contract amount between PromiseShip and Saint Francis, and I was hoping that we could talk a little bit more about how that works, because I know no one here wants to provide lower quality service to our children, especially hearing what Senator Walz was saying about a child not receiving adequate services. This is our most precious resource, and we want to make sure that those dollars are being utilized and whatever amount is needed. So in June, the contract was awarded to Saint Francis Ministries at 60 percent

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less than what our previous contract with PromiseShip. Maybe you could illuminate for us how that cost savings is working with not cutting provider rates and not cutting salaries for workers. How are we actually realizing a 60 percent savings? Oh, my goodness, everyone. Clutch your pearls. Senator Cavanaugh, Machaela-- I don't want to disparage the other Senator Cavanaugh-- she just asked a question of the director, the CEO of DHHS, about budgets. Well, this is scintillating, isn't it, folks? Dannette R. Smith: So because of the lawsuit, I'm going to have a difficult time answering that. I'm not going to be able to answer that for you at this point. Once the lawsuit is resolve-- resolved, I'm sure I'll be able to discuss that information with you in detail. Cavanaugh: Now every-- everybody get ready. This is where I really lay into her. OK, so once the lawsuit is resolved, you will be able to provide an answer to that 60 percent cost savings. Dannette R. Smith: Yeah. Phew, it's getting hot in here, guys, gals, people. I mean, what was I thinking? Oh, I remember. I have a vagina, so that's a problem. I got it. Lady brain, lady brain-- phew. OK, so-- so it goes on from there, a little back-and-forth where I ask her some questions. She can't answer because they're in a lawsuit. And I say, OK. And she says she'll get those answers for me. And then, you know what I did next? The-- and this is really-- this is really when it gets outrageous, everybody. What I did next was I typed up my questions and I sent them to Chairman Arch to send--

**HILGERS:** One minute.

**M. CAVANAUGH:** --to DHHS prior to DHHS coming to our committee so that they could come prepared to answer those questions. I mean, the audacity, everyone, the audacity. I can't believe you haven't all had me censured so far. Phew, this is-- I mean, we're losing kids, we're losing providers, the courts are removing Saint Francis Ministries from providing services to our children because it is so terrible, but I asked questions and then politely typed them up and sent them on so that they could be answered. I just-- I don't know how you all can exist with me. I'm so mean. I'm so mean. I'm so disrespectful. Obviously, I'm so disrespectful that I don't even deserve the respect of a call of the house when I ask for it.

**HILGERS:** Time, Senator. Thank you for your opening, Senator Cavanaugh. Debate is now open on the motion to bracket. Senator Machaela Cavanaugh, you're recognized.

**M. CAVANAUGH:** So I think I have two times on this motion, so I'm going to take them. I brought this book today. I read it to my children last

night. I wasn't planning to bring it. My daughter just picked it out. It's a really beautiful story. And what I love about it is that it talks about this woman in Africa who left, left her home in Kenya and went to college and returned back to her village and saw a problem, and she worked to fix it. She was arrested and actually beaten by the police. The problem was trees, she planted trees. There had been a lot of logging going on in her village and all of the trees had been chopped down and no longer was there shade for the vegetables to grow, and so her village was turning into a desert. And she started to grow seedlings. And then she started to give away those seedlings to other women in her village and she would pay them if they could keep it alive for three months. So she was creating this economy for other women. She was building them up, lifting them up. And as a result, they started to have trees again in their village, and then other villages started to adopt the same thing. And with those trees came food because it came, shade. With the shade came the food, and with the food came resources. One woman, after being beaten by the police, the story says, and still she stands tall. It's a picture of her in a cell. Right is right, even if you're alone. Right is right. What happened today wasn't right. I know I don't stand alone in this body, I know that there are those of you that stand with me. I know that there are those of you that are just as outraged as I am. So this woman, her name is Wangari, and in the book she's in this beautiful blue and turquoise dress with a headdress, as well, that matches. It's very lovely. And Wangari creates a new economy because she had the will to do something. She saw a problem and she sought to solve it, and she tried to bring other people together to solve it with her. And somehow the Executive Board, five people in this body, did not see what I was trying to do, certainly didn't value it, certainly didn't value me as a colleague. Not a one of those five people ever spoke to me, ever spoke to me about any concerns that they had about me leading my own committee, committee that I created, that no one else in this entire Legislature, 48 other people, did not seek to create this committee. I did. Disappointment doesn't even begin to ex-- express how I feel right now. Every time I think you all can't go any lower, you-- you prove me wrong and you go lower and you go running over to the Governor's Office and you do what he says and what he wants.

**HILGERS:** One minute.

**M. CAVANAUGH:** The Governor is not going to be unscathed in this. And since I won't have the process, that I won't be able to participate in the process of unearthing what is happening with Saint Francis Ministries, then I will take it here and I will share it with you all,

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the information that I have. This is clearly the Governor's Legislature, if things like this are happening. It'd be great if anyone wanted to come speak now, but maybe that takes too much courage. I will put myself back in the queue yet again.

**HILGERS:** Thank you, Senator Cavanaugh. You're next in the queue. You may continue.

**M. CAVANAUGH:** Of course I am, because right is right, even if you're alone. So they came in January, January 22, 2021. And they just-- oh, I'm sorry, I should back up. They came in January 2021, when Senator Arch, Chairman Arch was Chair of the HHS Committee. They did not show up on December 16, 2020, when Senator Sara Howard was Chair of the committee. They disrespected the female Democratic Chair of the committee, but showed deference to the Republican Chair, male Republican Chair of the committee, some deference. I mean, I wouldn't say it's very deferential to show up seven days before you renegotiate a multimillion-dollar contract with a failed agency, but they showed some deference by showing up at all. So in December, they didn't show up and what the records will show-- you'll all eventually find them out, and I'll be sure to make sure you all know, but what the records will show is that Dannette Smith knew about the financial insolvency of Saint Francis Ministries in November and did not share that with our committee and began working on renegotiating a contract with Saint Francis Ministries in early December. And then on December 13, DHHS directed Saint Francis Ministries to not show up to our committee briefing on Saint Francis Ministries and the Eastern Service Area on December 16, something that, again, I mean, I guess these are really monumental things. Sexism is not alive in this state. I mean, never before has an agency failed to show up to brief a committee when they scheduled it around the agency, but when we have a female Chair, it happens. Never before has a senator not been put on a committee that they created, but when we have a female doing it, I guess it happens. Golly, this will be a real study for the ages. So December 16, they don't show up. We hear from a lot of different people with a lot of concerns about what's going on, and then we find out on January 22 that they're inking a new contract seven days later. We just had a very robust debate over a million dollars. Senator Flood, was that a million dollars?

**FLOOD:** Yes.

**M. CAVANAUGH:** Yes. We just had a robust debate over a million dollars, and it was impassioned. It was impassioned. And here I am talking



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about a multimillion-dollar contract that actually hurts children and I see very few people even paying any attention whatsoever. So, OK, so they-- they don't show up to things. They're working a deal behind our backs. Appropriations apparently only cares about how other senators act about the-- about appropriations. We don't really care when departments are just moving millions of dollars without our authority--

**HILGERS:** One minute.

**M. CAVANAUGH:** --or consent [RECORDER MALFUNCTION] You say time?

**HILGERS:** One minute.

**M. CAVANAUGH:** OK. And is this my last time speaking?

**HILGERS:** I believe you have one more. You have your close left.

**M. CAVANAUGH:** OK. Well, I guess I'll-- since nobody else is talking, I'll be closing shortly. So-- so we have that and-- but that's all OK, because I'm rude. I'm rude. Senator Machaela Cavanaugh is rude, therefore she will be taught a lesson, and today's lesson is that the Governor always wins. The Governor always wins. You're welcome, Nebraska. We can abuse our children and the Governor wins. We can misappropriate funds and the Governor wins. But if Senator Machaela Cavanaugh is rude in the eyes of men.

**HILGERS:** Time, Senator. Thank you, Senator Cavanaugh. Senator John Cavanaugh, you're recognized.

**J. CAVANAUGH:** Good afternoon. I'm probably the second to last person you want to hear from, but I guess I couldn't stand the goading. So I rise to comment and trying to organize my thoughts and I would say that my thought is the classic, I'm not angry, I'm disappointed. We had a robust debate about how-- why we should do this committee, how we should structure the subpoenas to make sure that we're protecting our authority and make sure we're doing the right thing. And part of that debate, all of that debate happened because Senator Machaela Cavanaugh's work with the committee to get it out of the committee, to bring it out and to have that conversation. It's an important conversation. She has done a lot of work on it ahead of time. She knew-- she knows she has those binders. She has all that information. She knows where the bodies are buried or at least the ones that we know about and the ones that we're trying to find out about. And so, I think the logical thing would be to put the person with-- who's done a

lot of the work on the committee, it seems smart. It seems like the right thing to do. I didn't put in for the committee because I wanted to make sure that there was space for the people who knew more about it than I did. I voted for it because I've seen the story develop in the paper before I was in the office-- in this office and I've heard the conversations here. I watched the hearings. And so I knew this was an important thing that we should do and I kept my conversation to the nature of the subpoenas because that is part of how this institution functions and how it should go forward and making sure that this-- this is not just about an investigation about this one thing, which is what it is about. It's about this, but it is also about process and about how we get to the answers and to hold the administration accountable. And I wasn't in the room for this vote. I don't know what happened. I don't know how this came about. I would point out not to throw anybody under the bus, but Senator Clements, you voted against the committee and you appear to be on the committee. I purposely didn't put in for it because I thought it was so important. I don't know why you'd vote against it and put in to be on the committee. So that's a question that I have about process, I guess. But I know full well that there are different camps of how people feel about people here. And I know I'm in a unique position as it pertains to relationships with everyone in this body. And I think I've worked hard here to stay agnostic, but I do think that we should not let personal issues get in the way of what we're supposed to be doing here. I think we've had a couple of good spirited debates and I had a-- I guess, an issue with Senator Kolterman yesterday that-- with his bill and I didn't follow the right process, but he and I talked about it afterwards. And I think we kind of smoothed out the rough edges on that conversation. The personal-- there's personal issues here and there are what we're supposed to do. And we should always try to figure out how to do the right thing, regardless of how you feel about the individuals. The ideas and they-- the ideas and they deserve their day, their hearing in this building, in this hall, and they-- the process deserves the right people to do it. So I think that's a question that some people should answer, why we chose to do what we did. And I do think that that we had a long conversation about the integrity of the results of this investigation and I do think that there may be more questions about that to come. So I, again, not angry, just disappointed.

**HILGERS:** Thank you, Senator Cavanaugh. Senator Pansing Brooks, you're recognized.

**PANSING BROOKS:** Thank you, Mr. Speaker. I rise to just say a couple extra words about all of this. There were efforts before session to promote collegiality. There were efforts to make sure that we could all be more collegial and able to decide on issues, not on the person bringing the bill, not on the person applying for the position on a committee, but because it's the person with the most knowledge or the person that's the best suited to do this. There were two opportunities for Senator Machaela Cavanaugh to be voted on to that committee. Actually, in the-- in the first, we voted first for the Health and Human Services people, and there were two opportunities. Two people were supposed to be on that committee. And the only two people spoken about were Senator Arch as Chair of the committee and Senator Cavanaugh as bringer of-- as the person who brought the committee study, the Special Investigative Oversight Committee study. And no one else was mentioned, but yet Senator Cavanaugh was not chosen. Then we got to the at-large members and there were about three people who were available to be chosen for that position. I'm not saying that-- that who-- the person chosen wasn't good, but there were two opportunities to put Senator Cavanaugh on her own committee, and it didn't happen. I made comments that this was going to not turn into a good situation, but we decided to go ahead. People are saying, well, she's too outspoken on some things. Well, I'm outspoken too. A lot of us are outspoken. There are many of us in this body that are outspoken and care about our issues. And we may-- we may talk about them in a different way and you may not like the way that I come forward and speak about an issue, and I might not care about the way you do it. But you know what? Almost 40,000 people voted for each of us. Almost 40,000 people said, yep, that's our girl or that's our guy. And to disrespect somebody, I've talked to so many people, no one has ever heard of the person who brings a-- a study or a committee or a Special Investigative Committee not being allowed on that committee. And I've had a couple of comments saying, oh, well, see, this is why she didn't get on, she does something like this. That's a bunch of baloney. She's doing something to make the point. And Senator Cavanaugh, of course, John Cavanaugh spoke about his disappointment. That's disappointment as a-- as a sibling, but it's also disappointment as a colleague. And I feel that same disappointment. I don't think it's right. I also know that Senator Murman got on both committees that we were voting on and now all of a sudden we're saying, OK, well, Senator Murman can be on-- we're going to take him off of one of them. Why not take him off of the Special Investigative Committee and let Senator Cavanaugh be on one? And Senator Murman will still be on the YRTC committee. That would be a really good solution. That would be a great way to handle

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it, but oh, no, we don't want to do it that way. Oh, my gosh. Why are people afraid of somebody in this-- in this body? I'm just so surprised. And it was quite clear how it was going to work out that-- that Senator Cavanaugh wasn't going to get it, although it wasn't clear because no other name besides Senator Arch and Senator Machaela Cavanaugh came up in our discussion.

**HILGERS:** One minute.

**PANSING BROOKS:** So to me, it wasn't exactly clear but, for it to have happened, it must have been a determination that we are not going to put her on. So I think it's really too bad. I think when we talk about collegiality, it means to all. I want Senator Cavanaugh to understand that she does have friends in the body. If you don't appreciate some of the way she goes about it, remember, we don't always appreciate the way you go about it or the way I go about it. So let's think about this. Senator Murman could just switch and be a really, really easy way to handle this. Senator Murman could go on that YRTC committee and leave his space open, and then Senator Cavanaugh could go on that committee, the-- the Investigative and Oversight Committee. I think that's a good way to handle it and I would be in favor of that. Thank you, Mr. Lieutenant Governor, or Mr. Speaker.

**HILGERS:** Thank you, Senator Pansing Brooks. Senator Wayne, you're recognized.

**WAYNE:** I yield my time to Senator Machaela Cavanaugh.

**HILGERS:** Senator Cavanaugh, 5 minutes.

**M. CAVANAUGH:** Thank you, Senator Wayne, and thank you, Senator Pansing Brooks and Senator Cavanaugh, for your support. So, yeah, this is where we're at everybody. We've hit that-- that stride of we're not going to pretend anymore to be nice. The gloves have come off and you all are sucker-punching me. Thank you. Appreciate it. Uh, Senator Pansing Brooks made a statement about other people are outspoken in this body. That's true. Most of them are men. Yeah, Senator Stinner was pounding his fists a little bit ago. Nobody's mad at him. Senator Groene loudly states his opinions whenever he has opinions. Nobody's mad at him. What do these things have in common that I don't? Gosh, it's a real head scratcher. Could it possibly be that they're men and Republicans? I am neither of those things in this nonpartisan body. Senator Hunt said, I can't remember now which bill it was on, but it was saying the quiet thing out loud. I'm going to say the quiet thing

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out loud, but I'm going to say it quietly so that anybody who wants to hear it has to listen. What I am most hurt by in all of this is that I worked really hard on this with my colleague and who I thought was my friend, Speaker Hilgers, and he voted against me. He stood on this floor and talked about how hard we worked together and how collegial it was. He told me several times how he enjoyed working and compromising with me and not only did he vote against me, but he didn't tell me. Didn't have the decency to tell me that I was too rude and doesn't have the decency to look at me now as I talk. I yield my time to Speaker Hilgers.

**HILGERS:** The time was yielded by Senator Wayne cannot be yielded to another Senator.

**M. CAVANAUGH:** I was yielding it--

**HILGERS:** Senator McCollister, you're recognized.

**McCOLLISTER:** Thank you, Mr. President. Good afternoon, colleagues. I, too, am disappointed in the result of the LR29 committee. And it seems to me that this committee as it's currently composed, isn't going to be as effective as it could be. We need to remember is there are three branches of government and the legislative branch is certainly separate from the executive branch. And in order for the executive branch or the legislative branch to be the most effective, we need to put our best champions on these investigative committees. And it seems to me that with the current composition of the committee that we are unlikely to see the kinds of information we need to be-- do our proper job in this body. I won't belabor the point. I'm disappointed in the composition of the committee. Thank you, Mr. President.

**WILLIAMS:** Thank you, Senator McCollister. Senator Hughes, you're recognized.

**HUGHES:** Thank you, Mr. President. Good afternoon, colleagues. I do want to visit just a little bit about the process that the Executive Board used to choose the members of the LR29 and the LR25 committees. As you all remember, you received an email going out to you requesting whether or not you were willing to participate in those committees. We had a very good selection of senators who were willing to serve. We did have criteria that needed to be met of Health and Human Services Committee work, Appropriations Committee work, Government Committee work and Judiciary Committee work, plus one at-large that had to be from Douglas or Sarpy County. The committee met. I'm a little

surprised that Senator Cavanaugh, Machaela Cavanaugh, knows what the vote count was. I don't know what the vote count was. I don't believe-- I don't know how she knows that. I do appreciate Senator Murman. He did apply for both committees. Since he was appointed to both committees, I did visit with him and he sent me an email requesting that he be removed from the LR25 committee, the YRTC committee. I have since talked to Senator Walz because she did apply for the LR25 and withdrew her name prior to the vote because she was concerned about knocking another senator off. Since that time and after Senator Murman let me know of his desire to be off of the LR25 committee, I have privately visited with each member of the Executive Board and apprised them of Senator Murman's desire to be off of that committee and apprised them of my intent to visit with Senator Walz to fill that spot because she is HHS committee member and Senator Walz has graciously agreed to do that. So I appreciate the challenges that we have filling these committees. I feel bad that Senator Machaela Cavanaugh is so upset about not being on there, but we chose the pity-- the-- the members of the committee that we felt would do the best job. We have a problem with St. Francis Ministries. We have a problem with our procurement process and tackling both of those problems is what this Special Investigative Committee is charged with doing. It's very important that they have the full backing of this Legislature. We are certainly going to give them subpoena power if they need it and choose to use it to get to the bottom of this issue. The vote happened. It's the same thing that happens on the first day. It's the same thing that happens on Committee on Committees. It's the same thing that happens in each committee. We're on those committees, we're charged with doing a job, doing our best job that we can, the best way we know how, and some people don't like it. I can't help that. But it's the way it is, it's our process. Thank you, Mr. President.

**WILLIAMS:** Thank you, Senator Hughes. Senator Blood, you're recognized.

**BLOOD:** Thank you, Mr. President. Fellow senators, friends all, I actually stand in support of this motion that's been brought forward by Senator Cavanaugh because she's trying to prove a point today. And I've been listening very closely, trying to think about what would be the-- the most productive thing I could stand up and say today. I want to say that I like every senator in here. Every senator, but I can also tell you that I don't like every senator's behavior, especially when it comes to being divisive, because we are to be a nonpartisan body here in Nebraska, which is supposed to be for the greater good of all Nebraskans. In fact, I had some very intense conversations this

morning with some constituents because of a senator in this body that posted some really unkind things about other senators on their social media. But, of course, I'm always willing to step up to the plate and participate in those conversations and point out that not all senators want to be divisive and some of us want to move Nebraska forward without being jerks. With that said, I think there is this very weird dichotomy that when certain individuals stand up and they literally open their hearts and their souls and tell you exactly how how they're feeling, there's this weird discomfort in the body. Certain individuals can stand and yell at you and that person is passionate and that person is-- is enthusiastic, but when other individuals do that they're harpy or they're overemotional. So what's the line between one person doing exactly the same thing that the other person may be doing, but being judged differently? And I think one of the things that you might notice when we compare those two people is that the one person constantly has other people talking and disrupting and nobody uses the gavel, while the other person might talk for two or three seconds, if it's loud, and that gavel goes down. There are a lot of things that those of us that stay here on the floor all the time notice, but we keep it to ourselves because we don't want to stoke that fire of discontent. But then what happens is it builds up in people and then everybody is so surprised when people lose it on the floor. Why would you be surprised if you were constantly-- constantly repressed about what you said and how you said it? Everybody almost-- I don't think we have any appointments anymore. Everybody in here worked their butts off to get here and deserve to be here and all deserve the same respect. And you may like them or not like them. And again, I would like to say again, I like everybody. I don't always like your behavior, just like you don't always like my behavior. But my goal really is to try and be kind to everyone and to try and be nonpartisan, and I show that I think frequently in what I say and my actions. But with that said, I just hope that-- I can hear people talking too loud now. I just hope people are more courteous about the feelings that people stand up and show and understand where it's coming from. Today is an opportunity for us to have a lesson. We can learn from what's being said on the mike today instead of being annoyed by it or-- or deciding that we don't want to listen to it today. This is a learning opportunity for us today, friends, and again, friends.

**WILLIAMS:** One minute.

**BLOOD:** It's not easy to stand here and bare your soul. And I respect the fact that Senator-- Senator Cavanaugh did do that today. And if



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you think it's easy, I think you need to go and have a face-to-face with her because it is hard work to stand up and speak your truth in this body. Thank you, Mr. President.

**WILLIAMS:** Thank you, Senator Blood. Senator Day, you're recognized.

**DAY:** Thank you, Mr. President. I yield my time to Senator Machaela Cavanaugh.

**WILLIAMS:** Senator Machaela Cavanaugh, you're yielded 4:52.

**M. CAVANAUGH:** Thank you, Mr. President. I'd like to address some of the comments that Senator Hughes made. Um, it's simple math, Senator Hughes. I know what the votes are because four people told me they voted for me and I'm not on the committee. I additionally know that Speaker Hilgers did not vote for me because I went to him directly and he told me. So, it's very simple math for me. If four people I know voted for me, I didn't get on the committee, which means I didn't get five votes. That means five people didn't vote for me and one of them told me who they were. I now know who the other four people are. It's very-- I mean, I didn't go to the greatest grade school. We didn't have grade-- Senator Cavanaugh is nodding. We didn't have the greatest math program, but I can-- I can add and subtract from nine. So that's how I knew. That's how I knew. You probably-- well, no, you shouldn't have done anything. You clearly don't respect me. So you posture that this was out of your hands and it absolutely was not out of your hands, you could have voted for me. You could have done the right thing, Senator Hughes, and you didn't. It's not out of your hands. There were three opportunities to put me on that committee, and you didn't take a single one of them. In fact, you passed me over for three men. I know people want to get to a vote on the budget and then there's another budget bill, and I just want to be transparent that we're not going anywhere. We're not. We have now, as a group, come to a screeching halt. And you can thank your Executive Board for that. You can blame me if you like, but you can thank your Executive Board for that because they did a bad thing and they know it. I guess you could also thank the Governor because they did what the Governor wanted and they know that too. There is a-- the Young Republicans of Omaha were tweeting, asking if I've cried yet today. Back to Senator Flood's point, the sexism is unbelievable. Someone in this body, a man in this body, can scream red-faced and pound their fists and there is no comment about it. But I get emotional about children and their welfare and it's-- I mean, it's hot gossip, everybody. Goodness gracious. I know everyone has their own reasons for being in this

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body. My reason for being in this body. When I worked at the University of Nebraska, I did a deep dive into what they're paid leave program was. And I found out that it benefited me if I were to have a child, which I did while I was there, that I could take really upwards of six months off if I needed to. But I could take 12 months paid. I could take six months paid too, just to be clear. But if I were an hourly employee, it would take five years of working and taking not a single day of sick leave or vacation to accrue enough time working at the University of Nebraska to take 12 weeks--

**WILLIAMS:** One minute.

**M. CAVANAUGH:** --paid maternity. So that sent me on a journey and I worked my way through the system. I talked to the Vice Chancellors at campuses. I talked to the Fiscal, I talked to HR, I worked and I worked and I worked, and I went through every step you're supposed to go through when you work somewhere to try and effect change. I talked to the Board of Regents about it and no one had the appetite to do anything about it. So I thought, who can do something about that? The State Legislature. So I ran. I know I only have a few seconds left, so I'll continue the story at another time.

**WILLIAMS:** Thank you, Senator Cavanaugh and Senator Day. Senator Matt Hansen, you're recognized.

**M. HANSEN:** Thank you, Mr. President. I rise-- well, first of all, let me start by thanking Senator Machaela Cavanaugh for her effort and her steadfast pursuit of kind of the truth and safety for the youth in our system. Served in the Eastern Service Area and the shepherding of the LR29 committee through the Legislature. Creating a special committee is not an easy thing. It is something this building-- this body has been hesitant and reticent to do, especially to use the term, you know, investigation as opposed to oversight, but especially to grant subpoena powers. So I think the people of Nebraska, the children of Nebraska, are really lucky that we do have a steadfast advocate like Senator Machaela Cavanaugh in the body. Just-- I'm sure it's going public now. I don't know if anybody's tweeted out or shared, but I'm one of the members who are currently got appointed over the lunch hour to serve on the committee. And I serve and have the opportunity to serve as a member of the Government Committee and presumably to partially cover the aspect of contracting, since our contracting process is something that comes through the Government Committee. And we've had other senators, including Senator Kolterman propose reforms already. And I think that's something that's going to have some

scrutiny and some oversight from that process. I will say and I would say this is something a problem that we as a body could correct. We as a body could fix. As Senator Hughes has already indicated, he has tried to kind of solve some issues with the other committee, the LR25, YRTC Committee, by executing some leadership and asking people to give up a spot, trade a spot, and kind of coordinate some votes on the Executive Board to fill that vacancy. If that's the route they choose to go, I fully support that. And I recognize that the Exec Board does have the agency to coordinate on some level and try and have some appropriate fits when necessary. Personally, I think having an LR29 committee without the prime advocate is a strike against its credibility. And having spent so much time on the debates over the course of the three days talking about the importance of having an independent Legislature, the importance of asserting our oversight and the importance of being a strong third branch of government, I think we're very mindful to recognize how we could have some sort of credible committee and committee process. Personally, I would be willing to trade my seat to Senator Cavanaugh if that was appropriate and possible, but I believe serving as the Government Committee member, it's probably not possible. So we'd need one of the other members to step up and do that. So we're going to have to figure out what's going forward. We're going to have to figure out what's-- what's the appropriate thing to do to make sure we have a credible body. We've already had the issue with the double stamp on subpoenas and what is the appropriate method of Oversight? What is the appropriate role of-- of the body. So looking forward, where at something we're going to have to continue to monitor, including especially as we keep pulling at this string and keep pulling on what is potentially a very complex and messy situation. I'm appreciative that we've had a diverse group of stakeholders who are interested and a diverse group of senators who are interested in applying. In some ways, I'm appreciative that Senator Clements who opposed the creation of the committee is interested in serving because hopefully that shows an independent recognition of the mood of the body to look deep at an issue--

**WILLIAMS:** One minute.

**M. HANSEN:** --as opposed to-- thank you, Mr. President --as opposed to simply just-- yeah, as opposed to just simply the show of the desire of the committee. I will say I'm-- I'm honored to serve. I'm happy to serve. I'm glad the Executive Board had chosen me. I actually didn't intend to apply and was encouraged to apply by Senator Cavanaugh because she encouraged, I think, a number of the members who

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ultimately got on the committee to serve and talk to a variety of different members of different aspects in different roles, in different committees, and in her interest in creating a truly kind of representative and balanced committee. And I hope that we have an ability to balance that forward. With that, I realize I'm about out of time, so thank you, Mr. President.

**WILLIAMS:** Thank you, Senator Hansen. Senator Hunt, you're recognized.

**HUNT:** Thank you, Mr. President. Colleagues, this is not a place of integrity or trust or respect. This is a place where people who don't really get along, who shouldn't really get along on paper, who sometimes through, you know, the magic of shared experiences and having a few beers at Billy's or what have you, or having a good thing happen on the floor, do get along from time to time. It's a place where we use tools given to us through the people who came before us here that we agree to through the rules like amendments, like committees, like putting together different coalitions, although we don't have any official partisan coalitions, we do put them together in different ways and different match ups. But this is not a place of respect, and I'm under no illusion that I'm owed any respect for being here. There is no amount of disrespect that could offend me or that could surprise me that any of you could serve my way. So, I think that it's worth mentioning when we're disrespected and when-- when we're not shown collegiality and everybody takes their turn feeling that way, but no amount of that could ever surprise me. The point was well made, I think, that there are people on the St. Francis Oversight Committee who didn't even support the creation of the committee, who didn't even want there to be one. And it's no surprise to me that people changed their votes or lied about their votes so that Senator Cavanaugh, who did the work, who whipped the votes up to get the committee created in the first place which was very difficult, as we all recall, was not put on the committee in the end. And I do think that that was a slight to her. She is a bulldog for children. She knows more about the St. Francis issue than maybe anybody else in this body. I've sat with her so many afternoons and late nights in our offices and she's telling me all of these things that she's discovered through her research and all of us kind of-- well, if we're good at this, I think you have a thing that you kind of cling on to where you find a little-- you uncover a little irregularity or something that seems ethically wrong or something, and you keep uncovering it and digging and you find that there's really something there. For me, I did that a bit with TestNebraska. I do that with different bills. For

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Michaela Cavanaugh it's whenever a child is involved and I admire her for that and I would yield the remainder of my time to her.

**WILLIAMS:** Thank you, Senator Hunt. Senator Machaela Cavanaugh, you're yielded 2:10.

**M. CAVANAUGH:** Thank you. Thank you, Senator Hunt. I appreciate those-- those kind words. I am passionate about children. I don't have as many children as my parents. My brother and I have multiple siblings. There's eight kids in our family. I have three children and I love them fiercely. And I say that because I-- it's after four o'clock and they might be watching because I'm sure their dad is watching now. Um, and I love Della and Harriet and Barrett with all of my heart, and I want every child in this state to feel that love as well. So I've had several people come up to me and offer-- to excuse themselves from the committee to put me on, and I've had one person who should and hasn't, and I have no semblance of thinking that they will.

**WILLIAMS:** One minute.

**M. CAVANAUGH:** Thank you. The disrespectfulness of this act against me, it's as Senator Hunt-- it's not surprising. I spoke with my husband about it last night, I didn't know that the vote was happening over lunch today, but I knew it was coming soon. And I said to my husband last night, I I wouldn't be surprised if they didn't put me on the committee. He-- he was surprised by that. He's like, why wouldn't they put you on the committee, you created the committee, who else would they put on the committee? I said, I don't know. But I ask questions and I'm not ladylike enough for this body, though, I will say I was once a debutante. The Omaha Symphony has a debutante ball and when I was in college, I was a debutante, so I was a debutante, everyone, yes, indeed. Very prestigious. I do not know how to waltz, however. But I don't fit into the constrict of what used to.

**WILLIAMS:** Time, Senator.

**M. CAVANAUGH:** Thank you.

**WILLIAMS:** Thank you. Senator Cavanaugh and Senator Hunt. Senator Wayne, you're recognized.

**WAYNE:** So I, thank you, Mr. President, so I find out now that I'm on the committee myself. So let me tell you what I envision on a committee. What I envision on a committee and I-- I don't fault-- fault is the wrong word. I appreciate Senator Hughes and Senator

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Hilgers, especially everything that's been going on from starting the session with COVID and everything that's going on. But I'm struggling with this not to put anybody down because I wasn't on the Exec Board. I don't know how the votes went. So I don't-- I'm not commenting anything directly. But I've watched this body for, oh, 20 years because when I was on the school board, I loved watching and I had bills down here and I can't remember when a committee that's been created, that the senator who created it not being on the committee. I just can't. That is neither here nor there. That's just a historical perspective and no future or past Legislature combined that's going forward, I get that. But let me just tell you what I envision and how I run Urban Affairs and how I envision, if I was ever chair of this committee, what I would want on the committee. I would want somebody who was extremely biased, who was a bulldog, who thought they did something wrong. Then I want somebody who's on the opposite side who said I take everything for face value of what they said because they're good-hearted, honest people and they made a mistake when they did a bid. Because somewhere in that conversation of diversity of thought, there is a truth, whether it's my truth, whether it's Senator Murman's truth, whether it's Senator McKinney's truth, whether it's Senator Hansen's truth, somewhere in there we all come up, or Senator Arch's truth, somewhere, we all come up with a truth. But without that diversity of thought, I'm concerned. I'm concerned because if I appoint legal counsel, if I'm chair or have staff, you know, and I'm not running for chair, I don't know if I am yet or not, but I'm just throwing out things. I need questions, I need people to-- this is an investigative committee, we want people who are going to dig in and who have buy-in and what more a person who has buy-in even if you think it is prejudicial, that's why you have more than one person on the committee. What person has more buy-in then the person who's worked so hard to bring it to the floor? That's where I'm struggling. But I wasn't in the committee hearing. I don't know. I got here at actually 1:15 today because I was trying to make a living before I came down here today. So I don't know all what happened, so I'm suspending judgment. But I want people in the-- in the body to think about that, to think about who we want to represent and how we give our vote to the committee to appoint-- the Executive Committee to appoint that. I will tell you there is nothing in the rules that says we can't change that committee on the floor. There is nothing in the rules to say that we can't do that and put pressure to do that, and that's part of what as a body we do. I'm not saying that because there isn't enough, but I think it's important to acknowledge the work people have done to get here. I'm not here to blast anybody because I

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don't know, even know how the vote went. I don't know even-- honestly, like I said, I got here at 1:15 and then we were talking about giving money to cultural districts. So that's what I was talking about. And I'm glad that bill passed, Senator Stinner, because I got a museum in Omaha we're going to figure out how to fund for a million. [LAUGH]

**WILLIAMS:** One minute.

**WAYNE:** That was a joke, but nobody's in a light mood right now. So I get it. I'm here. I'm just trying to support, but I do think we are getting into a critical point in the body and I think this is important for the body to understand, because I was at the point where many times I got on the floor and there was a motion and not just me and Senator Groene barking back and forth at each other, but other people where one of the headlines read that me and Senator Groene basically-- Senator Groene and I basically shut this down for three days because we were personally getting into it. So I want everybody to step back and just say what's best for this committee, what's best for the body, because we're all going to be dealing with personal priority bills, committee priority bills over the next 30 days, and we just need to think about that broader picture. Is there really going to be damage if this person or that person is on it? Is there really going to be X, Y and Z? But how should the committee and especially an investigative committee function? So I just want us to think about that tonight and not continue to maybe speak so emotionally today, because I don't understand it all yet.

**WILLIAMS:** Time, Senator. Thank you, Senator Wayne.

**WAYNE:** Thank you.

**WILLIAMS:** Senator Pansing Brooks, you're recognized.

**PANSING BROOKS:** Thank you, Mr. President. I just, again, want to point out that there are easy solutions to this. Senator Murman got on both committees. For some reason, the chair decided that he would-- that Senator Murman would be-- that he would ask him to just be on one and to be on the oversight committee. This is an easy solution. If Senator Murman would just go to the YRTC committee and-- and let Senator Cavanaugh be on the committee that she brought the-- the resolution on. And, you know. I don't know if any of you read Team of Rivals, but if you don't care for somebody or you think that they're too outspoken, pulling them into the circle is more powerful and more effective than keeping them outside. If you think Senator Cavanaugh is



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going to sit back and not participate and not throw pot shots and not talk to the press and not do whatever she can to make sure that all the information is received, then you've got the wrong person. And that's part of what I like about her. She is persistent. Yes, aggravatingly persistent at times, but that's important. That's a-- she is somebody that 40,000 people elected. She worked hard, as Senator Wayne said, and worked very hard to determine how to write this-- this committee oversight-- the oversight committee statement and how to-- and how to move forward on it. And, you know, it was passed out of the Executive Committee unanimously, except for the fact that she didn't get on the committee. And people are saying, oh, well, you don't know. Well, we know one person that admitted and then the others have admitted. So it's pretty clear what happened. And that's fine. But it just-- talk about collegiality, talk about kindness to one another. Should we start doing that, remove people who bring the-- the study and just say, oh, from now on, you're probably not going to be on it. Maybe I better bring a bill next year to say those who bring a study are the first people to get to be on it should they so choose. Maybe that-- I didn't know we needed to do that in this era of collegiality. But I guess that is what we're going to have to do now, because we have to now legislate collegiality, legislate kindness to another member who was brilliant enough to bring it up and bring this-- this-- this resolution to the body. Anyway, I give the rest of my time to Senator Cavanaugh if she wants it. And clearly, we could be going on with the rest of the budget if people were kind and collegial and wanted to make things work just like you would be treated. The Golden Rule. You want to bring a resolution and have a committee and you want to be kept off of it because someone doesn't like whatever you've said, I don't think so. I don't think so. Many claim to follow the Golden Rule, but in this case, we're not following it. Thank you. And I give my time to Senator Cavanaugh.

**WILLIAMS:** Senator Cavanaugh, you're yielded 1:34.

**M. CAVANAUGH:** Thank you, Mr. President. Thank you, Senator Pansing Brooks. Yeah, it's 4:15 and I'm-- I'm here. I'm here for everybody. I'm not going anywhere. I'm here for all of this. I'm here for this conversation. I have so many actual, genuine amendments that I have thought through diligently and purposefully and not vindictively to the Appropriations bill.

**WILLIAMS:** One minute.

**M. CAVANAUGH:** I have things that I think could be tweaked here on the Appropriations bill, and I never bring them because I read the whole thing and I found a couple of things that I was like, oh, this is-- this could be problematic. Maybe we should talk about that. But I didn't do it because it's not collegial. It's not collegial, it's not collegial, but apparently just stabbing your colleague in the back and your fellow committee member in the back is totally collegial, especially if she's a woman, especially, if she's a woman who's outspoken. Heavens to Betsy. Sorry to all the Betsey's out there. Didn't mean to invoke your names. I am outspoken unapologetically so. I'm also kind and loyal and tenacious and aggravating and delightful. I'm OK with who I am. I will show up for every single person in this body every single day if they needed me to.

**WILLIAMS:** Time, Senator. Thank you, Senator Cavanaugh and Senator Pansing Brooks. Senator John Cavanaugh, you're recognized.

**J. CAVANAUGH:** Thank you, Mr. President. Senator Pansing Brooks, I just wanted to say that I think there's a aphorism about which side of the tent you'd rather have somebody on. With that I'd yield the remainder of my time to Senator Machaela Cavanaugh.

**WILLIAMS:** Senator Cavanaugh, you're yielded 4:45.

**M. CAVANAUGH:** Thank you, Senator Cavanaugh. I always feel a little bit like, what's that movie? Is it Stripes, where it's doctor, doctor, doctor. When Senator Cavanaugh, Senator Cavanaugh. Um, well, folks, do we think we can fix this? Does anyone think this is right? Does anyone think this is right? I mean-- and you know what, the really-- I don't know if it's ironic necessarily thing about the committee is that I told Speaker Hilgers who I thought should be on the committee. I told him that I thought that Senator Arch should be on the committee. I told him that I thought that Senator Kolterman should be on the committee. I told him that I thought that Senator Geist should be on the committee, that Senator Sanders should be on the committee, that Senator Wayne should be on the committee. I'm sorry, Senator Clements, I did not tell him you, but I'm happy that you're there if you have an interest in it. I thought-- my-- my thought was Senator Dorn, since he has intimate knowledge of this type of investigation with the Beatrice situation. But-- but for the most part, besides myself and Senator Dorn, everyone I suggested for the committee was put on there. I served on the YRTC Oversight Committee for the past year. I didn't put my name in for that because I didn't want something like this to happen where-- where the committee would say, oh, we can't put her on

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both committees. And she asked for the YRTC and she's on the YRTC so we should put her back on that and not put her on her own committee. So I purposely did not do that. And I discussed that with other members of HHS, that I wasn't going to put my name on there for that very reason. And, you know, I just-- I don't get it. I don't-- I don't get it. I serve on the YRTC Oversight Committee with Senator Lowe and Senator Brandt, Senator Pansing Brooks, Senator Arch, Senator Groene, former Senator Howard, Senator Halloran, Senator Wishart, Senator Vargas. If I'm forgetting anyone, I apologize. It's a bipartisan committee. We did a lot of really great work. We did a lot of really great work on bills out of that committee. The proof is in the pudding with me. I've done it and I did an excellent job. I held people accountable when they needed to be held accountable and I sat back and I let others do the work when it needed to be done that way. The proof is in the pudding. You all voted for bills that came out of that investigation that I was a part of and I was an important part of. But now, whoo, now Governor Ricketts doesn't like it, so we can't put Senator Cavanaugh on there. It is --

**WILLIAMS:** One minute.

**M. CAVANAUGH:** --no secret that Governor Ricketts does not like Senator Machaela Cavanaugh. He has made that abundantly clear. He vetoes my bills for sport. He gets you all to pull off on things, he gets you all to get AG's Opinions out against me. Boy, if you don't like being called a puppet for the Governor, then stop being a puppet for the Governor. This is too important. But it also is clear to me that you're not going to fix it. That you're going to do what men do and you're going to dig in and you're going to beat your breasts about how fiery I am. Yeah, I am. I'm also smart. Maybe you're just--

**WILLIAMS:** Time, Senator.

**M. CAVANAUGH:** Thank you.

**WILLIAMS:** Thank you, Senator Machaela Cavanaugh and Senator John Cavanaugh. Senator Wayne, you're recognized and this is your third time.

**WAYNE:** Thank you, Mr. President. And colleagues, I-- I guess I-- I have faith that we'll get this right. I have faith that over the next 48 hours there'll be conversations and we'll-- we'll figure out how to make the committee represent the area that's affected by it. That's one of the-- and I just want to-- I know Senator Vargas is back there

talking about it. I just want to point out something to everybody. St. Francis serves the eastern district, which is Douglas County and Sarpy County. The committee actually has five rural senators on it that they don't even--now just rural, outside of the district, including one, Senator Hansen from Lincoln and Senator Geist from Lincoln. So not just rural, but senators who are not even serviced in this area. And I want to put that in perspective, Senator Erdman. If there was an issue out in your part of town and we did a special committee and the majority of them were from Omaha, you would be pushing your button. Senator Bostelman, you would be pushing your button. You would be saying that they don't really understand the issues in agriculture, in the ethanol plants, because there is a forum. We need to make sure the majority of the committee is at least representative of the people that are impacted in this area. So my argument doesn't have anything to do with what was talked about earlier, I just literally read the email of who's on the committee. My concern on the committee is it's not representative of the people the contract serves. So I hope the Executive Board is listening. This is a completely different argument that we just heard for the last hour. What we're talking about is it doesn't represent the people it serves. So if somebody wants to get feedback on how the contract is going, why would they contact somebody in Lincoln? Why would they contact somebody who is from O'Neill or represents the O'Neill area? We are creating an obstacle for this committee to move forward. I'm not saying it should be all urban, but when we talk about how controversial it was just to get subpoenas through or whether or not we could have subpoenas, when we talk about the vote that took place and part of this divide that we saw on the vote, this is a way for us to cure that. And this is a way in the next 48 to 72 hours to cure maybe a couple other issues. But I want us to think about that. If this was an ag issue, would you be OK with the majority of the senators on that committee coming from Omaha? And I really would hope a rural senator will stand up and be honest about this and say no, because I remember when we had my one year, Speaker Scheer brought all the people who introduced tax proposals in over the weekend. You know, who were left off of that conversation? Every urban senator, because I was one who introduced a tax bill that year. And that was part of the issue out no matter what result came from that, ag community felt this was an ag issue and we didn't need rural senators-- urban senators, and we especially didn't need the majority in that room to be urban senators. So we talked earlier, Briese, about the urban and rural divide, but this is that unintended consequences when we don't think through everything about how this looks, which was why I was so appreciative of the Executive Committee and so many, not

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just the Executive Committee across this body of talking about how the redistricting looks.

**WILLIAMS:** One minute.

**WAYNE:** And there were there were blunt conversations going on, on this floor, underneath the balconies with members about we got to make sure we have this. We got to make sure is this. We got to have diversity of thought. We got to have-- it was-- it was intentional. And we got a group that I think can work together that can get over 33 votes that are needed to probably move something. But I don't know if we can do that right now with how this looks. And it's not an insult because I wasn't there. I wasn't part of the process. I'm just hoping that we think about the things that were raised today, particularly this issue that I just raised and off the mike, on the mike, we could have a conversation. Thank you, Mr. Speaker.

**WILLIAMS:** Thank you, Senator Wayne. Senator McCollister, you're recognized.

**McCOLLISTER:** Thank you, Mr. President. Good afternoon again, colleagues. This is my seventh legislative session. And in my entire time here, I don't think that a sponsor of a resolution to form a committee wasn't ever selected for that committee. Unusual and uncalled for, I do believe. Senator Wayne brings up a very good point. The geographic arrangement for this committee is pretty improper. And you need more urban, more Omaha representation in order to make do this in any kind of a correct way. I would like if-- if the members were here, I don't think a number of them are, to ask those people that wanted to serve on this committee what their motivation was to serve, particularly those people that voted against creation of the committee. Is their eagerness to serve to diminish what the committee will do or the appetite for that committee to take on the hard issues that that committee should take on. Perhaps in the days to come, we will get an opportunity to do that. The composition of this committee will determine what the end result is. So I think it's important for us to see who is on that committee and what their motivation was to serve. And it would be entirely proper for the Executive Committee to reconsider that decision that we reached here at noon. And I would hope that we would make that happen. I yield the balance of my time to Senator Kolterman.

**WILLIAMS:** Senator Kolterman, you're yielded 3:20.

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**KOLTERMAN:** Thank you very much. Thank you, Senator, I appreciate the time. I just wanted to talk a little bit about serving on this committee because I was chosen to serve on the committee. And I want to make it very clear why I applied to be on this committee. For three years now, I've carried legislation that deals with procurement and-- and how we appeal the process, if we have a contract. Several years ago, I believe it was LB20, this year, I-- I put in LB61, it deals with any contract greater than \$10 million. Unfortunately, last year I carried a bill. It's an identical bill other than I raise the threshold from five million to 10 million this year, but the only people that opposed the bill were DAS and they opposed it because they didn't like-- they felt like the process was already in place. I will tell you this. Had my bill passed a year ago, we wouldn't be having this discussion because the appeals process would have happened. All it says is we've got a third party looking at this from the outside perspective. But in the process, I've had plenty of opportunity to take a look at what happened with St. Francis. That's one of the bills, but there's also many other bills that have happened, like Wipro. Contracts that we've entered into where we've gotten-- we've taken the back seat. We've gotten hurt by the them. Millions of dollars have gone out the door because we didn't have an appeals process. And the appeals process that I'm bringing is nothing to do with anything against the administrative services or against the executive branch. The appeals process is identical appeals process that they use in other states surrounding us like South Dakota and Iowa. So I look forward to the opportunities with serving with my colleagues, and I can guarantee you, I'm going to work really hard to make sure out of this process comes an appeals process, because I can't get my bill out of Government--

**WILLIAMS:** One minute.

**KOLTERMAN:** --4-4, and I'm going to make very sure that my voice is heard and I'm there to represent the people of this state. And if there's a problem with the way we're awarding contracts, there needs to be an appeals process. And the people that are getting hurt right now are the young people in the Eastern Service Area. So I pledge to you I will represent the Eastern Service Area and I will represent the people of the state of Nebraska and I'll do what I can to make sure that going forward, this type of incident doesn't continue to happen. Thank you.

**WILLIAMS:** Thank you, Senator Kolterman and Senator McCollister. Senator McKinney, you're recognized.

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**McKINNEY:** Thank you, Mr. President. I yield the rest of my time to Senator Machaela Cavanaugh.

**WILLIAMS:** Senator Cavanaugh, you're yielded 4:55.

**M. CAVANAUGH:** Thank you, Senator McKinney. And thank you-- Senator McCollister brought up a really excellent point. There's actually people on the Oversight and Investigative Committee that voted against the creation of the investigative committee. So it is-- it is actually very curious that they would have put their names in for it, but-- and you had to put your name in to get on it. So that's really fascinating. I just-- I just don't know what to do with you all, to be honest. And I know that there's a few senators here, Senator Aguilar, Senator Pahls, Senator Flood, who have returned to the body. And I am not going to call you out to be-- to yield-- or to yield to a question or anything on the microphone, but I am dying of curiosity as to what you all think about this, because you were here at a time where term limits hadn't had its impact that it has now and the Governor wasn't able to self fund every single person in this Legislature's campaigns were opposition to their campaigns. And so I am very curious about how you view this situation and if this would have ever happened at a different time in your service, because, golly, it sure is money in politics. I think Senator Blood has a bill for that. When we have a Governor who remains unchecked in a body that doesn't have the will to check him, this is what happens. This is what happens, and the Governor, for those that don't already know, is represented in this Legislature by me. I am Governor Pete Ricketts and first lady, Susanne Shore's, state senator. And I believe at least their college-aged students are also registered at home, so I'm their state senator as well. They were when I was running, they might have moved out by now. I can't say for sure yet, but I am their state senator and I fight for their children just as much as I fight for my own children, just as much as I fight for the children at St. Francis Ministries. I fight for every child in this state. And if the Governor has a problem with that, he should take it up with me directly and you all should stop being his voice in this body. He has a representative who will listen to him. I will take his calls, I will take his meetings and he chooses not to exercise that right. And he goes to all of you, and for some reason, you put more weight on somebody else's constituent than you would put on your own constituents, because I guarantee, based on the emails I'm getting from your constituents right now, your constituents are not pleased. No siree. The state of Nebraska has been watching this afternoon and they are unhappy. But we could fix it, we could make this right. We could right a wrong. And I know that that's not



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going to happen. I know that there isn't the political will to do what's right. I know that the people that are being called out by me and others.

**WILLIAMS:** One minute.

**M. CAVANAUGH:** Thank you. I don't see any of them on the floor here. I'm looking around. No, I don't. I don't see-- I don't see-- no, not a single person. Where? Kolterman. Well, he's not on the committee. I mean, if I were to ask anybody to yield to a question, they're not here. Wow. Well, Senator Murman, well played. I guess I won't ask you if you'll give up your seat to me because you're not here. Oh, OK. Well, on the committee or on voting. Oh, I see. Three members of the Exec Board. They're just hiding behind the pillars. I would love for them to spend their five minutes and tell us all why--

**WILLIAMS:** Time, Senator.

**M. CAVANAUGH:** Thank you.

**WILLIAMS:** Thank you. Senator Cavanaugh and Senator McKinney. Senator John Cavanaugh, you're recognized and this is your third opportunity.

**J. CAVANAUGH:** Thank you, Mr. President. I was going to yield my time, but I thought of a couple of comments. I just wanted to say thank you to Senator Kolterman for bringing that procurement bill, because when I was running for office and people were asking me about things that I was interested in changing, one of them was procurement and specifically had to do with how the St. Francis contract was awarded. And so I don't-- I think I'm a co-sponsor to Senator Kolterman's bill. If I'm not, I meant to be, but I-- I appreciate his interest in that topic. And I do think that-- that that brings a value to the committee and I think that that was a good choice. I just wanted to also say that, as I said before, I didn't put in for the committee because I didn't want to take a spot from somebody who I thought would serve better the greater good on that committee. However, I did have an interest in being on the YRTC committee, but I don't qualify because I'm not on one of the committees that is a-- has jurisdiction and I don't come from the geographic area that services the three YRTC facilities. And so there are three specific geographic YRTC committee members. But on this committee, there's only one for the entire Eastern Service Area. So I thought that kind of goes to the comments that Senator Wayne and Senator McCollister had made and I just thought that was an interesting point that we have three geographic positions

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on one committee and only one on the other. And with that, I'd yield the remainder of my time to Senator Machaela Cavanaugh.

**WILLIAMS:** Senator Cavanaugh, you're yielded 3:30.

**M. CAVANAUGH:** Thank you, Senator Cavanaugh. I stand for correction. There-- people are here, they're just sitting away from their desks and they know that I would yield-- ask them to yield to questions, but are choosing to remain seated off to the side. So I won't ask them to yield to questions because it would take up my time to have them come talk. Senator Slama, don't worry, you weren't one of the people I was going to ask to yield to a question, if that's where you were coming from. But, I just-- beyond not liking my personality, I am genuinely curious. What-- why am I not qualified? And why is Senator Murman more qualified than me to be on the committee? He doesn't represent the district and he has not been engaged in the conversation to the degree that I have been. But apparently the Executive Board and Senator Murman believe that he is more qualified than me. Because Senator Murman could give up his seat. Doesn't mean that the committee would appoint me. They probably still wouldn't because they've dug in, they have dug in. All in Team Ricketts, but as doggedly as you've dug in, you did make some mistakes. You did put people on that committee that will advocate for the truth, that will work to get to the bottom of this. Senator Kolterman had a bill to fix this and he's on that committee and I know he's not going to let this rest. Thank you, Senator Kolterman. Senator McKinney is just as passionate about child welfare in the Eastern Service Area as I am, and I have seen him in committee and he asked the tough questions and he gets to the heart of the matter in a way that is artful and respectful and offers an opportunity for an interesting conversation to happen. So I know he will serve this committee well. And Senator Justin Wayne, well, I needed a lawyer. I asked a few of you. I needed a lawyer.

**WILLIAMS:** One minute.

**M. CAVANAUGH:** So I wrote this-- I wrote this amendment with the Speaker with the understanding that that at-large seat was for Senator Justin Wayne, because I needed a lawyer and I wanted somebody from the Eastern Service Area. And Senator John Cavanaugh would have been great and Senator Steve Lathrop would have been great, but Justin Wayne was who we all agreed was going to be the best person for the job. And he's on there and he is the best person for the job and he's going to do a great job. So all you have done is unleashed me to do whatever I want. And I have wanted to be honest with you all. Child welfare

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matters and your politics above that are, to quote John Cavanaugh, disappointing. Thank you, Mr. Speaker.

**WILLIAMS:** Time, Senator.

**M. CAVANAUGH:** Thank you.

**WILLIAMS:** Thank you, Senator Machaela Cavanaugh and Senator John Cavanaugh. Senator Flood, you're recognized.

**FLOOD:** Thank you, Mr. President. Members, I wanted to talk about the budget, which is LB380, and it appears we're in an extended debate. I think-- well, what I would like to do is I'd start with Senator Wishart or Senator Stinner, whichever one's available. I wanted to talk about the Business Innovation Act, which I'm really pleased that the Appropriations Committee has recognized the value of the Business Innovation Act. The base appropriation for that has increased in the budget. It's on page 242 of the budget book. Senator Wishart, would you yield to a question?

**WILLIAMS:** Senator Wishart, would you yield?

**WISHART:** Yes, absolutely.

**FLOOD:** Senator Wishart, in the Business Innovation Act, it looks like the baseline in '22 goes to 14 million and the baseline in '23 goes to 15 million. Can you just maybe articulate why the committee feels so strongly about this program? This is, you know, the program administered by the Department of Economic Development that has actually seen actual results. And I was really impressed that the Appropriations Committee saw the value in it.

**WISHART:** Yes, absolutely, I'd be happy to. This has actually been a work in progress. For a while, Senator Stinner led the charge early on to sunset the Angel Investment Tax Credit and put those dollars into the Business Innovation Act, because this fund performs. Frankly, it's one of our top performing funds in our budget over the years. And then on top of-- so that was about \$4 million. And then what I did was, I came with a bill to actually increase it by 40 million. I think this fund, again, has the capabilities for us to be a leader as a state in supporting entrepreneurial work startups and giving them the seed money and opportunity to be able to leverage a lot more money into the state. But what we ended up with and what the Department of Economic Development and some of the programs within the Business Innovation Act determined was-- what we ended up with was going to 14 million the

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first year and then 15. That's-- that's where we'll be moving forward is at 15 million moving forward into the out years. And obviously, if this fund continues to work the way it is, I will be back as much as I can to continue to advocate for this and support more funding for this program.

**FLOOD:** Thank you, Senator Wishart. I appreciate that. And I really want to comment on how much I appreciate the Appropriations Committee doing that. I'd like to maybe just turn to page 223 in your budget book. The other agency I wanted to talk about was the Nebraska State Patrol. One of the things that I think we have to remember in this body as it relates to the patrol is that in my part of the state in the Troop B service area, the State Patrol isn't a highway patrol. I think when when you look at Troop A and you look at the Omaha area, I think you-- troopers have a lot of freeways and Interstates to work and there's a lot of drug interdiction, and obviously, the state's largest city, you've got Omaha and Lincoln. What I think people don't know about Troop B, and I'm sure it's this way in Troop B out in western Nebraska, the State Patrol is actually a police agency like the City of Randolph Police Department, like the Cedar County Sheriff. And so when there's an incident that happens in northeast Nebraska and that the police officer stopped behind a car outside the village limits of Randolph or Pierce or Osmond, the backup for that officer is the Nebraska State Patrol. And right now, you know that we are down 40. And I just checked that number, 40 vacancies. And it's not that-- I mean, my initial reaction was we need to put more in the budget to get more troopers. We have had trouble filling those spots. And one of the things I want to talk to Senator Stinner about is that now the State Patrol is running two camps, you have-- Senator Stinner, would you yield to a question?

**WILLIAMS:** Senator Stinner, would you yield? One minute.

**STINNER:** Yes, I will.

**FLOOD:** Senator Stinner, you and I were talking about the State Patrol and the vacancies. I just checked. They have 40 vacancies, but you and I were talking about the camps. You and I have the same opinion about needing State Patrol officers. Would you share our conversation yesterday?

**STINNER:** Yeah, actually, I went and investigated and looked at a past history. We had varied between 60 and 70 vacancies. And every time the State Patrol came into the Appropriations room, we talked about how

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we're going to fill those vacancies. Do you need more equivalents? There's 482 people that work for the State Patrol. In total, the answer is always no. But the other side of it is, the two camps were initiated along with the salary increase if you looked at that for retention of patrol officers. So we're trying to help the wage side of things and the two camps, they're trying to find qualified people for those camps.

**WILLIAMS:** Time, Senator. But Senator Flood, you're next in the queue. You may continue.

**FLOOD:** Thank you, Senator Williams, Mr. President. Just one last thought on the State Patrol. There is an appropriation there for 489,000, which I think resolves the compression pay issue for the promotion. It didn't make any sense for some people to promote to Lieutenant. And I think the committee heard this message and included \$489,000. It's page 223, your budget book, for the compression pay issue for Lieutenants. Is that-- is that right?

**STINNER:** Yes, that is correct.

**FLOOD:** So, you know, one of the things I think is important to point out as a member of the Legislature, I am concerned about two things. One is, I would like to see us at full strength. In 2009, as part of the budget cuts, we eliminated 22 FTE trooper positions because of the the financial fallout. I'd like to see in those-- I'd like to see those positions get restored. And then the second thing is that, you know, with the recruitment environment that we're in, they're letting troopers, and I understand this, live where they want to live a little bit more than they used to. You used to get assigned to a duty station and it's incumbent upon our communities to be very welcoming to troopers so that we can have them placed in these rural counties off of the Interstate. Certainly that happens, but I can't tell you how important it is. I, in my business, we listen to the police scanner as a-- as a matter of the news coverage. I'll hear the Boyd County Sheriff pull somebody over outside of Lynch. And it's somebody who's wanted and has a history of using a weapon. And the closest person, a law enforcement officer, trooper, could be in South Sioux City. And so, the more we could have in rural areas, the better off and the safer all of our communities are going to be. So the other thing I wanted to touch on today, and there's a couple things in the budget. The Department of Health and Human Services is getting roughly, I don't know, 1.8 million over the next biennium for this competency outpatient program. If I understand that correctly, and I don't know

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if anybody on the Appropriations Committee can touch on this, but I understand this to be a defendant who's in a criminal case and the court wants to know whether or not this defendant is competent to stand trial. And normally they'd have to wait for a bed in the jail to transfer to Lincoln Regional Center. I don't think we need to solve it on General File, but I'd like to get a little bit more information about how you do these outpatient competency evaluations. I don't know. Senator Stinner, is that a-- is that something you can speak to?

**WILLIAMS:** Senator Stinner, would you yield?

**STINNER:** Yes, I will. I can't give too much color to that. That was a proposition for \$1.8 million. And it was to relieve, and many times people were sitting in jail over a long period of time before they were able to come to court, needed to be evaluated and needed to be out of the jail situation. This is money to do that. I will have to research with DHHS fiscal agent to-- to really give you a deeper, more colorful explanation than that.

**FLOOD:** Thank you very much. Another budget item that I thought was interesting, and this is more because I'm in this business. But the Nebraska Educational Television Agency, which is page 198 in the budget book, they want to replace tower lights for their towers, 180,000 in the first year and two-- and 120,000 in the second year. I can tell you that I am very familiar with replacing tower lights, and that is a lot of money. I would like to know what is happening there and are they considering some cheaper alternatives? They also have in here, radio transmission equipment replacement, another \$600,000 in the budget. I'd like to know what that is before Select and then--

**WILLIAMS:** One minute.

**FLOOD:** --then they'd like to replace facility routing inside their headquarters in Lincoln for a half million dollars. I think it's important that we understand. If there's a farmer in here that knows how to farm and obviously is serving the people, you should use your talents to figure out if we're spending the money the right way. And I think that NET could explain some of those appropriations. The last thing that I want to touch on briefly is in the Department of Corrections. I have an amendment that looks into their electronic health records, which is an appropriation of 744,000. I want to let the Speaker know, and Mr. President know that I do intend to pull that amendment. I do want to maybe talk on it in the intro because I got some really good information about the status of that that I think

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resolves a lot of the questions I had. But I-- I appreciate the process to go through the budget book to look at the different--

**HILGERS:** Time, Senator.

**FLOOD:** Thank you, Mr. President.

**HILGERS:** Thank you, Senator Flood. Senator Bostelman, you're recognized.

**BOSTELMAN:** Thank you, Mr. Speaker. I want to speak to one item within the budget. It's on page 112, line 17 at section 235, agency number 78. And specifically, I want to talk-- if you go to your-- your larger book handout. If you go to page 252, we're talking about agency number 78, which is Nebraska Commission on Law Enforcement, Criminal Justice. But we're talking about-- what-- what concerns me is the community-based juvenile services, aid-based program, its 155 juvenile-- juvenile services. In the budget there's a reduction, there's a cut of \$250,000 to that. And so, I have two counties, two of my counties that I sit in on, on their community-based plans and juvenile justice areas. We've just gone through the grant application process for them on the community-based aid grants. That was just submitted and now we're seeing a reduction in the budget of \$250,000, and that's concerning to me in the sense I've also just received an email from one of my counties saying that they're \$10,000 short in funding for additional mental health vouchers for youth between now and the end of-- end of June. So as we move forward, this needs to be addressed, I think. What usually happens is not every county has a truancy or juvenile justice program. Some do, some don't. Douglas County has a very large one, a large sum of money. They've got a new person that has been hired into that, but they would give back several hundred thousand dollars that they didn't use. With the new person, we expect that to be used, that-- that to be fully utilized. And the challenge is, is first you apply for your community-based grant. And when you receive that, if there's funds left over remaining that other counties are not using, you have an opportunity to then apply an enhanced-based grant program. And if we continue to reduce these funds and if we expand truancy and juvenile justice opportunities, community-based plans across the state into more counties, we're going to be short of funds. And those counties right now who have really good programs, which I'll-- I'll say both of my counties that have this are very good at what they do, are very good at results and do a very good job and have received funding that they've asked for, but now they are one of the counties now \$10,000 short. So going forward,



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my concern is, is that if we continue to see the cuts for this program, for these opportunities for grants, we're going to lose truancy officers in our schools. That's what I've been told. We're not going to be able to fund that individual, that truancy officer in their school. And that's very problematic. So as we continue to talk about the budget and as we look at adjustments and that, that's one area I hope that we can talk about. And especially if you look, again looking into the future, years down the line, if more counties come online with a truancy program, the amount of money that we're going to need is going to far exceed what we are-- what we have now. And as we-- if we continue to cut this fund, we're going to be woefully short on funding when we desperate-- when we need it the most. So if we're talking about our youth, kids in school, this is a very important program. We do a very good job with it. We work with youth, with school children, young, young adults very well. Now, understand, this is only if you're, I think, 12 years old, 12 years old or 14 years old and higher that these funds can use for.

**HILGERS:** One minute.

**BOSTELMAN:** This isn't used for children K through-- from five years old to 12 years old. So we're not even able to use funds for those-- for those children. So I think we're-- we're woefully short in funds, and it concerns me that we're seeing this \$250,000 reduction. And I hope that we take a hard look at this, especially as we look into the future that we're not-- that we appropriately provide funding for these areas to meet the needs of the people and especially our children in our schools. Thank you, Mr. Speaker.

**HILGERS:** Thank you, Senator Bostelman. Senator McKinney, you're recognized.

**McKINNEY:** Thank you, Mr. President. My one comment on the budget is about the Business Innovation Act, and I was going through the purpose of the Business Innovation Act and the ninth purpose says, provide support for locally owned and operated Nebraska-based high growth businesses by providing technical resources to foster development growth and high wage creation for purposes-- for purposes of the subdivision. Nebraska-based high growth businesses means a corporation partnership, LLC, limited partnership, or other limited liability partnership registered with the Secretary of State that has two to 50 employees and has sales of no less than \$500,000 and no more than two million-- \$2 million. And just looking at this purpose, I'm thinking about what about small businesses that are making less than \$500,000.

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And I'm just wondering if I-- I'm not sure on the process or the thought process behind the Business Innovation Act because I wasn't here, but I'm just thinking about those small businesses that make less than \$500,000 and wondering if we're increasing the appropriation to the Business Innovation Act. Could we get something in here that addresses this issue for small businesses making under \$500,000? Because I think it's a big issue. I'll talk to somebody on Appropriations, but I thought it was important to point out and I'll yield the rest of my time to Senator Machaela Cavanaugh.

**HILGERS:** Senator Cavanaugh, 3:15.

**M. CAVANAUGH:** Thank you, Senator McKinney. And I very much appreciate that Senator Flood is bringing part of the conversation back to the budget. I think that is where it should be really, but I am going to continue with my-- my conversation for the record. And I encourage you all to have whatever conversation you want to have. OK, so I was-- pulled up the transcript from the October 25, 2019, and we didn't just hear from St. Francis Ministries. We also heard from the Foster Care Review Office. So I'm going to skip through. It's Kim Hawekotte, and she's actually no longer the director, I believe-- I think. I don't think she's the director any-- at this time. But they do over 42,000 individual case file reviews every year of children in out-of-home care. When we-- this is according to Ms. Hawekotte. When we do those case file reviews, we file our recommendations with the court and relevant stakeholders and then we also collect data. Coming around is our annual report that was just submitted that has all of the data with the records to the past year. The other level we work at, like I said, is a systemic level in trying to provide the data as needed. So I'm going to skip forward to some of the questions that were asked because she does go on to explain. And you all, I'm happy to send you a copy if you would like to read more of her-- her remarks. OK, so Senator Arch asks-- asks the voluntary. So if they report to the hotline, they're accepted and then voluntary, you said were two alternative response? Correct. Or voluntary? Correct. And the alternative response, what? What happens, the major difference in a systemic view is that if they decide this is a case for alternative response, there is no initial assessment completed on that case within the three to five day period time period. Instead, it's all handled within the alternative response system. If they determine the risk is higher that they need, then the initial assessment, then it goes into the initial assessment and unit to do--

**HILGERS:** One minute.

**M. CAVANAUGH:** --the voluntary case. So this is sort of the complicated ins and outs of foster care. We have voluntary response, involuntary response, in home, out of home, kinship. So we have this discussion with Ms. Hawekotte. Um, Senator Walz asked a question in here. When a call comes in, those decisions are made strictly over the phone, drone-- drawn out phone conversation. Are they ever follow-up visits before you make a decision on-- if it's unfounded or not? Usually the hot-- this is Ms. Hawekotte. The hotline makes-- based upon the hotline, the call itself makes a decision whether to accept the call or not. And they have a tool that they use.

**HILGERS:** Time, Senator.

**M. CAVANAUGH:** Thank you.

**HILGERS:** Thank you, Senator Cavanaugh and Senator McKinney. Senator Flood, you're recognized.

**FLOOD:** Thank you, Mr. President, and members. Continuing on the budget here, I am looking at the Supreme Court and their budget, which is agency number five in the budget book. It is page 105. One of the things that I saw that was interesting to me is that we are adding another Douglas County Court district judge, which takes the total number of district judges in Douglas County from 16 to 17. It's a \$321,000 item in the budget, which-- it's all documented in there. The judge's salary is \$173,008. I wonder if Senator Lathrop would yield to a question.

**HILGERS:** Senator Lathrop, would you yield?

**LATHROP:** Yes, I'd be happy to.

**FLOOD:** Senator Lathrop, I know you have been involved with, as the Judiciary Chairman, all of these issues, but can you tell me about the need for a new district judge in Douglas County?

**LATHROP:** Yeah, I'd be happy to. That judgeship was actually something I think I passed two years ago. We were supposed to-- I think we were going to fund it last year, and so I'm glad to see that it's in the budget finally. The-- as you know, the Resource Commission meets to determine needs versus availability of judges to staff in particular jurisdictions. In Douglas County, we were actually down four district court judges. It was the-- what the Resource Commission showed, I put in for one judge. Actually, they're having some space issues in Douglas County or we would have-- probably would have tried to get all

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four. They have a-- an enormous caseload there and one judge will certainly help. I know the Governor is appointing two new judges to replace retiring judges, but we will have one new judge and-- and that will only help with the problem, not meet the need.

**FLOOD:** I also see that the court, or that the Appropriations budget notes that the court appointed Special Advocate Aid Program, or CASA, is moving out of the Supreme Court to the Foster Care Review Office. Do you know what precipitated that?

**LATHROP:** I don't.

**FLOOD:** OK.

**LATHROP:** Someone on Appropriations would maybe-- maybe be better able to answer that. That's not something that came through in the form of a bill of any sort in front of the Judiciary Committee.

**FLOOD:** OK. Thank you, Senator Lathrop.

**LATHROP:** Certainly.

**FLOOD:** Over on Agency 65, the Department of Administrative Services, there is a \$35,000 cash appropriation, cash fund appropriation to the Rural Broadband Task Force. And I know that Senator Friesen is here. In 2018, LB994 created the Rural Broadband Task Force. And the note here on page 226 of the budget says there's about \$35,000 of money left in the cash fund. Funding is provided to continue providing service to the task force. I was just checking, is that Rural Broadband Task Force ended, Senator Friesen?

**HILGERS:** Senator Friesen, would you yield?

**FRIESEN:** Yes, I would. No, that task force is ongoing.

**FLOOD:** OK. Is it-- does it continue to meet?

**FRIESEN:** Yes, we have a meeting scheduled here in the next week or so.

**FLOOD:** OK.

**FRIESEN:** Next week.

**FLOOD:** OK, so that-- the transferred \$50,000 of cash fund when it was created and that-- those funds went to the office, OCIO, \$35,000 money left in the cash fund. Maybe Senator Stinner can comment on-- I mean,

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at the end of the day. It's-- it's 35,000. I'm glad to hear that the Rural Broadband Task Force is continuing, though. I think it's made some good strides. And that's obviously an issue that requires a lot more work as we-- we resolve the state's--

**HILGERS:** One minute.

**FLOOD:** --broadband issues. That's all I have. Thank you, Mr. President.

**HILGERS:** Thank you, Senator Friesen and Senator Flood, and that was your-- Senator Flood, that was your third opportunity. Senator Matt Hansen, you're recognized.

**M. HANSEN:** Thank you, Mr. President, and good afternoon, colleagues. I rise to kind of continue a discussion Senator Flood raised in terms of the outpatient competency restoration program. That grew out of a bill that I introduced and passed as part of the Corrections package we did in 2019. It was LB240 into LB686. It had been something I'd worked on with Lancaster County for a number of years before ultimately getting this across the finish line. And what had been happening is for competency registration in the state, which is when people are not fit to stand trial and it's a pretty, I would say, high standard to meet, it's people who don't have enough wherewithal to recognize what a courtroom is, who the judges. It's people who are having a pretty severe disability or ability to aid in their own defense. Prior to 2019 or prior to when we get this program established this summer, but prior to that legislation in 2013, the only place they could be restored to competency was a state hospital for the mentally ill. That's how it was defined in statute. And at the time, for many years, the only facility that fit that description that could take these individuals was the Lincoln Regional Center. So which meant that regardless of what county you're in, regardless of what jail you're in, what crime you're in, what you did, you had to wait on the same wait list for the Regional Center, which meant there were people who needed to be in the Regional Center waiting for months in local county jails. We heard testimony multiple times from Judiciary Committees about, you know, some of the small county jails, you know, would have only four cells, and one of them would be held for 100 days with somebody who really needed to be in the Regional Center. At the same time, you had people who were maybe not threats themselves, maybe had a good caretaker, a family who could support them, who didn't necessarily need to be institutionalized, who by requirement had to go to the Regional Center. And it was so ironic that there was actually

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people who would bail out, be released in the community, be living at home, be doing, you know, well, and then when their spot came up in the Regional Center, we'd have to send the sheriff out to pick them up, take him into a secure facility for potentially several months. And this process both was-- it was a problematic in the sense that people were waiting months in jail to wait months at the Regional Center to go back. And there was some people who desperately needed the Regional Center beds and there were some people who didn't at all. So we allowed this program for outpatient and contractor provisions of competency restoration. It is still something they go to, as I understand it, that go to the Regional Center for Evaluation and the Department of Health and Human Services has to suggest an alternative plan, and it has to be approved by the court and the court could veto it if they think the person or the public safety is at risk. So it's designed for people who are not a risk to the community and could thrive in less than kind of maximum, you know, maximum security mental health facilities. People who could go to other providers. I was pleased to see this ramping up in the budget. It was authority we had granted to DHHS. It was something they had expressed interest in and wanted to have. And myself, Senator Bolz, Senator Lathrop, and a number of others worked on for a couple of years to get done. Talking with Lancaster County, this actually has improved even just kind of some of the initial things. We've had the understanding that it has improved that wait list. So we at the peak, at some of the worst times, you know, people were waiting six months, you know, in the county jail to wait three months at the Regional Center to come back for another wait three months for trial, you know, for something that could be, you know, a very minor ticket. You know, at the same time, we had people, you know, accused of pretty severe crimes and with pretty high mental health needs waiting on the same list. This is, I think, something that's very proactive. It's going to help save the counties money by making them house-- making sure we are handling our state responsibility, because basically we had underfunded mental health. We had-- we didn't have enough state mental health beds to-- to handle all the cases--

**HILGERS:** One minute.

**M. HANSEN:** --we, as the state we're obligated to provide to the counties. So the counties were housing people on a state wait list. That was a state problem the state created. And I'm really glad that we've given DHHS the flexibility and I'm really glad that the Appropriations Committee has stepped up and making sure that they have the money to start implementing this program to get it out July 1 of

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this year. So with that, I appreciate Senator Flood raising the point. This is something I think we've done productive, working with the state, working with DHHS to improve mental health, to improve county Corrections. And I'm really glad we were able to get across the finish line and I'm really glad it's being funded. Thank you, Mr. President.

**HILGERS:** Thank you, Senator Hansen. Senator DeBoer, you're recognized.

**DeBOER:** Thank you, Mr. President. I was wondering if Senator Stinner would yield to a few questions.

**HILGERS:** Senator Stinner, would you yield?

**STINNER:** Yes, I will.

**DeBOER:** Senator Stinner, do you have in your head what approximately inflation was in this last year?

**STINNER:** Zero to 2 percent, probably more toward the one and a half.

**DeBOER:** OK. And in the last couple of years, do you know what it's been like, what it was the last three or four years--

**STINNER:** It probably jumped between 0 and 2 percent, anywhere between that time, yes.

**DeBOER:** Is it closer than 2 percent or closer to 0 percent?

**STINNER:** You know, I'd have to go look it up.

**DeBOER:** OK.

**STINNER:** I would presume the upper end of the one and a half to two, yeah.

**DeBOER:** OK. On page 39, I'm looking at our special education funding from the state.

**STINNER:** Yes.

**DeBOER:** And it looks like that we have in 2017-18, 2018-19, 2019-20, 2020-21, 2122 now, and in 2223, we're giving a special education a rise of 1 percent. Is that right?

**STINNER:** Yes.



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**DeBOER:** So, in real dollars, if inflation is greater than 1 percent, does that mean we are giving less money to special education from the state?

**STINNER:** No, actually, it is increasing in total dollars. It's been at 1 percent as far as I've been here. I've been here now seven years. This is the seventh year of a 1 percent increase. When we go through hearing process, we talk about special ed. That seems to be a sufficient number to handle-- handle the special ed that's out there today at the school side of things.

**DeBOER:** But--

**STINNER:** And we're well over 200 million, Senator.

**DeBOER:** But in real dollars, if inflation is going up faster than we are raising their budget, it seems like that would mean that they would be getting less in real dollars.

**STINNER:** One would say that if employment is tied to that, and I'm not 100 percent sure employment is actually tied to it or if it's getting spread out, or the same person is now handling two people and now three people, so therefore it's spread out a little bit further.

**DeBOER:** Well, I understand that point, but I'm just talking in real dollars. If we're talking about the amount of money that I have, if I have \$100, inflation means that my money is now worth a little bit less.

**STINNER:** Yes.

**DeBOER:** OK.

**STINNER:** You are correct.

**DeBOER:** So, thank you, Senator Stinner.

**STINNER:** Yes.

**DeBOER:** So I guess the point that I want to make is that although the-- the department asked for a 10 percent increase, Senator Stinner seems to obviously be correct that we continue to fund them at 1 percent. One of the things I keep hearing from folks and we heard this morning on the microphone is that there are a lot of school districts in the state that do not get a substantial amount of state funding.

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One of the ways that we could contribute to some of these school districts is by increasing their special education funding. That is for many school districts, one of the larger, if not the largest line item that they get in state funding comes from that special education funding that they get. So it seems to me that either we're keeping it basically the same if inflation is about the same percentage-- is about 1 percent or less, we're reducing it if inflation is larger than 1 percent. And since that is one of the ways that we're funding some of these school districts in other parts of the state, that's just something that I think that we as a body ought to think about whether or not we should be contributing more to special education funding. One of the things I'd like to draw your attention to, colleagues, is that there are two bills that address this issue, which I think are either out on the floor or will be out on the floor. That is Senator Anna Wishart's LB135 and my own, LB473. Both of these deals-- deal with special education funding in slightly different ways. Senator Wishart's bill would across the board provide more special education funding--

**HILGERS:** One minute.

**DeBOER:** --to many different districts. Mine would provide for those school districts that have an unexpected increase in their special education costs. It would give them some upfront money. What normally happens is special education costs are paid on the back end. They apply to the state for reimbursement. They get that reimbursement. It's a year, maybe two years later sometimes. So this would give them that money. It helps them with consistency in budgeting. One of the things when I talk to school districts from around the state, they say is that it's very difficult to imagine how to budget for your special education budget. If you could have one student, one family, several students move in, and suddenly you have an extraordinary increase in your special education budget, you have to, by law, provide that special education. So how are you going to pay for it. It makes it very difficult for those smaller school districts that don't have a--

**HILGERS:** Time, Senator.

**DeBOER:** Thank you, Mr. President.

**HILGERS:** Thank you, Senator DeBoer and Senator Stinner. Seeing no one else in the queue, Senator Machaela Cavanaugh, you're recognized to close on your motion.

**M. CAVANAUGH:** Thank you, colleagues. Well, looks like we're going to get to vote on-- may the force be with you. Um, I again, I chose that date out of just a deference to those Star Wars fans in the body and those watching at home. Conversations like this require a little bit of levity, I believe. Um, this conversation isn't over. Certainly not by a long shot. And we have less than five hours-- wait, no sorry, math, less than seven hours left in this day to talk about this, to talk about the budget and talk about how we want to be as a body. I know that's not a conversation most people are going to have, but that's a conversation I'm going to have. There are a lot of things in the budget that I am looking forward to talking about over the next seven hours. So don't worry, I'm not just going to sit here and talk about St. Francis Ministries and fraud and contracts, though I certainly could, but I'm not going to do that to everybody. I've got things about the budget to talk about, too, and I am looking forward to digging into that. And I'm grateful to Senator Flood for refocusing the conversation on the budget, because this is-- it's big and it's important. And that's how we started on 380 was talking about the budget and talking about big, bold, important things. And I guess, you know, the Legislature showed me who they are today and I already kind of knew. But I'm-- I'm-- I can be somewhat naive in that I really like to like people. I try really hard to like people. I try really hard to think that everyone here is inherently good and has good intentions. It gets harder every day when the people that you keep giving the benefit of the doubt to do hurtful things and harmful things. They're not just hurtful and harmful to me, they're hurtful and harmful to the state of Nebraska. It's dishonoring the voters, it's dishonoring the children, it's dishonoring your colleagues standing before you. It's clear that you don't like me, and I'm sorry for that. I'm sorry that you don't like me. It was never my intention to have anyone in this Legislature dislike me, certainly to this point. It was never my intention. I have always shown up every single day with the best of intentions to do the best job possible for the people of Nebraska and to work to find solutions to the problems that we are faced with. And I am sorry that you don't feel that same partnership and kinship with me. I'm sure I will move forward in a day or two and just put this mess behind me. But for today, we're in this together. We are in this together and we are in this until 11:59 together. We're going to talk about the budget. We're going to talk about our feelings. We're going to talk about soccer schedule, but we're here till 11:59. I'm not going anywhere. And if you want this budget passed--

**HILGERS:** One minute.

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**M. CAVANAUGH:** --I guess you're not going anywhere either. This was something that-- how many hours to go, four hours ago could have been fixed. But that choice has been made. Senator Murman is choosing to take a spot that doesn't belong to him. The Executive Board is choosing to give him the spot that doesn't belong to him, and so we are where we are. And I don't normally think that it's appropriate to talk negatively about one of my colleagues like this on the microphone, but I don't at this point, I just don't know what to do with you all. I care about children. That is my crime. I care about children above all else.

**HILGERS:** Time, Senator. Thank you, Senator Cavanaugh. The question before the body.

**M. CAVANAUGH:** Call of the house.

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

**CLERK:** 18 ayes, 3 nays to place the house under call.

**HILGERS:** The house is under call. All unexcused senators please return to the floor. All unauthorized personnel please leave the floor. The house is under call. A roll call vote in regular order has been requested. Senators Pahls, Wayne, Gragert, McDonnell, Brewer, please return to the floor. The house is under call. All unexcused senators are now on the floor. The question for the body is the adoption of the motion to bracket. A roll call vote in regular order has been requested. Mr. Clerk, please call the roll.

**CLERK:** Senator Aguilar voting no. Senator Albrecht voting no. Senator Arch voting no. Senator Blood voting no. Senator Bostar voting no. Senator Bostelman voting no. Senator Brandt voting no. Senator Brewer voting no. Senator Briese voting no. Senator John Cavanaugh voting no. Senator Machaela Cavanaugh not voting. Senator Clements voting no. Senator Day voting no. Senator DeBoer voting no. Senator Dorn voting no. Senator Erdman voting no. Senator Flood voting no. Senator Friesen-- Senator Friesen voting no. Senator Geist voting no. Senator Gragert voting no. Senator Groene. Senator Halloran voting no. Senator Ben Hansen voting no. Senator Matt Hansen voting no. Senator Hilgers voting no. Senator Hilkemann voting no. Senator Hughes voting no. Senator Hunt not voting. Senator Kolterman voting no. Senator Lathrop voting no. Senator Lindstrom voting no. Senator Linehan voting no.

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Senator Lowe voting no. Senator McCollister voting no. Senator McDonnell voting no. Senator McKinney voting no. Senator Morfeld voting no. Senator Moser voting no. Senator Murman voting no. Senator Pahls voting no. Senator Pansing Brooks not voting. Senator Sanders voting no. Senator Slama voting no. Senator Stinner voting no. Senator Vargas voting no. Senator Walz voting no. Senator Wayne not voting. Senator Williams voting no. Senator Wishart voting no. Zero ayes, 44 nays on the motion, .

**HILGERS:** Motion is not adopted. Raise the call.

**CLERK:** Senator Cavanaugh would move to reconsider that vote, Mr. President.

**HILGERS:** Senator Cavanaugh, you are recognized to open on your motion.

**M. CAVANAUGH:** How long do I have?

**HILGERS:** Ten minutes.

**M. CAVANAUGH:** And how many times do I get to speak?

**HILGERS:** Two more-- two more times plus a close, so at 15.

**M. CAVANAUGH:** Thank you. Well, that was really fun. Um, I appreciate all those red votes. No, what I really appreciate is that you all stepped up to the plate on call of the house for me, so thank you. That was kind. I guess it's the least this body could do for me today. Um, so, uh, I mean, based on how that vote went, I'm probably not going to persuade you all to bracket this until May 4th. May the Fourth be with you, which is very unfortunate because how fun would that be? But I am going to continue the conversation about the budget. So I went through the summary, which I think Senator Stinner called blazing orchid. I hope I got that right and-- let's see here, I'm going to skip the Correction stuff, because that's-- that's not my wheelhouse. Corrections is not my wheelhouse and I know what I am well-versed in and what I'm not well-versed in. So I'm going to skip over that one because I'm not well-versed in it. On page 33 of the blazing orchid, we are including a 2 percent per year provider rate increase for Medicaid, child welfare, public assistance, child health insurance, behavioral health and developmental disability providers. Now, this is really important. We're adding a 2 percent and thank you, I believe it was Senator Hilkemann who introduced that 2 percent increase to developmental disability providers. That's very important. Getting back to the conversation from earlier today, because without

continuing to increase the rates that we are paying these providers, we're never going to have enough people in the market to serve those on the waitlist. So that's-- that is essential. It would be helpful if it was even more because we have seen a cut to rates over the last several years. So this is a really important piece and I-- I would welcome the conversation about increasing that amount. Now, this is the thing that stuck me. It's on page 33 at the bottom. If anybody is interested in looking at their blazing orchid summary, on page 33 at the bottom-- and I am just for those of you at home, nobody's interested in that, but I'm going to-- well, not nobody. Senator Hunt was watching me, so I'm guessing she's listening. Thanks, Senator Hunt. But page 33 at the bottom of the blazing orchid budget summary, there is a \$7.6 million reduction in TEEOSA school aid as calculated under existing law due to lower spending and higher evaluations. So, those that are playing TEEOSA, public education, property tax credit, property tax on income tax credit, bingo at home, what your Legislature is doing is reducing the state appropriation to funding public education by \$7.6 million because your property taxes percentagewise did not go up, but your valuations went up. So your local governments recouped more money through property taxes to pay for education and now the state is paying less. But don't worry, because we're going to put that money into the Property Tax Credit Fund and if you're smart enough to do it, you can get that money back through the three-step plan that I told you about the other day on how to claim your property tax credit on your income taxes in the state of Nebraska. Now, if you don't own property, then too bad, but your landlord is going to get this. This is going to be great for your landlord and I guarantee there are some landlords, especially in Omaha, who I am sure have figured out how to increase rent based on valuations while at the same time drawing down this income tax credit. So don't you worry, those struggling landlords, at least in Omaha, they're going to be OK this year. OK, so that's page 33 TEEOSA. OK, so we go to-- oh, this is going to get me in trouble, but could it possibly get me in more trouble than I'm already in? The university, yeah, it could. Um, so I'm looking at page 34 and I'm looking at capital construction and I see all these things for the Appropriations Committee appropriating money for capital construction projects. And, uh, it's not just for the NCCF, which is the Nebraska Capital Construction Fund, but we also are appropriating money for buildings within the university system, the state college system, the community college system. And at least with the university, they have a massive foundation that raises money to build these buildings. So why are we appropriating funds to maintain the buildings? Feel like that's a

question that deserves an answer. I, also looking at-- on page 35, the historical general fund appropriations and if you all haven't read this, I highly recommend it. It is a-- it's an important read. It's, I know, it's a lot of numbers. And you can skip the big charts if you want, but the narrative is important. The narrative tells you a lot about what we are doing as a state and what we are prioritizing. And so I was looking at this and I haven't had a chance-- time, it's been an issue. I haven't had a chance yet to dig in on this, but in 20-- 2001, we gave aid to cities and aid to counties, and in 2011 we did not. And in 2020 we do not. And I'm just curious, historically-- did you say one minute?

**HILGERS:** Two and a half minutes.

**M. CAVANAUGH:** OK. I'm just curious from a historical standpoint, why did we give aid and why did we discontinue giving aid to municipalities and counties? And I think this brings up a really interesting sort of philosophical conversation about property taxes as well. This should get everybody excited. Property taxes, yay, let's not talk about children, let's talk about property taxes. So because the state continues to cut funding to programs at a state level such as education, such as that \$7.6 million for TEEOSA, we push it down to the local level. So obviously our counties and cities are not going to close schools. They're going to fund schools through the only means they have, which is property taxes. And they have to increase those taxes to fund schools because we are being stingy at the state. We're putting it into another little fund and making it seem like we're giving people a gift that we're not actually giving them. If we wanted to give the people of Nebraska a gift of property tax release, we would fund education at the state level. But then we would have to contend with county officials cutting property taxes and I don't know a single-elected official that wants to give their constituents a massive tax cut. We can't rely on them to do that. For those-- for the transcript, I'm being sarcastic. I just realized now that historically sarcasm is not going to translate in-- in there, so I am being sarcastic. Obviously--

**HILGERS:** One minute.

**M. CAVANAUGH:** --county officials would welcome the opportunity to, uh, give their constituents a tax cut and we could do something really great together, but we are stodgy here and we are immovable and incapable of creative thought or doing hard things unless those hard things are screwing over your colleague, Senator Machaela Cavanaugh,



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then you are all like on board, where can I sign? So, um, I'm going to skip over some of those. I've got-- I've got so many notes in here that I apologize that I'm just skipping through to get the highlights to people at home. Um, K through 12 funding-- oh, I probably only have a few seconds left, so I might have to bring back the K through 12 funding question for you all. This is one-- this is one of those areas that I did not bring an amendment to the budget, but I think we should.

**HILGERS:** Time, Senator.

**M. CAVANAUGH:** Thank you.

**HILGERS:** Thanks, Senator Cavanaugh. Debate is now open on the motion to reconsider. Senator Pansing Brooks, you're recognized.

**PANSING BROOKS:** Thank you, Mr. Speaker. Again, I think we could solve this problem rather quickly and easily with some kindness and with some very simple solutions. I'm willing to remove myself from the YRTC Committee allowing Senator Murman to take my education spot now that Senator Walz has been placed on it, and then Senator Cavanaugh could get on to the other committee, the Oversight. So, just so the public knows, there are solutions to this and I've offered that myself and it seems reasonable. I don't want to not be placed on a committee that I work hard to bring either. So I'm willing to take that dive, even though I have been working consistently on YRTC issues and children's issues, but Senator Cavanaugh definitely should be on that committee. Now to the budget. Would Senator Stinner be willing to answer some questions?

**HILGERS:** Senator Stinner, would you yield?

**PANSING BROOKS:** Where is he? Gragert-- is Senator Stinner over there, you guys?

**HILGERS:** I don't see Senator Stinner on the floor.

**PANSING BROOKS:** OK. OK. He'll probably be back in just a little bit. So I think I will try to ask some questions to Senator-- oh, Vargas is gone too. Dang it, had all these questions lined up with them. I'm trying to think-- I think I'll just pull myself out of line and wait till they come back. Thank you very much.

**HILGERS:** Thanks, Senator Pansing Brooks. Senator Flood, you're recognized.

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**FLOOD:** Thank you, Mr. President. Good evening, members. I'm interested in talking about the Department of Transportation budget, Agency 27, which, by the way, I'm very proud of the work that the Department of Transportation has done with roads, especially in light of our 2009--'19 flooding. And they have had the tremendous task of putting all those bridges back together with the help of their contractor partners. I think it's important to note, for those of you checking page 153 of the budget book, that the gas tax is essentially set by the appropriation at the Department of Transportation for the year. And it says here in the budget that the FY21 average gas tax is estimated to be at 31 cents a gallon and FY22 is 29.5 cents. The Department of Roads for FY22 has a 3.92 percent increase, and it's essentially flat in the second year with a .6 percent increase. I think a lot of that is obviously driven by the fact that we want to keep our gas tax reasonable. We aren't talking about a gas tax increase here. These are the Appropriations Committee's recommendations to us. There's a lot to be said about the needs that we have in our highway system. Highway 275 from Norfolk to Omaha remains miserably a two-lane highway. I can't tell you how many people have died in Cuming County on the eastern or western edge of West Point, Nebraska. This road was set to be made four-lane in the 1988 Expressway Project. Roads north of Norfolk, two-lane, Norfolk to Yankton. If you want to see the-- the toughest looking intersection of the state, go to the intersection of highways 20 and 81. Maintenance is hard to keep up, even in some of these areas with some of the funds that we have. There's been talk about having a four-lane road from Norfolk to South Sioux City. As Senator Albrecht knows, that is a very dangerous stretch. Columbus to York remains two-lane, but York to the Texas border or to the-- to the state of Texas is four lanes. Four lanes through Kansas, Oklahoma and Texas. The Department of Transportation budget does talk about expected expenditures of highway construction at 73.5 million in each of the two years. It's the department's best estimate of expenditures for highway construction when taking into account available state and federal funding the cash flow of expenditures for both current and planned projects. Additional factors taken into account by the agency when arriving at the recommended increase include the construction cost of inflation and recovering from the 2019 flood, which continues to handcuff our ability to build out the roads that we need built out. One of the reappropriations that has been in there since 2019 is a study, which I agree with very much, to evaluate the potential benefits of a bridge that would connect the state of Iowa and the state of Nebraska, specifically in the 16th Street area. The committee recommends

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reappropriating that which I think is-- and have learned from members in this body how important that would be. The-- the final comment I would make before I go back to highway construction in the budget is that recently they had a fleet study done, I believe, by an outside vendor that recommended that we should be spending \$56 million a year on fleet replacements over a 10-year period to bring our fleet--

**HILGERS:** One minute.

**FLOOD:** --in line with industry standards. The Department of Transportation comment to that is they think they can do it with existing appropriations and they spend six million, increase of three million over the base to seventeen million. So, the-- yeah, three million and then 5.5 in the second year. I personally think we get a big bang for our buck out of the Department of Transportation, the State Patrol. The-- the Department of Transportation, the comparing what we have in Nebraska to the snow removal I see in South Dakota is amazing. We have a wonderful crew of people that make it possible for our two-lane and four-lane highways to be open. I think that the Department of Transportation is meeting and exceeding all of our standards. I wish there were more money in this budget to be able to meet the needs of our rural communities, especially in our urban communities.

**HILGERS:** Time, Senator.

**FLOOD:** Thank you.

**HILGERS:** Thank you, Senator Flood. Senator Machaela Cavanaugh, you're recognized.

**M. CAVANAUGH:** Whoops. Thank you. Thank you, Senator Flood, for bringing up one of my favorite topics, transportation. So here's the thing. The former director of the Transport-- Department of Transportation, he left the state of Nebraska over the interim and it was a loss to the state. We do have an interim director who is wonderful as well. And I would just like it noted for the record that I have a ecstatically lovely relationship with the Department of Transportation. The Department of Transportation is one of the most delightful department a-- in the State of Nebraska to work with. They are respectful to difficult questions. They don't take offense to questions that are our job to ask. They come prepared. Let me repeat that part. They come prepared to answer questions. And interestingly, they don't have to come to us for their money, yet they are so

respectful and kind and gracious. They even came once and did a town hall for my constituents during the flood. It was really-- it was really wonderful because it was a weeknight, so an end in Omaha, and I really appreciated that. And so did my constituents, because I do have state highways that run through my district. Dodge Street and Maple Street are in my district and our state highways that were impacted by the flooding. So the Highway Trust Fund or cash fund, sorry, Highway Cash Fund. So a little story about this. My freshman year during the interim, I introduced two resolutions. One was to do a study on the Healthcare Cash Fund and the other was the Highway Cash Fund. And if you want to see the lobbyist freak out, introduce an interim study on the Highway Cash Fund. It is hilarious. My phone, my email were blowing up. Are you trying to defund the Highway Cash Fund? I thought, well, if I'm doing an interim study to look at the health and well-being of the Healthcare Cash Fund so that the committee gets an updated report, why wouldn't I do the same thing for the other committee I sit on? So I did. I didn't know that it was going to be so controversial. But once everybody found out that I wasn't trying to do anything, I just wanted to learn, everyone settle down, and we had a great presentation and we learned all about the Highway Cash Fund. And it is mostly funded through the gas tax and because it is funded through the gas tax and directly goes into the department-- the Highway Cash Fund, and that is how the Department of Transportation is funded, they don't have to come to us for appropriations. And that's just a little lesson for you all. It is an important fund with an important function. And I know that something that Senator Flood and Senator Walz are very passionate about is getting those highways bonded so that we can have safe highways in the state and I appreciate that. And I appreciate their dedication to serving their constituents and making access to safe roadways and infrastructure a priority. That's an important thing. So sorry. I just really like by the Highway Cash Fund and the Department of Transportation and all the people at the Department of Transportation and the DMV. Um, the DMV is also really wonderful. I don't want them to get like sideswiped in this. The PSC as well is--

**HILGERS:** One minute.

**M. CAVANAUGH:** --another great entity. I'm sorry. Did you say one minute?

**HILGERS:** One minute.

**M. CAVANAUGH:** Thank you. Um, so I kind of, I don't-- I don't know what the right phrase is, like just geek out about the Highway Trust Fund, but I geek out about a lot of things. The next thing that I'm interested in talking about, and I'm sure this will be shocking to everyone, is child welfare. On Page 148 is where we talk about some of the child welfare. And I really think this is a great opportunity for us all to learn a little lesson about the IV-E funding that is currently in the appropriations. I will wait to talk about that until my next turn on the microphone. But I appreciate the conversation that we are having about the budget, and I look forward to continuing it with you all. Thank you.

**HILGERS:** Thank you, Senator Cavanaugh. Senator Pansing Brooks, you're recognized. Senator Pansing Brooks waives the opportunity. Senator John Cavanaugh, you're recognized.

**J. CAVANAUGH:** Thank you, Mr. Speaker. I was just back checking with Senator Vargas to make sure I was talking on point. I believe the underlying AM393 is the one that includes the allocation for the new district court judge position in Douglas County. If I'm wrong, apply this statement to whatever bill that's supposed to be on, but I heard Senator Flood reference it earlier and I was out of opportunity to speak at that point. So I appreciate the time to talk. I'm very excited about the new district court judge position in Douglas County. As you all know, I practiced in Douglas County for seven years. I have tremendous respect for all the judges who practice in Douglas County and their caseload and how hard they work. And we had a conversation about retirement yesterday. So I want to take this opportunity to make sure that everybody knows that I appreciate and respect the hard work that the-- not just the district court judges, but the county court judges and juvenile court judges and the Workers Compensation court judges and whoever else I'm forgetting, do. But the reason I'm particularly excited about the additional judge in Douglas County is when I met with the courts, the Supreme Court particular right after I got elected and we were discussing opportunities in the future and I was talking about a problem-- we call problem-solving courts, the veterans court, the young adult court, the drug court, and they're starting a new problem-solving court in Lancaster County. And I said, why aren't we getting that in Douglas County? And they said that we don't have the judicial resources to undertake that in Douglas County. And so when I-- I knew there was-- they told me there was another judge position opening and there were some other issues with retired judges that they're maybe going to get more opportunities for these types of problem-solving courts. But when we talk about-- I think the

problem-solving courts are great because they have demonstrated track record of better outcomes for those people involved. Basically, for those who don't know, if you-- a problem-solving court, I'll use the example of the drug court, you can enter a plea. Well, you apply, you get admitted on a felony drug charge, you enter a plea and then you get into the drug court and then you have to undertake services for about two years, sometimes less, which includes-- can include getting a job, getting your driver's license back, getting on your feet, getting into-- getting an evaluation, getting treatment. So it's the type exactly what we want. People who find themselves in the criminal justice system doing, getting themselves on the right track, they get supervised by the court. There's a probation officer involved, there's a county attorney involved. And then there's-- generally there'll be a public defender involved as well. And they come to court once a week. They visit with their progress. They can be sanctioned, spend some time in jail. And then once they go through the whole system, they successfully complete everything, they haven't reoffended, they get to withdraw their plea and they won't have that conviction on their record. So they have got-- gone through a treatment process. They've gotten on their feet and they don't have that conviction hanging over their head. This is a fantastic system that we-- we're beginning to implement in more courts and more opportunities. We're expanding it because we're seeing the great results. And so adding this judge to Douglas County, I think is a step in that direction that will help us to expand those offerings, to help more people get better outcomes. And that is one of the things we can do that's going to help alleviate the prison overcrowding that we have in our state, investing in these sorts of smart front-end solutions that actually help people address the root cause of why they are in the criminal justice system, help them get into the position where they won't reoffend. I don't like-- the word is recidivate, I believe, and it just doesn't sound right to me. But they won't reoffend. They won't be back if they complete these programs, they have a great track record. We have them in Douglas County currently. We have a drug court, which I think is operating with two judges now. We have a veterans court--

**HILGERS:** One minute.

**J. CAVANAUGH:** --which is looking for a new judge because they just retired. We have a young adult court. And I believe there's a mental health court in Sarpy County. And Lancaster County has this DUI court, which I'm not 100 percent certain on how it works yet, but I appreciate the innovation that the courts are undertaking. I think this will give us-- yield good results and will help us in the long

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term and I think we need to look at more opportunities to expand these types of courts. And that's why I think this additional judge is a great step in that direction. It's a type of investment that will save us money in the long run. And these are the types of smart things we should be doing, front-end investments that are going to save money in the long run. Thank you.

**HILGERS:** Thank you, Senator Cavanaugh. Senator Machaela Cavanaugh, you're recognized.

**M. CAVANAUGH:** Thank you. I apologize, Senator Cavanaugh, I wasn't listening to what you were talking about, but I'm sure it was illuminating. OK, so page 148 is the-- one of many parts of the Department of Health and Human Services appropriation. And on this page, we have the IV-E funding. OK, so this is federal funding. And this is one of the things that I was like, oh, you know, I find this a little-- I'm a little concerned about this. I'm sure you know what, the members of the St. Francis Ministries, a Special Investigative Oversight Committee, they actually should be able to explain what my concern is about this. So I'm going to skip that because the expertise that was appointed to that committee should definitely know why I am concerned about what we are appropriating and what we are accounting to come in in IV-E, I'm sure. I'm sure they could-- I'm not going to ask them to yield to a question, but I'm sure-- I'm sure if I did, they could answer absolutely. I mean, I guess-- I guess I'm having that certainty that if Sara Howard were here and I asked her to yield, whoa, boy, would we get a lesson. We would get a lesson in IV-E, and I would be there for that and it would be amazing. But today is not that day. And I'm just going to let the members of the Special Investigative Oversight Committee take the time themselves to tell you all what is wrong with our IV-E appropriation line item. It'll be very illustrative. Very. OK. So, some other good little nuggets here. We have on page 145 at the top, increase behavioral health housing aid. It's program 38 in behavioral health. The department requested a million per year to be used to leverage additional private or public funds to rehabilitate or acquire additional housing units across the state for low-income individuals. Additionally, this request would meet an objective of the state's Olmstead plan. Did you hear that, Senator Walz? It would meet an objective of the state's Olmstead plan. Look at that. Look at us. What did we do? Do we accidentally do something good? Did we? We did. Well, way to go team. We accidentally did something good. The department coordinates with the Nebraska Investment Finance Authority, or otherwise known as NIFA, the Nebraska Department of Economic Development, DED, and private investors to



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con-- um, to construct and/or rehabilitate housing for low-income individuals. In FY20, these partnerships were able to be-- to provide housing assistance for 1,100 customers and leveraged 45 housing units on to the market. The additional funding allows NIFA and DED to provide stable housing individuals, families across the state and assist the Division of Behavioral Health to serve clients on the waiting list for housing. Currently, there is a waiting list for affordable housing of approximately 391 customers. However, there is a significant lack of affordable housing and other supports for eligible households. The requested funding is projected to support 60 to 80 new affordable market rate units. Well, that's terrific. We probably could put more than a million towards it, but then we would have to have that whole conversation again about, you know, can we actually do hard things, so, we don't want to do that.

**HILGERS:** One minute.

**M. CAVANAUGH:** Thank you. But this is very exciting. Thank you to the Appropriations Committee and to the Fiscal Analysts for that impressive work. I, um, I would like to add just a little tutorial for you all. I had a great conversation with one of our Fiscal Analysts, and I won't-- I won't give their name, that I don't want them to get in trouble that they talked to Senator Machaela Cavanaugh, but I did learn how to look up agency requests and programs and to get a more detailed look at all of these requests with the narrative from the agencies. So if anybody wants to learn more about the budget, I am excited to sit down and talk with you, or I could do it on the microphone, either way. But it is-- like, I just love this deep dive into factfinding, which is why I am so ill-suited to being on a fact-finding committee, because you wouldn't want to have a person on the committee that likes to find facts that would be--

**HILGERS:** Time, Senator.

**M. CAVANAUGH:** --just ridiculous. Thank you.

**HILGERS:** Thanks, Senator Cavanaugh, and that was your second time. You have your close remaining. Senator Pansing Brooks, you're recognized.

**PANSING BROOKS:** Thank you-- excuse me, Mr. Speaker. Again, I just want to say we can solve this issue. I've offered to resign my position, so I just want to point that out. And then Senator Murman could be in my position on the YRTC Committee and then Senator McCaven-- Machaela Cavanaugh can then be on the Oversight Committee. I'm willing to take

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that-- that dive, because I think it's important that she be there. So now to the budget. I've been trying to get to Senator Stinner, and fortunately, Senator Wishart is here to answer some questions as Vice Chair of the committee. Would Senator Wishart please yield to some questions?

**HILGERS:** Senator Wishart, would you yield to a question?

**WISHART:** Yes.

**PANSING BROOKS:** Thank you, Senator Wishart. I just have a few questions. Number one, as you well know, the state decided long ago to quit providing mental health housing, really other than penal housing, and decided that really the groups in the community are better suited to taking care of individuals in great need. So we have places like St. Monica's, an alcohol and drug rehab center for women, and we have-- we have more places that I can even think right now. But as I look at page 45, there's just a little line that says provider rates-- provider rates. We don't even list out that there's a 2 percent increase in provider rates, which, is my understanding, includes behavioral health, mental health, child welfare, developmental disability. Can you explain that a little farther, Senator-- Senator Wishart, and also, why is it that there's not some sort of long explanation of the important work that that covers?

**WISHART:** Thank you, Senator Pansing Brooks. I'd be happy to answer this question. I think page 33 actually is a little more helpful. But-- but I agree and I'm happy to work between now and Select to get you kind of a full-on listing of who the providers are. But in general, when we're talking about provider rates and we're talking about our committee choosing to differ from the Governor's proposal and do a 2 percent increase on provider rates, we're really talking about people who provide services and businesses who provide services for Medicaid, child welfare, public assistance, children's health insurance, behavioral health, which would in substance abuse, which would be your St.-- St. Monica's developmental disability providers as well as long-term care providers. And then also this would go to support some of the systems that provide services to those who are within the court system. So community corrections, probation, as well as juvenile justice court services.

**PANSING BROOKS:** So I think that I would request that maybe-- and I'm so grateful of all the work that Fiscal has done on this and the work of the Appropriations Committee, it's beyond belief, the amount of

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work that you all go to. So I'm very grateful for that. My request would be that if we had a better understanding of who the providers were, what's happening. We continue to cut the providers, although we expect them to do more. Mental health is increasing. Behavioral health is increasing. All of these things are increasing. And if we just say increase of 2 percent to provider rates, that really tells an infinitesimal part of the story. Would you agree to that?

**WISHART:** Yes, we would-- we will absolutely put together a more comprehensive--

**HILGERS:** One minute.

**WISHART:** --list for you of that to show the full picture of how over the past four years we as a committee have prioritized providers and increasing rates for those service providers.

**PANSING BROOKS:** Thank you so much. One minute left. What I wanted to ask next was about-- I actually have two more questions. One is about the-- on page 114, 300,000 per year is provided to address upcoming water litigation issues. Why aren't we just saying 300,000 this year and then if they need it again, they can come back and say they need another 300,000, and that seems like really open ended.

**WISHART:** That is a very good question. Actually, originally, the committee did not fund this, but we were briefed from the Attorney General on some upcoming cases that they're going to be working on, where they are going to need that full amount and it's not just going--

**HILGERS:** Time, Senators.

**WISHART:** --to be a one year case.

**HILGERS:** Thank you, Senator Wishart and Senator Pansing Brooks. Senator-- Senator Pansing Brooks, you are next in the queue and this is your third opportunity. You may continue.

**PANSING BROOKS:** OK, this is my third because I waived previous ones. I haven't had-- this is my second.

**HILGERS:** Senator Pansing Brooks, this is you second. You're correct.

**PANSING BROOKS:** Thank you very much. I don't think I'll need it, but who knows. So again, would Senator Wishart yield, please.

**HILGERS:** Senator Wishart, will you yield?

**WISHART:** Yes.

**PANSING BROOKS:** Thank you for your answers to the previous questions. My next question is on page 252 and Senator Bostelman actually brought up the issue about adjusting the community-based juvenile services aid base, which has-- the program, 155 juvenile-- juvenile services, that is decreased by 250,000. Now, I'm understanding that some-- some people did not use it or are not using it as they wish and so money was coming back. Can you explain that a little bit, please?

**WISHART:** Yes, I'd be happy to. So these are services that are-- just for the-- for anybody who's watching this background. These are services that are-- these are dollars that are provided through a formula to counties and communities to be able to address and reduce juvenile delinquency in a preventative way. And it works off of a formula. And what we're seeing is that in this program, it's an aid-based formula and we're seeing in what was recommended by the Crime Commission and the Governor was to reduce the aid because it wasn't being fully utilized. With that said, I share a similar concern as Senator Pansing Brooks and I have talked off the mike about this with looking at how we can adjust that formula to make sure that we are fully funding the aid out to these programs because they do work and they prevent people from entering the criminal justice system especially-- well, they prevent youth from entering the criminal justice system.

**PANSING BROOKS:** Yes, it's a very important-- I'm glad you said that. It's a very important program, Senator Wishart, I agree with you. When I talked with Senator Stinner off the mike, he had said that if it turns out that, you know, either due to COVID, the strange year, or due to something else, that all of a sudden the need increases significantly, that you could go back and and deficit fund. Is that correct?

**WISHART:** Absolutely. That is what our budget next year and in particular, our deficit budget is to address any immediate needs and to readjust our biennium budget.

**PANSING BROOKS:** Thank you. Because I know that the area in Senator Bostelman's area is quite concerned about this and, you know, some people were not using it very much last year due to COVID. So I think if we're actually cutting community-based aid, it's-- it's very

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dangerous for our juvenile. So I appreciate that you're willing to come back and do a deficit increase in that funding to be able to cover it. I think that is-- those were my main questions, and Senator Wishart, did you have anything to add? OK. Anyway, with that, I will relinquish my time, but I do want to just say again, we have a way to solve this situation and I am willing to get off of the-- of the YRTC Committee allowing Senator Murman to take my spot. And then it would be open for Senator Mccavan-- Machaela Cavanaugh, who created the entire committee program for the Special Oversight Committee. Seems like an easy fix and I'm willing to take that dive. Thank you so much, Mr. Speaker.

**HILGERS:** Thank you, Senator Wishart and Senator Pansing Brooks. Senator John Cavanaugh, you're recognized.

**J. CAVANAUGH:** Thank you, Mr. Speaker. Now that I've, I guess, covered myself by saying how much I appreciate judges and how valuable they are, which to be clear, I do, and they are and they bring great value to the system. I just wanted to kind of revisit the conversation we had yesterday about judges retirement pension. And we are working on this and I appreciate Senator Kolterman and we're going to meet to discuss further. But I was looking through the actuarial report that he handed out yesterday, and it was just kind of surprising to me to see how, I think Senator Wayne alluded to this yesterday and I was kind of-- didn't sink in. But the judge's retirement system is currently funded at 97.3 percent, which seems pretty good currently, whereas they have comparison school retirement systems funded at 91.7 percent and the State Patrol system is funded 88 percent. And the changes in this would, I guess, get the State Patrol up to 89 percent, the school retirement up to 98, and the judges would go from 97 to 98 percent. So the reason I'm bringing it up right now is because we're talking about Senator Lathrop, I think at one point said, that the courts don't like having to come and ask us for money, but we're here voting on the judge's salary on this budget today, which-- they, of course, they have to come to us for money. We allocate the budget for the entire-- entire state, and when we're talking about who would you rather have fund the court system, in particular the retirement, it seems to me like it would not be the people who are in the court system. And so that's my big problem with-- with funding the judges retirement through court fees is that they are overseeing their own part of their own payment. I guess we voted on our own salary of \$12,000 today. I don't see a workaround for that, I guess. But I-- I think that it's not a sincere argument to say that the courts shouldn't have to come to ask us for money. I think that if we fund

their salary, we fund their staff, we fund their operating, we should be funding their retirement, at least the state's contribution. Of course, they make some contribution themselves. I think that that's a better way. Establishes integrity in the system by making sure that there is-- they have no vested interest in the outcome one way or the other, or in the fact that cases are filed at all. There are a lot of other court fees that I also don't care for. We could address those at a different day, but I don't think that bill has been brought yet. But there are, I think we talked about currently, at least in Douglas County, I think there's about \$46 in court fees on every single court case goes through Douglas County. Those pay for a lot of what programs I like, which include the judges' retirement. But I don't think that's the appropriate way to fund it, and so that was the issue. I just wanted to make sure that we addressed the fact, didn't let it go by that we are funding judges. We pay-- we're going to vote on this money, it's going to go to the judges. They are not beholden to us because of that. And therefore, that's an appropriate way to fund the court systems of the state of Nebraska, not through court fees. I think that-- just want to make sure it's clear as well that I don't think the judges are taking an interest or it's not affecting their outcomes, but it is a-- there is an appearance of-- of a problem when the court fees, when somebody looks at their receipt, looks at their payment. And I can tell you from personal experience, I've gone to the district court. I've gone to help people pick up their bonds, what was left of their bond, and they get an itemized receipt that says this is how much bond is taken. I think I said this earlier. I have a-- I brought a bill to eliminate cash bail, but they take 10 percent off the top.

**HILGERS:** One minute.

**J. CAVANAUGH:** So you post \$500, they take \$50 off the top. So you have \$450 left. Then they take out all the court fees and they look at it itemized. And I can tell you, I have walked up there with people who are homeless and they are counting on that money after they got out of jail and they got their case resolved to go get a place to stay for the night, and as a result of those court fees, those people have less money than they were counting on and so they-- they have a harder time finding a place to live. So this is important because it affects people in that way. They look at it and they say-- they can look at that bill and they say, I don't have a place to stay tonight because there's money going to the judges' retirement and don't think that doesn't happen. And so that is an important consideration when we're saying, do we need to fund them from 97 percent to 98 percent, is that

worth the integrity of the system? So I think this is an important conversation to continue. We're going to work on it with Senator Kolterman. We're going to meet with, I think, some folks from the court and we're going to bring this back on Select and we're going to talk about it some more at that point in time. Thank you, Mr. Speaker.

**HILGERS:** Thank you, Senator Cavanaugh. Seeing no one else in the queue, Senator Cavanaugh, you're recognized to close on your motion.

**M. CAVANAUGH:** OK, friends. Oh, sorry, I'll take this off. So, oh, we're on the motion to reconsider my motion to bracket until May the Fourth be with you. Um, for those following along at home, I, uh, I have a lot more in here to talk about and I'm excited for the opportunity on the next amendment that is coming. Um, and so I, um, I appreciate that people are talking about the budget because I think that's a really important function of what we should be doing today, not, uh, you know, playing politics with, uh, the children of Nebraska's welfare. That's not what we should be doing today. But what we should be doing today is talking about the budget and having an in-depth and robust conversation about it, because it is a really important thing. Um. And this is just such a fascinating document. Um, I just-- sorry, caught my eye on page 156 and I do feel like Senator Wishart probably has a lot of expertise to-- to lend to page 156. It's the airport planning and project management avy-- state aviation system plan. Uh, program 26 development enforcement. The recommendation would provide funding for contracting for the completion of a state aviation system plan study. The division indicates a state plan ought to be every five years. The last Nebraska state aviation plan was completed in 2002. Wow, we are neglectful. A grant from the Federal Aviation Administration will cover 90 percent of the project costs. Additionally, the division indicates the economic impact study is nearing completion, requiring additional expenditures. The total estimated increases related to the aforementioned items are 180,000 in FY22 and 180,000 in FY23. Now this is another fascinating philosophical conversation about how we fund government-- federal government. So we are drawing down federal funds for this project, which I do not disagree with, and they're going to cover 90 percent. And we are apparently fine with that collectively, because as far as I know, I'm the first person to talk about page 156 today and I am fine with it. So we're fine with it, but we're not fine with drawing down as many federal dollars as we possibly can for programs that impact people's lives. And I'm not talking about just the developmental disabilities waiver. We could increase eligibility in this state back to where it used to be before we had a budget



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crisis in 2008. We could increase eligibility in the state for SNAP, for child care subsidies, for Medicaid, Medicaid expansion. We could increase eligibility and draw down federal dollars to make an impact in the lives of the people of Nebraska. But apparently when you all go and talk to your voters, all they talk to you about is property taxes, which is a very strange thing to me because mine don't. And I live in the middle of Omaha in the highest-taxed district in the state, and they don't talk to me about those things. They talk to me about health care and food and housing security. So either I'm an outlier or--

**HILGERS:** One minute.

**M. CAVANAUGH:** --or you all aren't talking to your constituents. Because housing insecurity is a real thing in every part of the state. It's not just an Omaha issue, it's a Nebraska issue. Child care, access to high quality child care is not just an Omaha issue. It's an everywhere issue to the point that Red Cloud, Nebraska built a child care center so that they could get a work force to live there. We have some very interesting priorities, but I support the airport planning and project management, and I hope you all will vote red or green on my motion to reconsider my vote. Thank you.

**HILGERS:** Thank you, Senator Cavanaugh. The question before the body is the adoption of the motion to reconsider. All those in favor vote aye. There has been a request to place a house under call. The question is, shall the house go under call? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 14 ayes, 6 nays to place the house under call.

**HILGERS:** The house is under call. All unexcused senators please return to the Chamber. All unauthorized personnel please leave the floor. The house is under call. A roll call vote in reverse order has been requested. Senator Wayne, please check in. Senator DeBoer, Senator Murman, please return to the floor. The house is under call. Senator Cavanaugh, Senator Deboer and Senator Murman are not answering their phone. How would you like to proceed? Would you like them to-- would you like us to wait, or would you-- how would you like us to proceed? All unexcused senators are now in the Chamber on the floor. The question for the body is the adoption of the motion to reconsider. A roll call vote in reverse order has been requested. Mr. Clerk, please call the roll.

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**CLERK:** Senator Wishart voting no. Senator Williams voting no. Senator Wayne not voting. Senator Walz voting no. Senator Vargas voting no. Senator Stinner voting no. Senator Slama voting no. Senator Sanders voting no. Senator Pansing Brooks not voting. Senator Pahls. Senator Murman voting no. Senator Moser voting no. Senator Morfeld voting no. Senator McKinney voting no. Senator McDonnell voting no. Senator McCollister voting no. Senator Lowe voting no. Senator Linehan voting no. Senator Lindstrom voting no. Senator Lathrop voting no. Senator Kolterman voting no. Senator Hunt not voting. Senator Hughes voting no. Senator Hilkemann voting no. Senator Hilgers voting no. Senator Matt Hansen voting no. Senator Ben Hansen voting no. Senator Halloran. Senator Groene, Senator Gragert voting no. Senator Geist voting no. Senator Friesen voting no. Senator Flood voting no. Senator Erdman. Senator Dorn voting no. Senator DeBoer voting no. Senator Day voting no. Senator Clements voting no. Matt Cavanaugh-- Machaela Cavanaugh, excuse me, not voting. Senator John Cavanaugh not voting. Senator Briese voting no. Senator Brewer voting no. Senator Brandt voting no. Senator Bostelman voting no. Senator Bostar voting no. Senator Blood voting no. Senator Arch voting no. Senator Albrecht. Senator Aquilar voting no. Zero ayes, 39 nays on the motion to reconsider,

**HILGERS:** The motion is not adopted. I raise the call.

**CLERK:** Mr. President, the next amendment I have to the bill, Senator Flood, AM890.

**HILGERS:** Senator Flood, you're recognized to open on AM890.

**FLOOD:** Thank you, Mr. President, and good evening, members. I intend to pull this amendment. I had filed it before-- early this afternoon. I will tell you what it's briefly about and I would also say to the Policy Research Office, I appreciate their feedback on this. In the budget, I had noted that there was about 700 and some thousand dollars allocated to the Department of Corrections for an electronic health records initiative. And when I was looking at it, the note in the budget book basically said that the Department of Corrections on page 192 wanted to build their own electronic health records system. And I can tell you, I've had these thoughts myself as a business person where I think, oh, I could pay somebody. I know exactly what I want to have happen. And then you get into your own system and then a couple of months or years down the road, you're like, oh, I should have just bought one that's on the commercial market because that's what they do. And in this case, this decision to buy the-- to-- to in-house create the electronic health records system was decided in the

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2019-2021 biennium. And there's currently 1.4 that's been appropriated. So if we were to not make this appropriation here, we'd lose the 1.4 million that we've already invested in electronic health records system if the remaining funding is not appropriated. And ultimately, the Department of Corrections felt that-- and they feel confident that they're going to be able to bring this in under budget at about \$3 million. The thing that I think is very important here, and I know this because at the Norfolk Hospital, our doctors, we are all part of the epic electronic health records system, which I didn't know much about. But here's the good thing. You go see your provider in my hometown, Columbus is on it, North Platte is on it, and then if they refer you to a specialist at Nebraska Medicine or wherever it may be, you go down there and all your health records are right there for that next provider and the transition is seamless. And it, I think, helps, and Senator Arch would know more about this than others, it helps prevent mistakes in the transition of care for one provider to another. And I can only imagine if, you know, someone is going to the Department of Corrections, the number of, you know, they might have a substance abuse disorder and co-occurring mental health. They might be on a bunch of different drugs or medications. And if those aren't managed appropriately when they go into the Department of Corrections, you have even more problems. Ultimately here, I think what I learned from the Policy Research Office is that in this case, the OCIO, which is the the technology IT branch of state government, is building a system that's able to interface with the inmate management system. And it is the same system used by the Board of Parole. So here they've got a system they're building with the Board of Parole, with the Corrections system and then the electronic health records. I saw it in the budget. I didn't know anything about the past or what's occurred with that. I think that the response we got from the Department of Corrections is that, listen, we're a million four into this. That would be for naught if we went out and onto the private market and got a new program. So ultimately, I think my questions were answered and I'd like to pull that amendment. Thank you, Mr. President.

**HILGERS:** Without objection, the amendment is withdrawn. Mr. Clerk.

**CLERK:** I have nothing further pending to the committee amendments at this time, Mr. President.

**HILGERS:** Returning to debate on the committee amendments, Senator Machaela Cavanaugh, you're recognized.

**M. CAVANAUGH:** Thank you. OK, this is the actual bill, everybody. We're on the bill. Yay, no? OK. Well, maybe everybody else is cool, doesn't want to talk about the bill anymore. Not many of you have talked about the bill to be perfectly fair, um, the bill itself. But we've got time to talk about it. Um, so we're going to do that. Let's see here. So, again, let's going to the Lieutenant Governor has a very modest budget. I did not dig into what it is, but it is 152,437. Um, I probably will at some point dig into what that is, but it was a modest amount, so I didn't dig into it. The Governor's budget is 2.1 million and there is an in-- salary increases. It says agency wide of \$31,484 this year and then \$63,597 next year. And I am curious because there are places in this budget where it says salary increase 2 percent. So it's like a cost of living increase for the salaries for that-- for that particular budget item. But this one, and there are a few others, this one does not break it out. And so it does make me wonder if there are individuals in the-- in this salary pool that are not getting a 2 percent increase or are there individuals in the salary pool who are getting a 10 percent increase? And so that is not made clear, at least in the summary, but I'm sure if I dig into the program statement, the budget requests from the Governor's Office, that is something that I could find an answer to. Um. If you go to page 110, the same is true of the Secretary of State's Office, there is just an agency-wide salary increase and agency-wide health insurance increase, which is happening everywhere, and that's definitely an important thing. But then there's a-- there are several interesting tidbits in the Secretary of State's, uh, budget. Consolidation program-- consolidate programs into one umbrella. And it says, based on the passage of LB910 in 2020 four programs within the Secretary of State administration-- administration, corporations, collection agencies and uniform commercial code are being consolidated. This action allows the office budget flexibility while maintaining program integrity, since the programs will continue to be tracked individually. For this publication, issues are presented in the old program structure. Part of the consolidation results in a shift of General Fund appropriations to Cash Funds. And in reading it, it makes it sound like this allows the office budget flexibility. So we move it out of the General Fund and into the Cash Fund. I'd be interested to know what that flexibility is because it actually looks like we're giving up oversight authority because there's no savings. It goes from 271,000 to 276,000 this year. And it goes from 271,000 next year to 281,000.

**HILGERS:** One minute.

**M. CAVANAUGH:** So that would be something I think we should maybe look into a little bit more, but OK, so then there's a-- on page 111, there's the International Trade Program 22 Department of Administration. And I'm guessing that I'm the only person speaking. So I guess I'll just get back in the queue. OK. So funding is provided to support the Secretary of State's international trade initiatives. An international trade consultant would be utilized to identify, define research and develop proposals for programs that show strong potential for marketing and sales of Nebraska products. The consultant will also identify and assist in maintaining relationships with international contracts-- contacts for Nebraska businesses, agricultural producers, commodity boards and the University of Nebraska. And I found this really interesting because I didn't know that this was a function of the Secretary of State and maybe some of our members of the-- of the--

**HILGERS:** That's time, Senator, but you're next in the queue, so you may continue.

**M. CAVANAUGH:** Thank you. Maybe members of the agricultural community were aware that the Secretary of State played this role. I was not aware. Um, so I suppose I need to educate myself more in-depth on all of the things that are under the purview of the Secretary of State. Um, OK. So the notary public filing system is next. And this is-- I'm not entirely sure if this is based on the bills that we passed over the last biennium, but we did pass some notary public changes that made it easier to get a notary public signature. So, um, this is-- funding is included to replace the current system, which is 10 years old and has never fully functioned as was intended. The new system will be an out-of-the-box solution, which is need-- which will need minimal modification to meet operational needs. Funding for the data migration is included in this issue. And, uh-- oh, I should get back in the queue and probably still the only person in the queue. If you guys want to yield me time-- my button wasn't working. Um, I won't take that as a sign that I should stop talking. Don't worry, I shall persist. OK, so rules and regulations, Electronic Solution Program 22 Department Administration. This is \$920,000. Funding is included to replace the current system, which is 8 years old and inadequate to meet our current needs. And I was curious about this one and the next one. So that's-- actually this is what led me to learn a little bit more about the budgeting process and how you can look up the programs and the agency requests and get a little bit more detail, because as-- as helpful as this document is, this is a very high level overview of what is in the budget. So you have this document, which is the summary of the budget. You have the budget itself. This is the amendment to--

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to the budget. And then you have the requests that the budget is based off of. And you can find all of that. The general public can find all of that on the Nebraska Governor dot gov website under budgets and it's under the Governor's request. So everyone, this is available to-- to the public, not just to your senators. You can look this up yourselves and you can really comb through agency requests and see, um, how your tax dollars are being spent. I mean, I would encourage you to do it, except it's very time consuming and it's something that I've been working on while sitting on the floor here listening to floor debate over the last couple of weeks. So, OK, sorry, I lost my place. Rules and regulations. Electronic system funding is the-- I think I already read that, sorry. Election night reporting candidate module system. The current election night reporting system is 10 years old, which is kind of-- that feels like in technology, 10 years feels--

**HILGERS:** One minute.

**M. CAVANAUGH:** --very old. One minute?

**HILGERS:** It's one minute.

**M. CAVANAUGH:** Thank you. Technology feels really old, but just because it's old or just because it's only 10 years old, it also feels kind of new. And I was a little surprised by this one, mostly because for the last couple of years, uh, like almost every bill that does anything with Medicaid that comes to the HHS Committee has a fiscal note for like a \$20 million software system. Actually, I think it went up to \$28 million and-- and it's what we call death by fiscal note. It's purposely put there to kill bills that the Governor doesn't want to see moved forward because they cost too much. But he makes them but they may cost too much, but-- but somehow this system is only \$356,000, so it doesn't cost too much.

**HILGERS:** Time, Senator.

**M. CAVANAUGH:** Thank you.

**HILGERS:** You're next to the queue. This is your third opportunity, you may continue.

**M. CAVANAUGH:** Thank you. OK, well, hey, friends, looks like you're going to get your votes on LB380 before eight o'clock at this pace. Everybody's lost their steam. I haven't lost my steam, but I'm not going to just put motion after motion up if-- if this is where you all

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are at, then this is where you all are at. Feels like, well, it does matter. OK. Let's skip to something more interesting. I don't know if we're going to go to the next bill or not tonight. I've been told that we are, I've been told that we aren't. I've been told that we're voting on this at eight o'clock, not by Speaker Hilgers, because he is not communicating with me this evening, but others have told me this. So, probably not going to do the three times on the underlying bill that I have, because when nobody gets in the queue with you, nobody wants to talk about even the budget at this point, it's clear. It's clear. Thank you.

**HILGERS:** Thank you, Senator Cavanaugh. Seeing no one else in the queue, Senator Stinner, you're recognized to close on the committee amendments. Senator Stinner waives closing. The question for the body is the adoption of AM393. All those in favor vote aye; all those opposed vote nay. There's been a request to place house under call. The question is, shall the house go under call? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 20 ayes, 4 nays to place the house under call.

**HILGERS:** The house is under call. Unexcused senators please return to the floor. All unauthorized personnel please leave the floor. The house is under call. Senator Stinner, a roll call vote has been requested. As Chair of the committee for these committee amendments, it's your decision on which order.

**STINNER:** I guess I'll humor you. I'll do the roll call vote in-- is it reverse order, is that what she's calling?

**HILGERS:** The call-- there hasn't been a call. It's your decision.

**STINNER:** OK, I'll just take the machine vote. Thank you.

**HILGERS:** There's been a roll call vote requested, Senator Stinner, so, but you get to decide the order.

**STINNER:** Oh, I'll-- reverse order is fine.

**HILGERS:** Senator Morfeld, please check in. Senator McDonnell, Brewer, Ben Hansen, please return to the floor. The house is under call. All unexcused senators are in the Chamber. The-- all unexcused members are now present. The question before the body is the adoption of the community amendments AM393. A roll call vote in reverse order has been requested. Mr. Clerk, please call the roll.



**CLERK:** Senator Wishart voting yes. Senator Williams voting yes. Senator Wayne not voting. Senator Walz voting yes. Senator Vargas voting yes. Senator Stinner voting yes. Senator Slama voting yes. Senator Sanders voting yes. Senator Pansing Brooks voting yes. Senator Pahls. Senator Murman voting yes. Senator Moser voting yes. Senator Morfeld voting yes. Senator McKinney not voting. Senator McDonnell voting yes. Senator McCollister voting yes. Senator Lowe voting yes. Senator Linehan voting yes. Senator Lindstrom voting yes. Senator Lathrop voting yes. Senator Kolterman voting yes. Senator Hunt voting yes. Senator Hughes voting yes. Senator Hilkemann voting yes. Senator Hilgers voting yes. Senator Matt Hansen voting yes. Senator Ben Hansen voting yes. Senator Halloran. Senator Groene. Senator Gragert voting yes. Senator Geist voting yes. Senator Friesen voting yes. Senator Flood voting yes. Senator Erdman. Senator Dorn voting yes. Senator DeBoer voting yes. Senator Day voting yes. Senator Clements voting yes. Senator Machaela Cavanaugh not voting, Senator John Cavanaugh voting yes. Senator Briese voting yes. Senator Brewer voting yes. Senator Brandt voting yes. Senator Bostelman voting yes. Senator Bostar voting yes. Senator Blood voting yes. Senator Arch voting yes. Senator Albrecht. Senator Aguilar voting yes. 41 ayes, 0 nays on adoption of committee amendments.

**HILGERS:** The committee amendments are adopted. Raise the call. Returning to debate on LB380, Senator Machaela Cavanaugh, you're recognized.

**M. CAVANAUGH:** I know it's surprising to everyone that I am back in the queue, so why this is the only time I'm going to speak and we can vote on this bill. Yeah, I wouldn't-- I mean, I can talk long enough for people take a bathroom break, but I'm going to stop talking after the 4 minutes or however much time I have left. Um, so this has been a day, not the day I expected. I started the day out very hopeful for the people of Nebraska. I started the day out hoping that my colleagues would join me in a robust discussion about developmental disabilities. And you disappointed me. That was just the first disappointment of the day, not that anyone here really cares how I think or feel about anything, but for the record, you disappointed me. The cavalier attitude towards the issues that I hold close to my heart is interesting. I care about people. I care about your families, I care about Senator Lowe's son who serves our country. I care about Senator Hunt's brother, who serves our country. I care that Senator Gragert served our country and Senator Brewer served our country. And I'm sure there are other senators who have served our country who I am not acknowledging right now and I apologize, but I do care about that.

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I care so much about that, that whenever you bring a bill that benefits military families or veterans, I show up for you. Every single time I show up for you. I don't have a base in my district. I don't have an abundance of people contacting me from my district saying that they're veterans and that this would help them. I do it because it's the right thing to do for the people that have served our country. That's why I do it. And I also do it because you all care about it. No one has to show up for me. And you all made it very clear today that no one will. I yield my time.

**HILGERS:** Thank you, Senator Cavanaugh. Seeing no one else in the queue, Senator Stinner, you're recognized to close. Senator Stinner waives closing. The question for the body is the advancement of LB380 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Have all voted who wish to? Please record, Mr. Clerk.

**CLERK:** 42 ayes, 0 nays on the advancement of the bill, Mr. President.

**HILGERS:** LB380 is advanced. Mr. Clerk for items.

**CLERK:** LB274 and LB274A are reported correctly engrossed. Retirement Systems Committee chaired by Senator Kolterman reports LB209 to General File with amendments. Senator Stinner, print an amendment to LB383; Senator Wayne an amendment to LB383. I have a report from the Executive Board regarding certain appointments to committees. Name adds: Senators Matt Hansen to LB247, LB307, LB322; Senator Aguilar, LB306; Senator Ben Hansen, LB388; Senator Linehan, LR85. Mr. President, Senator Ben Hansen would move to adjourn the body until Friday, April 9, at 9:00 a.m.

**HILGERS:** Colleagues, you've heard the motion. All those in favor say aye. Record-- record vote has been requested, Mr. Clerk. The motion before the body is to adjourn. You've heard the motion. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** Voting aye: Senator Aguilar, Arch, Blood, Bostar, Bostelman, Brandt, Brewer, Briese, John Cavanaugh, Clements, Day, DeBoer, Dorn, Flood, Friesen, Geist, Gragert, Ben Hansen, Matt Hansen, Hilgers, Hilkemann, Hughes, Hunt, Kolterman, Lathrop, Lindstrom, Linehan, McCollister, McDonnell, Morfeld, Moser, Murman, Pansing Brooks, Sanders, Slama, Stinner, Vargas, Williams. Voting no: Senator Machaela Cavanaugh, Lowe, McKinney, and Wayne. 38 ayes, 4 nays to adjourn.

**HILGERS:** We're adjourned.