

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Appropriations Committee March 16, 2023  
Rough Draft

**CLEMENTS:** Welcome to the Appropriations Committee hearing. My name is Rob Clements. I'm from Elmwood. I represent Legislative District 2, which is Cass County and eastern Lancaster County. I serve as Chair of this committee. We will start off by having members do self-introductions, starting with my far right.

**ARMENDARIZ:** Christy Armendariz, District 18, in northwest Omaha and Bennington.

**DORN:** Myron Dorn, District 30, which is Gage County, part of Lancaster.

**DOVER:** Robert Dover, District 19, Madison County, south half of Pierce County.

**WISHART:** Anna Wishart, District 27, west Lincoln and Lancaster County.

**LIPPINCOTT:** Loren Lippincott, District. 34.

**CLEMENTS:** We have other senators missing who may be presenting bills in other committees, and some of these may come and go as the day progresses. Assisting the committee today is Tamara Hunt, our committee clerk. To my left is our fiscal analyst, Scott Danigole. Our pages [RECORDER MALFUNCTION] from Kansas, a UNL student At each entrance, you'll find green testifier sheets. If you're planning on testifying today, please pick up and fill out a green testifier sheet and hand it to the committee clerk when you come up to testify. If you will not be testifying but want to go on record as having a position on a bill being heard today, there are white sign-in sheets at each entrance where you may leave your name and other pertinent information. These sign-in sheets will become exhibits in the permanent record after today's hearing. To better facilitate today's proceeding, I ask that you abide by the following procedures. Please silence your cell phones and electronic devices. Move to the front chairs when you're ready to testify. When we hear testimony regarding agencies, we will first hear from a representative of the agency. Then we will hear testimony from anyone who wishes to speak on the agency's budget request. We have one agency today. And when we hear bills, the order of testimony will be introducer, proponents, opponents, neutral, and closing. When you come to testify, please spell your first and last name for the record before you testify. Be concise. We request that you limit your testimony to five minutes or less. Written materials may be distributed to the committee members as exhibits only

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while testimony is being offered. Hand them to the page for distribution when you come up to testify. If you have written testimony but do not have 12 copies, please raise your hand now so the page can make copies for you. Now we will begin today's hearing with Agency 65, Department of Administrative Services and, Director, you're welcome to come up. Good afternoon.

[AGENCY HEARING]

**Speaker 1:** We will now switch to bills and start with LB411. Senator Dungan.

**DUNGAN:** Good afternoon. Oh.

**CLEMENTS:** Just give me a minute--

**DUNGAN:** Yes.

**CLEMENTS:** --to switch notebooks.

**DUNGAN:** Nope. Let me know when you're good to go. This room seems a bit nicer for you all than the last time I came before you all.

**CLEMENTS:** We'll now open the hearing for LB411. Welcome, Senator Dungan.

**DUNGAN:** Thank you. Good afternoon, Chair Clements and members of the Appropriations Committee. I'm Senator George Dungan, G-e-o-r-g-e D-u-n-g-a-n. I represent the good people of northeast Lincoln in Legislative District 26. Today, I'm introducing LB411. LB411 is a bill to appropriate \$1.5 million from the General Fund to Wyuka Cemetery for the purpose of rehoming the mural that was formerly located at the Pershing Center here in Lincoln. Wyuka encompasses over 140 acres between O and Vine Streets and is a nationally recognized historic site. Founded in 1869 by an act of the Nebraska Legislature, Wyuka was Lincoln's first public park and state cemetery. Wyuka is the home of the Nebraska State Holocaust Memorial and historical tributes to Lincoln families, Civil War veterans, and ordinary citizens. These reasons and many others make Wyuka the perfect site for rehoming the Pershing mural. In addition to rehoming the mural, LB411 would also help create a green space with seating and a stage for performances and entertainment. When families look to relocate, they consider entertainment along with other things, and this will provide the attraction in an area of Lincoln that has been historically left

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behind. The Pershing mural is one of Nebraska's most recognized pieces of art. For decades, this mural was located at the Pershing Center. It has been viewed and appreciated by thousands of Nebraskans trekking to Lincoln for things like state high school basketball and other sporting events. I personally grew up going to Pershing on a regular basis. I know I saw that at school events, 4-H events, concerts, going to the circus. And so it holds a great value to the folks in Lincoln like me, but also folks from around the state who traveled here and saw that at various times that they came into Lincoln. The people testifying in support after me have been working towards this for years and have immense knowledge of the project. Their group, along with 890 donors, have raised nearly half of the required funding to rehome the mural and has detailed plans that they're ready to execute once they finally get the funding, which we have the opportunity to provide. Tim, Liz, and others have dedicated a lot of their time and their capital to this project and will be able to answer a lot more of your questions in great detail. Thank you for your time and consideration. I urge the committee to help preserve a significant piece of Nebraska's history by voting yes on LB411. And I'm happy to take any questions the committee might have at this time.

**WISHART:** Thank you, Senator Dungan. Any questions?

**ARMENDARIZ:** Thank you, Senator. How long do you think it would take to rehome that?

**DUNGAN:** How long?

**ARMENDARIZ:** How long.

**DUNGAN:** The people after me can give you an exact answer. They've talked about it a couple of times. My understanding and one of the things I'm most excited for about this project is it's essentially ready to go. So I passed out this image just so you get an idea as to what we're talking about, but the architects and the plans are ready to go. I believe that we as a state utilized ARPA funds on the pond in Wyuka Cemetery previously, and that's almost completely done now. Once that's finished I think they're shovel ready in September is what it sounded like or sometime very closeby. So this project essentially just needs the funding and then it's set. As I outlined, it's \$1.5 million. That's a match to the \$1.5 million that's going to be raised by private funds. And so this is the last puzzle piece essentially to make that happen. And they can kind of tell you how long that project's going to take.

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**ARMENDARIZ:** Thank you.

**WISHART:** Any other questions? I have one, Senator.

**DUNGAN:** Yes.

**WISHART:** Have you had a chance to look at the fiscal notes?

**DUNGAN:** I did.

**WISHART:** OK. So it is required under state law that funding go through a state agency.

**DUNGAN:** Yes.

**WISHART:** And so what it looks like DAS is saying is that this may not be a fit for DAS to oversee this. Do you have an idea of what agency would you think would be responsible for overseeing these dollars?

**DUNGAN:** So when we saw the fiscal note, my office reached out to both the Bill Drafters and Fiscal. And what we were told is that-- I don't want to talk out of my depth here, but essentially I feel like we're kind of caught between two different people who disagree about how this should have been written. And we were told that that would all come from the A bill if this were to pass and that would get put in there. I don't know off the top of my head which department would necessarily facilitate the funds. But it did sound like when we reached out to the folks who were having those concerns that that would be addressed in the A bill, and I'd be happy to dig down and figure out who that would actually be.

**WISHART:** OK, that's great. Yes, it would be helpful to get direction from you on what department you think is-- has some historical work in this type of project.

**DUNGAN:** Yeah, and we can find that out.

**WISHART:** OK.

**DUNGAN:** What makes Wyuka I think interesting and unique is it's a state instrumentality. And going back and looking into the history of how Wyuka was established, it sort of falls into this gray zone that we don't necessarily have a lot of other entities that look like this. And so I just-- we'll find out who would have the most oversight and who that would probably funnel through with historical ties like that.

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But I can get an answer for you at some point. We did start that research and we just didn't have time to get an answer once we saw the fiscal note.

**WISHART:** And to, just to be clear, Wyuka is state owned.

**DUNGAN:** Correct.

**WISHART:** Yeah.

**DUNGAN:** It is.

**WISHART:** So that might be one of the reasons why the DAS, which is responsible for state buildings, is, is-- this has gone in that direction, but would appreciate the guidance from you on, on that before we make a decision.

**DUNGAN:** Absolutely. Yeah. We'll reach out and figure out who this should actually funnel through.

**WISHART:** OK. Thank you.

**CLEMENTS:** Other questions? Seeing none, thank you. We'll invite proponents for LB411. Good afternoon.

**GREG OSBORN:** Afternoon. My name is Greg Osborn, G-r-e-g O-s-b-o-r-n. Good afternoon, Chairman Clements, members of the Appropriations Committee. Thank you for the opportunity to testify before you today. I am here to represent the five Governor-appointed trustees for Wyuka Cemetery and Funeral Home and to voice their unanimous support for Senator Dungan's bill, LB411. I can probably answer a little bit of what you said, because I heard the word historical. When we were-- when we got the appropriations for the pond, the \$1.8 million from the ARPA funds, we went through three different agencies and it ended up being DHS to do it. So more than likely, it will probably do that and Mr. Shaw from the Building Division was responsible for taking care of that. So more likely that would be the same type of thing that would happen there. They passed us around because they didn't know who Wyuka really is, and I think they finally decided how to do that. Anyway, there'll be a little bit of repetitive stuff here. But I want to-- I want to give you a little bit of information about Wyuka. Historic Wyuka Cemetery, as Senator Dungan said, was formed in 1869 by the Nebraska Legislature. And it was not only did they establish a cemetery at that time, but the southwest corner of the first 200 acres that was purchased by the state become Lincoln's first public park.

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Many public parks were and are today at cemeteries because families would make a day of it. They would come and visit their loved ones, have picnics to celebrate their life, and mingle with other families that were there doing the same. The Pershing mural is a historic educational piece of our state's history. It reflects our lives, illuminates our culture, reveals impressive aspects of our geography and history. Others will testify to those in more detail. My purpose is to provide a little bit of history, support, and exposure as to why Wyuka is the perfect setting place for this historic artwork and to ask you for your support for LB411. Wyuka can offer a unique opportunity to expose the education elements of this historic mural. It is the-- it is an additional enhancement to the other historic assets of Wyuka. We have thousands of people visit our cemetery and park every year. The uniqueness and draw of Wyuka and the Pershing mural is that we have a historic stable that was built in 1909, which served not only as the cem-- as to the cemetery, but also was Lincoln's road and maintenance housing. The Rudge Chapel, another historic asset there, Charles Rudge was an extremely important businessman and entrepreneur for not only Lincoln, but in the Midwest. There are thousands of veterans from the Civil War to present day; famous people, from writers and poets to many general or many governors are interned at Wyuka. There are large memorials, several of them mater-- or for the military; the Twin Towers firefighters and the State Holocaust Memorial are there. We offer guided tours throughout the spring, summer and fall. We also offer books for self-guided walking tours year round. These tools provide education for hundreds of people annually. We also work with local and state organizations, the Lower Platte South NRD, and we offer schools the opportunity to educate our children on the history of not only Wyuka, but for the state and the nation. Wyuka, Wyuka's grounds is a destination for many people that come and walk and bike through the park every day. And I know that Senator Wishart has been there a few times walking. Something that no other Lincoln area can offer is, is in 1982 Wyuka and all its historic assets and grounds was placed on the National Register of Historic Places. Therefore, by placing the Pershing mural at Wyuka historic park, not only will the Pershing mural attraction draw Nebraskans, but it will be exposed across the nation.

**CLEMENTS:** That's your time.

**GREG OSBORN:** OK. I'm sorry. I have two sentences left.

**CLEMENTS:** OK. Finish, please.

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**GREG OSBORN:** The Pershing mural is an important piece of Nebraska history and LB411 will help place it in the perfect place. The mural falls in line with Wyuka's historic assets. It's an educational and exporal-- exposure opportunity that only Wyuka can give. It's costly. And we would like-- we would ask you to support LB411, but we would also ask you to be our champions to ultimately pass it on the floor. If you have any questions, I can take them now or I will be here throughout the--

**CLEMENTS:** Are there questions from the committee? Seeing none, thank you for your testimony.

**GREG OSBORN:** OK. Thank you very much.

**CLEMENTS:** Additional proponents for LB411. Good afternoon.

**ROGER P. LEMPKE:** Good afternoon, Senator. Good to see you again. My name is Major General Retired Roger P. Lempke. That's R-o-g-e-r P. L-e-m-p-k-e. I'm part of a three-person informal group working to save and reinstall the Pershing mural. Liz Shea-McCoy, who is speaking after me and be followed by Tim Kenny to provide additional details. Going into 2022, last year, the mural was set to be demolished and sent to the landfill or recycling, along with the rest of Pershing Auditorium. Liz Shea-McCoy, who you will meet next, organized a campaign to raise funds to remove and save the mural. Against many doubters and naysayers, this effort was completed in August of 2022. The actual mural right now is in safe storage. Now, where do you put the Pershing mural? Well, the group, Liz, Tim and myself, explored many opportunities here in Lincoln. All had pluses. All had minuses. But the way ahead became very clear when we connected with the Wyuka Board of Trustees and learned about their plans to upgrade historic Wyuka Park. Placing the iconic Pershing mural in the first park in Lincoln chartered in 1869 indeed is a match made for the ages. Plans and funding are in place to begin the Wyuka park upgrades, as been described already. The mural-- the mural group will begin fundraising later this spring to be ready to create erecting the mural next year. So back to a question that was asked, you're talking about the park piece being completed this year and then going into next year when the weather breaks in erecting the mural as the overall schedule. Initial sched-- initial planning has started to include soil sampling, initial architectural design, and finding an expert to repair and install the 763,000 tiles onto the-- into the new position. The overall mural installation effort will cost around \$4 million; \$850,000 has already been spent to remove and store the mural tiles. Now comes the hard

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part. As an informal group, we have no formal background in projecting if Nebraskans will support raising this amount of money, the \$4 million, or not. We're requesting \$1.5 million in funding from this fund, and two factors have pushed us to ask for this funding. First, the project of upgrading the park and installing the mural needs to really stay on schedule to avoid costly overruns or potential loss of donor interest, i.e., if one gets done and then we sit, we don't know what's going to happen as years go by. Second, for us, raising around now what's left, over \$3 million, is a unique challenge for this small volunteer group. We sense the excitement about the project, no doubt about it, but understand that many other initiatives are out there also seeking private funding. For us, we believe that raising around \$2 million is an aggressive but reasonable goal. So having \$1.5 assured through this process, LB411, will be great in us assuring donors that we can be successful in completing this project. Now, from a personal perspective, the Wyuka Park project, which includes installing the mural, may be the most shovel-ready project I've ever witnessed. We've, we've developed a solid working relationship with the Wyuka Board of Trustees, delved into detailed planning, some of which Tim Kenny will cover later in the hearing. Technical elements have been already addressed. Agreements and approvals are already in work and the architectural plans for the mural are in work, as the representations that you see indicate. Raising funds now for erecting the [INAUDIBLE] Pershing mural in the newly renovated Wyuka Park is the major challenge that we now face. Your support of LB411 will help ensure that sufficient funds will be raised for the mural installation next year. So just step back and imagine for a moment an iconic work of art recognizable by most Nebraskans, many with specific memories of Pershing Auditorium and events, in a historic park setting for all to study and see. Moving LB411 forward is a major step towards realizing that dream. So we hope that you're able to advance the legislation and position it such that it can get passed this year. Thank you very much and I'll take any questions.

**CLEMENTS:** Are there questions from the committee? Senator Lippincott.

**LIPPINCOTT:** Yes, sir. Is the mural right now, is it still intact on Pershing Auditorium? And if so, does it get transported in sections or how does that work?

**ROGER P. LEMPKE:** It-- right. It's been taken off of Pershing piece by piece. And it's in storage at a location near Highway 77 and Van Dorn. It's on four by eight sheets of plywood. They took the pieces off, kind of like a foot at a time, putting adhesive on the tile and then



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poking them off, if you will. And so the pieces are numbered. The sheets are numbered so that when the person that's identified to come in and replace and put it back up has that information so it will go back up similar to how it came off. So currently it's in safe storage and ready to be fixed or repaired and then installed.

**LIPPINCOTT:** Will it be sandblasted or cleaned before it's put up?

**ROGER P. LEMPKE:** It'll be cleaned before and to that point a little bit, I'll go one step further. Within our projecting and our planning, we've taken steps to help assure that it will be-- it will be safe and secure. There will be coating that will be put on it that will keep it from vandalism. There'll be lighting, things like that that will be there to help keep it safe. And along with that, part of our funding that we're raising involves an endowment for maintenance that Wyuka will get, too, for maintenance of the mural over the years, which, by the way, being ceramic tile like this, does not require a lot of maintenance.

**CLEMENTS:** Other questions?

**ROGER P. LEMPKE:** Yeah.

**CLEMENTS:** Senator Wishart.

**WISHART:** Thank you for being here today. What is the-- where does the fund sit where you're raising the private dollars?

**ROGER P. LEMPKE:** Right now, you mean?

**WISHART:** Yeah.

**ROGER P. LEMPKE:** Well, we're, we're, we're above zero, but not much, because the money that we previously raised was all went into taking the, the mural down.

**WISHART:** Oh, right, I--

**ROGER P. LEMPKE:** Oh.

**WISHART:** --wasn't being clear. Where--

**ROGER P. LEMPKE:** Yeah.

**WISHART:** --what, what fund? Who owns the fund?

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**ROGER P. LEMPKE:** We-- we are-- thank-- thankfully, we're working to the Nebraska State Historical Society Foundation. They're our physical agent here. So basically the money that flows in goes to them and they handle all the acceptance of the funds, the management, the payouts, and also responding back to the donors and so forth.

**WISHART:** So potentially then the State Historical Society could be--

**ROGER P. LEMPKE:** Foundation.

**WISHART:** Yes, but--

**ROGER P. LEMPKE:** Yeah.

**WISHART:** --potentially the State Historical Society could then be the owner if the Legislature decides to move forward with this of those dollars and then run it through their foundation?

**ROGER P. LEMPKE:** The-- well, two things about that.

**WISHART:** Yes.

**ROGER P. LEMPKE:** That's a little bit of a complicated question.

**WISHART:** Yeah.

**ROGER P. LEMPKE:** The plan right now would be that, OK, so right now our contractor, the one that took the pieces off and has it stored, owns the mural. Part of our working agreement with Wyuka was-- will be that that ownership will transfer to the Wyuka Board of Trustees. They will be the owners. It is going to be on a state property and they will be the owners of it. So the money that we raise and so forth will go-- and then the contracts that are left to do the mural will also be worked through the Wyuka Board of Trustees. And Tim can talk about that in a little more, a little more detail.

**WISHART:** OK.

**ROGER P. LEMPKE:** So this isn't a piece of property that I-- that probably a state agency would probably want to own. It'll be on that site. Again, that's part of a-- of a-- of a separate organization that can assume full responsibility for everything on the site.

**WISHART:** OK. And then if, if this were to flow through DAS, then would it be anticipated that DAS would fund these dollars through the

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Historical Society Foundation? I'm trying to understand who does-- if this goes through DAS, who do they grant the dollars to?

**ROGER P. LEMPKE:** OK. Tim, and correct me if I'm wrong.

**WISHART:** OK.

**ROGER P. LEMPKE:** Can answer that question better.

**WISHART:** OK.

**ROGER P. LEMPKE:** OK. Let them answer that question.

**WISHART:** OK.

**ROGER P. LEMPKE:** I think I know the answer, but I'm sure they do.

**WISHART:** OK.

**ROGER P. LEMPKE:** OK. Thank you.

**CLEMENTS:** Other questions? Seeing none, thank you.

**ROGER P. LEMPKE:** Thank you, Senator Clements. Appreciate it.

**CLEMENTS:** Next proponent for LB411. Welcome.

**LIZ SHEA-McCOY:** Thank you for this opportunity to all of you. And thank you for all you do. My name's Liz Shea-McCoy, L-i-z S-h-e-a-M-c-C-o-y. As chair of the Pershing Mural Preservation Effort, General Roger Lempke, Tim Kenny and I are dedicated to preserving and reinstalling the Pershing mural within historic Wyuka Park, a distinguished and beautifully landscaped public space where it can be studied and appreciated by future generations. As a 60-year Lincoln native, I continue my career as an artist, artist in residence with the Nebraska Arts Council, and public art advocate, directing public art projects in communities and schools in Lincoln and throughout the state of Nebraska. The city of Lincoln chose to name the auditorium in honor of one of Nebraska's outstanding military leaders and statesman, General of the Armies, John J. Pershing, whose career included commander in chief of the American Expeditionary Forces in Europe during World War I. When the Pershing mural was completed in 1957, it was a magnificent example of public art and the largest of its kind in the Western Hemisphere. It was designed by Leonard Thiessen and Bill Hammon. Thiessen was a Nebraska native and one of the most influential

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artists of the time. Hammon's work was praised as original and unforgettable. Both artists are represented in MONA, the Museum of Nebraska Art in Kearney. According to Karissa Johnson, MONA's curator, their collaborations effectively combined Thiessen's penchant for observational realism and Hammon's fluidity of form and space. The artists' well-informed design decisions are evident in the murals, sometimes abstract and often subtle compositional components. As an art educator and after hours of study, I can say with confidence that this majestic work of art made up of 763,000 one-inch ceramic tiles in 40 shades and colors is a sophisticated depiction of Nebraska in mindful placement of its historic elements such as the Mormon and Oregon Trails and topographical features, including Nebraska waterways such as Lake McConaughy and the Platte and Niobrara Rivers. The rich diversity of its citizens is also revealed, depicting 38 characters; an array of activities including music, dance, theater, sports, and circus events. Some of the characters are stret-- stratag-- stratag-- strateg-- they're positioned well, [LAUGHTER] such as a rodeo rider on his bucking bronco where the city of Burwell is located, the annual host of Nebraska's big radio-- rodeo. When installed within Wyuka, the mural will be closer to eye level, ten feet off the ground with seating and fully inclusive access. As an art educator, I look forward to writing a curriculum guide for teachers, focusing on a variety of subject matter incorporated within the mural's composition, which can be used to engage students and trigger thoughtful and enthusiastic discussion. Our ultimate goal is to preserve the legacy of the Pershing mural and provide an artwork for generations to appreciate and enjoy that will serve as a focal point within historical Wyuka Park, transforming the environment into a bigger than life outdoor gallery. Any questions?

**CLEMENTS:** Are there questions from the committee? Senator Lippincott.

**LIPPINCOTT:** When was this mural designed?

**LIZ SHEA-McCOY:** [INAUDIBLE]

**LIPPINCOTT:** What year was the mural actually designed?

**LIZ SHEA-McCOY:** Yes, it was designed by those two artists.

**LIPPINCOTT:** What year?

**LIZ SHEA-McCOY:** When?

**LIPPINCOTT:** Yeah.

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**LIZ SHEA-McCOY:** OK. It went up in 1957. So as an artist, I'm not sure when they started.

**LIPPINCOTT:** 1950s.

**LIZ SHEA-McCOY:** Oh, I'm more methodical. It would probably be '30s. I'm kidding.

**LIPPINCOTT:** OK, thanks.

**CLEMENTS:** Other questions? Seeing none, thank you for your testimony.

**LIZ SHEA-McCOY:** You're welcome.

**CLEMENTS:** Next proponent for LB411.

**TIMOTHY KENNY:** Good afternoon, Chair Clements and members of the committee.

**CLEMENTS:** Welcome.

**TIMOTHY KENNY:** My name is Timothy Kenny, T-i-m-o-t-h-y, Kenny, K-e-n-n-y. I live south of Eagle, Nebraska. We call it Baja Eagle there in Cass County, District 2, at 21902 A Street. I'm your former-- I'm a retired executive of your Nebraska Investment Finance Authority where I have the honor of serving for 27 years. And I guess I was drawn to this project principally because NIFA is a separate instrumentality of the state with \$2.2 billion worth of assets that we manage on your behalf. And I also do advise other instrumentalities as a volunteer about the complexity of that relationship between the instrumentalities and the state. So I'm happy to bring that experience to you. I serve on a volunteer committee as a budget and communication advisor to the committee, and in that capacity, I appreciate the complexity of your task. So I hope to bring some information to you about this that will be helpful. I'd like to begin by describing the mural element of the Wyuka Park and the other two elements of the Wyuka Park. LB411 proposes partial funding of the Pershing mural reinstallation, including the supporting structure, retaining walls, landscaping, seating and stage. The mural element is one of three elements of the Wyuka trustees' vision for Wyuka Park. Your handout is a planned view looking down on the entire park project on which the mural element is circled in blue. So it's that small piece circled in blue. And as you can see, this installation is located in a giant ocean of public green space. We've been humbled by the size of this mural. The original artists were quite brave. The mural itself is 30

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percent larger than your standard high school basketball court. So it takes a lot of planning to, to bring this to fruition. Just for orientation, I want to briefly describe the other two elements. First, the lake refurbishment element, which has already been funded by this-- by the Legislature and the inclusive playground element, which will be funded by others in the future, are also shown on that handout. With respect to the scheduling, it's important to know that the lake refurbishment element required a federal waterways protection permit known as a Section 404 permit, and that permit has been prepared and filed with our friends of the Army Corps of Engineers. The review of that process is underway by the Army Corps; and when that is approved, then that lake project will be bid and construction on the lake element will proceed. But that must go first before we can start working on the mural there. And that might start as soon as this summer, certainly after the rainy season, because that lake refurbishment includes a channel byway, bypass channel to keep sediment out of the new lake. When the lake work is close to completion, the mural funding-- and the mural funding is about 90 percent collected, then dirt work from the mural installation can commence. So a sense of urgency that we have is that if Wyuka can start the mural project as soon as the lake work is in its final stages, we could take advantage of some construction savings by engaging the same contractors to do some significant dirt work for the mural. Because in the new installation, it's going to be lowered into a hill. So it'll be set into an amphitheater about ten feet below the existing grade, and then the amphitheater-- theater will come up. So that process of lowering it is to reduce the profile of it, also include increase the structural capacity of it and give us an eye-level view of the mural on the site. So with these points in mind, let me describe just a few leadership and operating points. First, the community matching donations that we talked about earlier raised by the volunteer community will be entirely collected and reported through the Nebraska State Historical Society Foundation, [INAUDIBLE] the Nebraska State Historical Society Foundation, which helped us with all the, the, the important work in the first round of funding. And then secondly, if the state provides funding through LB411, we would expect that it would run through the similar channel that's going on right now with your first appropriation, which is running through the Department of Administrative Services under the rules and with the funds and under the stat-- under the state rules and with, with funds going through the regular state channels, with ultimately it going, along with the ownership of the mural, to the Wyuka Board of Trustees, which is again regulated by the state, subject to the rules and

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regulations in the statute, subject to review by the Auditor and all the normal state provisions. Once the fundraising is completed to the satisfaction of the Wyuka Board, decision making for the rural-- mural reinstallation will be the exclusive domain of the Wyuka Board, and ownership of the mural will transfer to Wyuka and the Wyuka Board of Trustees with perhaps community input from a special subcommittee to work with the neighborhood and work with the community. The Wyuka Board has already engaged a supervising architect for the park project as a whole and attorneys to draft the Wyuka contracts for the reinstallation. The contracts will specify the details of the fundraising authority, construction requirements, testing, cash flow milestones along with the regular provisions for insurance disbursement [INAUDIBLE] required certifications. And finally, the engineering for this project is very important. This is a big 150 feet long and perhaps 40 or 50, 40 feet tall, although it will be put in-- into the grade. Because this large structure is so big, the plan is to have both design engineers who have already been engaged and independent supervising engineers to supervise the design engineers, reviewing the specifications, doing the testing, and guiding the board in the design and construction project.

**WISHART:** Tim, I'm going to have to stop you.

**TIMOTHY KENNY:** Oh.

**WISHART:** You're at your time.

**TIMOTHY KENNY:** I was having so much fun.

**WISHART:** Anyone have any questions? Thank you for answering mine. That, that was helpful. So it would go directly from DAS to Wyuka similar to the way the ARPA funds.

**TIMOTHY KENNY:** And we would put the endowment in the same channel so the endowment would be preserved in a fashion that it would be used for the purpose specifically identified for as long in the future as we can see.

**WISHART:** OK. Thank you. Any additional proponents? Seeing none, anyone in the opposition? Seeing none, anyone in neutral? Senator Dungan, you're welcome to close.

**DUNGAN:** I love when there's no opposition. That's great. Members of the committee, I don't want to take too much more of your time. I know you have a number of other bills. Anybody who talks to me about this

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issue for maybe a minute or two will understand that I'm really passionate about it. I think this is a really exciting opportunity. One of the things that I think bears repeating, just to make sure we all understand, one of the things that gets me the most excited about it is it's not just the mural. It's the green space as well. It's the stage that we're creating. It's the past that we're creating. It's the area where people can go walk, bike, hang out with their families. And that's a thing that we sort of acknowledge, I think is important in this state, whether it's Gene Leahy Mall or places out west or in central Nebraska, we as a state have gotten together and decided that preserving spaces like this and preserving art is one of the vital things for attracting and retaining people in Nebraska. We have funds here in Nebraska that do that specific kind of thing for municipalities, for example. I'm sure this committee is obviously aware of the CCCFF, which specifically funnels money into municipalities for things like bandshells and green spaces and community centers. And that's a fantastic program. Lincoln is not eligible for programs like that. And so we instead have to find other channels to support spaces like this. So if you want to talk to me more about it after the committee, I'm always happy to have a conversation; but I would just encourage you to consider helping us fund this project. I think it's going to be an incredible opportunity for Lincoln.

**WISHART:** Thank you, Senator, for bringing this bill to us today. Questions?

**LIPPINCOTT:** Is there an amphitheater there now?

**DUNGAN:** Not in the current design of what we're proposing.

**LIPPINCOTT:** So this--

**DUNGAN:** [INAUDIBLE]

**LIPPINCOTT:** --this would be new, wouldn't it?

**DUNGAN:** Correct. Yes.

**LIPPINCOTT:** Yeah. OK. Thanks.

**WISHART:** Additional questions? Seeing none, thank you. We do have position comments for LB411. We have three proponents and one opponent. And with that, we will close the hearing for LB411.



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**DUNGAN:** Thank you.

**WISHART:** And we will open the hearing for LB511.

**McDONNELL:** Tony, I have one question and 39 parts for you.

**TONY BAKER:** Oh, OK.

**WISHART:** Welcome, Tony. You can begin.

**TONY BAKER:** Thank you. Good afternoon, Vice Chair Wishart and members of the Appropriations Committee. I am Tony Baker. That is spelled T-o-n-y B-a-k-e-r. I am Senator Brewer's legislative aide. He sends his regrets today. He's currently presiding over the Government Committee where they have a number of contentious election bills that he needed to be present for. I'm here to introduce LB511. I'm introducing this bill on behalf of all the volunteer firemen, which Senator Brewer used to be one. And he has a special place in his heart for volunteer firemen. And you're going to hear a number of them who are going to follow me after this introduction. Five, LB511 would appropriate \$26 million from the General Fund for FY '23-24 to the Department of Administrative Services, Office of the Chief Information Officer. This funding would be used to provide portable mobile radios to volunteer fire departments across the state of Nebraska, so they will have interoperable communications with the public safety communication statewide radio system or the SRS as it's known. I'd like to emphasize that this is across the entire state of Nebraska. Senator Brewer filed AM771 against this bill. You should be getting a copy of that. It just removes one sentence from the end of the bill and Mr. Wesely will be up and he can address that in greater detail why that-- why we amended that out of the bill. The funding would be prioritized for volunteer departments along I-80 was the reason why we took it out of there. All volunteer fire departments across the state need to be able to access a statewide radio system. The Nebraska statewide radio system is a collective partnership between the state of Nebraska Office of the Chief Information Officer and the Nebraska Public Power District. These partners jointly built and funded this project through an interlocal agreement. By building one statewide shared radio system instead of two separate systems, they saved Nebraska taxpayers over \$20 million. The SRS became fully operational in 2010. It connects 213 entities together to enable direct communications. When necessary, the SRS provides immediate communications between first responders to protect the public safety of Nebraskans. Among the 213 entities on the SRS right now are 15

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different state agencies, including the State Patrol and the Nebraska Emergency Management System, 82 local law enforcement agencies, 31 local emergency management agencies, 16 federal government agencies, and 27 fire and rescue departments. Unfortunately, only a handful of these are currently volunteer departments. Volunteer fire departments are critical in rural Nebraska. And in Senator Brewer's district, I might add, that they are essential public services. For example, if you're driving from Gordon to Valentine, that's about 100 miles. And let's say it's a Tuesday afternoon, you get in a bad car wreck. I guarantee you the person coming to get you is going to be a volunteer, guarantee it because we don't have any full-time capability along that stretch of road. And so in the more remote parts of the state like Senator Brewer's district, it is extra important. There are a number of testifiers who will follow me that will give you more background and information on all this. All Nebraskans deserve public safety and protection from disasters. Our brave first responders act quickly and decisively to provide that protection, but they can't do their job if they can't communicate with one another. That concludes my opening statement. And it's traditional not to ask staff questions, but I know Tom would tell you to grill me.

**WISHART:** Thank you, Tony. Any questions?

**DORN:** I just--

**WISHART:** Senator Dorn.

**DORN:** Thank you, Senator Wishart. I just have to ask Tony one.

**TONY BAKER:** I knew it.

**DORN:** The handout you gave, this is the current list of the ones that have.

**TONY BAKER:** That are on the SRS, yes.

**DORN:** On the SRS. But this isn't the list of ones that maybe could be or volunteer ones that might be. No.

**TONY BAKER:** Ask somebody to come behind me, Senator.

**DORN:** OK.

**TONY BAKER:** You'd get a lot better answer out of them--

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**DORN:** OK.

**TONY BAKER:** --than you're going to get out of me.

**DORN:** But this is the current system.

**TONY BAKER:** Yeah.

**DORN:** Thank you.

**WISHART:** OK. Seeing no other questions, Tony, are you sticking around for close?

**TONY BAKER:** Oh, I'll, I'll waive closing--

**WISHART:** OK.

**TONY BAKER:** --as is, as is customary.

**WISHART:** Yeah.

**TONY BAKER:** But I'll be here.

**WISHART:** OK. Great. So our first proponent for LB511.

**DARRELL VANCE:** My name is Darrell Vance, D-a-r-r-e-l-l V-a-n-c-e. I am here representing the State of Nebraska Volunteer Firefighters Association. Plus, I am representing the, the Panhandle and western Nebraska. I have a little bit of a letter here to support, that we want to support this LB511 bill, statewide radio, because we need communications throughout the state and you can read through there. And then there's we had out in our area alone in the past 36 months, we had 26 days on 5 different incidents where we needed radio communications and stuff. And that's why it would be your, your guys's support that we need to have these radios where we can communicate because we've had fire departments from the eastern part of the state that come out and helped us out west there. And we cannot communicate with them because they got one kind of radio. We got a different kind of radio. And we need to have radios that will communicate with the whole state where we can-- like when we had our big fire, we needed to have radios. We had to actually go in and call and stuff. But if we would have had our radios, we could have called dispatch. They could have called, got a hold of Lincoln. We could have had our radios two days earlier than what we did. That is one reason we need to support

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this bill to get the radios where we can communicate throughout the state. Any other questions?

**WISHART:** Thank you for being here. Questions? Senator Dover.

**DOVER:** Is there any easy way to-- do you have radios now that you use amongst yourselves?

**DARRELL VANCE:** We-- our fire department that I'm from, yes, we have radios that we use and stuff, but we do not have all the radios. Well, we have updated our radios in Gering where we can communicate on the statewide radio state system. But we need-- there's other departments, little departments in, in my area that do not have the capability to buy the radios. They're so-- they're tight on funding and stuff. To buy them radios and stuff, it's a lot of money.

**DOVER:** OK. So just for clarification, it's not that you have different types of radios or outdated radios or anything. You simply just need radios that can-- like a CB radio or something along those lines.

**DARRELL VANCE:** No.

**DOVER:** No.

**DARRELL VANCE:** It's a total-- it's a-- it would be a mobile radio and you would have a base radio in your truck. What we are asking you for that you would get-- that this funding would give us two radio, two bases and two mobiles for the commander of the fire or tornado or whatever would be able to-- you keep one radio with him and one would be in a truck for relay all of our messages.

**DOVER:** OK. So, again, this is not-- it's not for updating anything. It's just simply for buying, having the, the radio and the base units--

**DARRELL VANCE:** Yes.

**DOVER:** --because they don't have anything--

**DARRELL VANCE:** Right.

**DOVER:** --except maybe a cell phone or landline somewhere.

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**DARRELL VANCE:** They have-- they have-- all departments have some radios, but they're so outdated we cannot even-- a lot of them you cannot transform into the new systems.

**DOVER:** OK. Thank you.

**CLEMENTS:** Other questions. Seeing none, thank you for your testimony.

**DARRELL VANCE:** Thank you.

**CLEMENTS:** Invite the next proponent for LB511.

**TIM NORRIS:** Tim Norris, T-i-m N-o-r-r-i-s. I am the fire chief in Bennet, Nebraska. I'm also the vice president of the Lancaster County Mutual Aid Association. So imagine that you have a significant accident event just over the county line and you can't communicate with the county sheriff in that district, but you've been called to help. You can't communicate with that fire department that's already there. You can't communicate with State Patrol. What about those lives of those people that are there? What do we say to them? Sorry, we couldn't communicate? When Lancaster County had their major fire in October, we had people coming from all different jurisdictions, different counties to come help. Our after-action review that we did at the county level said our number one issue was communication. We couldn't communicate with the sheriff's department. We couldn't communicate with State Patrol. We couldn't communicate with the other counties that came in. What we're asking for is some radios at the command staff level that can give us interoperational communication. That's what we're asking for. And the reason why is because we believe in having that we're going to do a better job in serving the public. We're going to do a better job because we can communicate. Right now if Otoe County wants to talk to us and we have actually properties and part of the highway in Otoe County, Otoe County Dispatch has to call Lancaster County Dispatch to talk to us. It'd be nice to wipe away some of that, especially when we're on our way to a call or a situation. State Patrol in our area has no way to communicate to us and versa. So that's why this bill is important. It's for the safety and the well-being of your constituents.

**CLEMENTS:** Are there questions from the committee? Seeing none, thank you for your testimony.

**TIM NORRIS:** You're welcome.

**CLEMENTS:** Would invite the next proponent. Good afternoon.

**BRIAN BARNES:** Good afternoon. My name is Brian Barnes, B-r-i-a-n B-a-r-n-e-s. I am here today in support of LB511 as a firefighter on the Pleasant Dale Volunteer Fire Department and as a taxpayer of the district. Our department starts seven miles west of here, has four miles of Lancaster County and about five miles of Seward County, including five miles of interstate. Just this last year, we started going on an automatic dispatch with Malcolm Volunteer Fire Department, who has five miles of the interstate from the Seward County line going east into Lincoln. And the reason for that is because we're 2 miles from the interstate exit and they're 11 miles from one exit or 6.5 mile-- or 9.5 mile to another. So we can get there faster. If Lancaster County Mutual Aid is talking about updating the system, well, we're on Lancaster's radio system, but we're part of Seward Mutual Aid or Seward Fire, Rural Fire Board, and they're on an older system. We don't have our own bonding authority. We don't have our own taxing authority as a fire department because we're under this board with all these other departments in Seward County. So Lancaster County moves forward. We're no longer able to talk to Malcolm or to Southwest, who are our two main mutual aid departments in Lancaster County. Our main mutual aid department in Seward County is Milford, and they're on a different radio system so we can't talk to any of them in Milford. On the interstate, one of the big issues you have when there's an accident is a person drives by the accident, doesn't stop, starts calling. And by the time they get on the phone to 911, they're two miles down the road. So now we're out searching for the accident, searching for the incident, searching for the fire. And when Lancaster County upgrades their radio systems, you might have Malcolm coming from the east and we're coming from the west, but we can't talk to each other at that point to say this is where it's at. And that's why we're a proponent. Our department only receives \$31,500 a year in local property taxes, and it's just not something that we can afford. We just had a radio installed in our ambulance that we got this last year, and I think that was over \$10,000 just for that radio. I've heard-- I don't-- I've heard rumors of how much the new radio systems are, but it's nothing that our department could ever get because we don't have the authority to sell a bond. And there's construction plan for the interstate going west in the next-- from 2024-2028, the interstate is going to become three lanes each direction. In 2021, they did a resurfacing project in Seward County. I got some data from the state on crashes, even though it's not complete because they updated their system and they have all of it. But there was 49 daytime crashes resulting in two deaths in Seward County during resurfacing project in less than six months. And now you're going to have a

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four-year project that's just going to multiply those numbers. And this radio system would be a huge, huge help to the system, especially when you go back to the point of where, OK, maybe a state trooper gets there first, but he's got to call his dispatch. They've got to call our dispatch and say this is where it's at. So that is why I am a proponent of LB511. That's all.

**CLEMENTS:** Are there questions? Senator Lippincott.

**LIPPINCOTT:** Are these radios line of sight radios?

**BRIAN BARNES:** That is not something I can answer. But there is--

**LIPPINCOTT:** No?

**BRIAN BARNES:** --someone here that can answer technical questions.

**LIPPINCOTT:** Not line of sight. OK. Just very briefly, the fire chief back in my hometown, even before I was elected, he says we really need these radios. And I asked him very naively, I said, well, everybody's got cell phones. Why don't you just use cell phones? And he went into a long dissertation. I don't remember everything he said. But obviously, technology changes rapidly. So what's so unique about these radios that--

**BRIAN BARNES:** That is not something I can answer. But there is--

**LIPPINCOTT:** OK.

**BRIAN BARNES:** --someone coming after me that can give you all the technicals.

**LIPPINCOTT:** Thank you, sir.

**CLEMENTS:** Other questions? Seeing none, thank you for your testimony.

**BRIAN BARNES:** Thank you.

**CLEMENTS:** I'd invite the next proponent for LB511.

**MICHEAL DWYER:** Good afternoon, Chairman Clements, members of the Appropriations Committee. My name is Micheal Dwyer, M-i-c-h-e-a-l D-w-y-e-r, and I'm here to testify in support of LB511. I am testifying on behalf of the Nebraska State Volunteer Firefighters Association and would like to thank Senator Brewer, his LA, for introducing LB511 and for his support and understanding of volunteer

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fire service. I'm a 38-year veteran of Arlington Volunteer Fire and Rescue, 2,400-plus calls, and I've served many years as command officer. I risk-- at the risk of stating the obvious, communication on an emergency event is critical. Without it, you can't get information, you can't direct resources, you can't ask for more, and you can't push that proverbial panic button that let's everyone know that we have a responder down. In, in an event of any significance, which of course all of them are, whoever is the commanding officer must communicate across different bands, channels, and agencies quickly and clearly. 911 taught us that; the 2019 floods taught us that; the wildfires of 2022 taught us that. The daily incidents that involve communication between fire, EMS, sheriff's officers, NSP helicopters, emergency management, and the Department of Roads remind us daily of the importance of good, reliable communication. A little sidebar, I would mention to Senator Brewer's LA that if you're in District 16, which is Washington, Burt, and Cuming County and you have an accident or an injury or a medical emergency or a fire, you're going to get volunteer services. So this is, with all due respect, this is not just the western part of the state. This is an eastern and central and northern and southern and suburban issue [INAUDIBLE]. I'm convinced, based on years and experience, that the interoperable communications system proposed in LB511 is a great step. The difficult process of creating, training, implementing, and field testing should pave the way for improved emert-- emer-- excuse me, emergency communications across the state. I understand the ask is significant. However, public safety is one of the true essential functions of government. And I would remind the committee that the framework of volunteer fire and EMS that protects the people, the land, the communities, the highways, the state parks of 78 percent of Nebraska can use all the help we can get. We would certainly appreciate your support of LB511. And I would be happy to take any questions.

**CLEMENTS:** Questions from the committee? Seeing none, thank you for your testimony.

**MICHEAL DWYER:** Thank you.

**CLEMENTS:** Invite the next proponent for LB511. Good afternoon.

**AARON HOFELING:** Good afternoon. My name is Aaron Hofeling, spelled A-a-r-o-n H-o-f-e-l-i-n-g. I'm the fire lieutenant for Eagle Fire and Rescue. I came here today to express my support for the bill. Early and effective communication is often the driving factor to the success or failure of a call, especially when providing mutual aid with our



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surrounding partners. I saw this firsthand last year when I had the privilege to respond to the Hickman wildfires. It was no small feat to pull together communications from all surrounding districts that responded, let alone to coordinate a defense to protect the people and property in danger of the rapidly spreading fire. Imagine what we could do if we were able to communicate immediately to each other without having to patch everyone together. My particular district in Eagle serves 72 square miles and straddles three counties, including Cass, Otoe, and Lancaster. Most of our radios are well over 15 years old and are antiquated and in need of updating. This bill would go far to provide effective and immediate communication to all volunteer departments such as ours who serve our community on our own time, our own dime, and who are already underfunded for communications and radio investments. I appreciate your time and consideration, and I'm happy to answer any questions.

**CLEMENTS:** Are there questions from the committee? Seeing none, thank you for your service.

**AARON HOFELING:** Thank you.

**CLEMENTS:** Thank you for your testimony. Next proponent.

**JERRY STILMOCK:** Mr. Chair, members of the committee, my name is Jerry Stilmock, J-e-r-r-y S-t-i-l-m-o-c-k, testifying on behalf of my clients, the Nebraska State Volunteer Firefighters Association, the Nebraska Fire Chiefs Association. The, the weather we saw over the noonhour struck earlier in Kearney, Battle Creek, and Ainsworth. Those people were going to be here today. So with the chairperson's permission, I'd like to go through the letter by Fire Chief Brad Fiala of Ainsworth, Nebraska. Under the circumstances, I'd appreciate that courtesy, sir. Thank you.

**CLEMENTS:** Proceed.

**JERRY STILMOCK:** Brad Fiala, 38-year member of the Ainsworth Volunteer Fire Department and current fire chief for 14 years. I'm in support of LB511. Whatever we can do to improve our communication across the fire service in the state is much needed. During the 2012-- fires are given names; this name is Region 24 Complex Fires-- I was in charge of incident command. And not having adequate communication capability was an incredible handicap to successfully managing the fire right from the very beginning with trying to set up the incident command. We had over 100 volunteer departments and agencies responding and

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communication was a huge hindrance in gaining and maintaining control of the fire ground during those, I can't believe this, ten days. That was my editorial. With our radio system at the time, I was only able to communicate with maybe five or six different departments because the responding departments had different radio frequencies and systems. Over the past ten years, our department has improved its own radio system. We are now able to communicate with maybe 12 to 15 departments total, but that still leaves several more departments in the dark on dangerous fire scenes. Just to do this little bit has taken several thousands of dollars and communication is far from being regarded as adequate and dependable. As a fire chief, I know I'm not alone with this problem. It's a statewide critical issue. Not only is this problem a crippling expense to volunteer departments, more importantly, it is a life safety issue. In 2012, I had two firefighters get injured on the scene; and I was completely unable to communicate with them and get help to them in a timely manner due to poor radio communications. More recently, this last summer on the Halsey fire, a fire scene in which a firefighter was lost in the line of duty, I was in command of our 6 fire trucks and over 18 firefighters; and I could not communi-- and I could not communicate with at least 2 of those trucks nearly the entire time we were on the scene because of the distance and the type of terrain. At the time we responded to this fire, I was aware of a fatality on the scene already. And this was-- this increased the level of importance and stress of trying to stay in direct communication with just my own firefighters, let alone needing the ability to efficiently communicate with the department in control of the fire ground, which was quite honestly never accomplished during the entire fire-- the time we were on the scene. As each of you are aware, communication will always be a problem no matter how much money you throw at it. Every fire chief's main goal is to see that every firefighter returns home safely and sound-- safe and sound at the end of each call. Providing the best possible communication during any incident promotes this goal. In addition, it creates a more successful setup of incident command, which tremendously improves the efficiency of the initial response, ultimately decreasing the length of time it takes to bring a critical incident under control. This would save property and reduce overall expense to departments and landowners alike. I'm asking you for your help and support in moving five-- LB511 forward so we can continue to strive to provide the most effective communication system possible in the state of Nebraska for first responders. Submitted on behalf of Chief Fire-- Fire Chief Brad Fiala out of Ainsworth. Members, it's not a local issue. It's not a local issue. Not when firefighters,

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Lancaster County, that dreaded Sunday, over 20 volunteer departments from Lancaster County alone were on the scene from the late-- later part of the morning 11 a.m. until the latter part and on into the evening of the next morning of Monday, it's not a local issue. This is something that the volunteers dearly need. And as those testified, they explained rather well, this is not a complete outfit to every member of a volunteer department. It's to get the leadership, the incident command so they can communicate with Black Acre Volunteer Fire Department can communicate with Brown Acre Volunteer Fire Department so that the leadership is in control of the scene. This is a life safety issue, members. We're hoping you would advance this portion as a part of your budget. Thank you.

**CLEMENTS:** Are there questions from the committee? Senator Dover.

**DOVER:** Could you explain the statement you made that said in terms of communications due to distance and type of terrain?

**JERRY STILMOCK:** The-- my understanding, Senator, is that in the type of terrain with a type of radio, that type of radio that may have been in use doesn't have the capability of, of this system so the system that's proposed, sir. A, a, a portable radio that is maintained on my person would be able to communicate with a repeater system that would be in a mobile vehicle. So even though I may be relying upon a tower and I'm on the scene in a canyon area or wherever I may be, hypothetically, that repeater that is located in the truck that I'm nearer would be able then to carry that radio signal.

**DOVER:** OK. OK. I was up at the-- saw you up at the convention up in Norfolk. I was able--

**JERRY STILMOCK:** Yes, sir. Yes. Thank you.

**DOVER:** --to address the volunteers.

**JERRY STILMOCK:** Appreciate your support.

**DOVER:** [INAUDIBLE] We were there, and I met Mike and Pat and a whole bunch of people there. We then-- I made the talk with Mike Flood. I went back to my house. I headed north to Yankton to, to where we have a cabin up there. There was a terrible accident with a semi truck. Also then driving by today and I just met all these guys. There's Mike, there's Pat, there, and everybody had taken off from that meeting to go north to this accident so.

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**JERRY STILMOCK:** Yeah, you made a comment. Mr. Chair, may I reply to his comment?

**CLEMENTS:** Yes.

**JERRY STILMOCK:** It is not rural Nebraska. Senator Vargas, Senator McDonnell, as they leave Omaha, they leave South Omaha, proudly said, they leave South Omaha, they encounter Gretna Volunteer, Ashland Volunteer, Greenland-- Greenwood. I want to travel to Greenland-- Greenwood Volunteer, Greenwood Volunteer, Waverly Volunteer. Go any direction outside of Omaha, it's going to be volunteer. You go any direction outside of Lincoln, it's going to be volunteer. We cannot rely on paid service there 24 hours a day. We have to be able to communicate among the volunteer service. Thank you for that courtesy, sir.

**CLEMENTS:** Senator Dorn.

**DORN:** Thank you, Senator Clements. Thank you for being here. And I should have, I guess I didn't want to put Mr. Baker on the spot, but I should have probably asked a few more questions of him, because part of this we dealt with when we were on our county board in Gage County. This system is a statewide system. They have certain repeaters in certain spots. What many of these individuals have been talking about, that's a local thing and that's a local county thing. And so that's almost line of sight. You have to have one tower and it only covers this much. The statewide system was developed back in the early, I don't know, 2000s or whatever, and it became about there are certain towers in certain places. Just wanted to point out on the fiscal note, it gives the cost of all of these. On that back page of the fiscal note, they did a very good job of that. So when somebody asked about what was the cost per radio, here it has \$9,200. And then every department also will need a repeater. This is why this proposal has come about, because it's a statewide system in that you can communicate with anybody. There's been a lot of growing pains with that system, but it is a very good system where it's become from when it started. Is that true?

**JERRY STILMOCK:** I'm willing to give you my chair because that's-- I couldn't have said it better, but I could never assume your position. I'll tell you that.

**CLEMENTS:** Any other questions? Seeing none, thank you for your testimony.

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**JERRY STILMOCK:** Senators, thank you.

**CLEMENTS:** Thank you for your South Omaha testimony.

**JERRY STILMOCK:** You may leave but you'll always want to go back.

**CLEMENTS:** Next proponent. Welcome.

**ELAINE MENZEL:** Good afternoon, Senator Clements and members of the Appropriations Committee. For the record, my name is Elaine Menzel, that's E-l-a-i-n-e M-e-n-z-e-l, here today on behalf of the Nebraska Association of County Officials in support of LB511. Actually, Senator Dorn just did a really good job for purposes of why counties are interested in this. And also it's referred to that law enforcement are members of the-- local law enforcement are members of this state radio system, and it's beneficial in that respect. I'm also going to shift gears a little bit with respect to the question that Senator Lippincott asked with respect to why won't cell phones work? And perhaps I shouldn't wade into this because I don't know the technical aspects, but I did grow up in the area where Mr. Stilmock referred to from the chief fire-- fire chief, I should say. I grew up 17 miles, in fact, from where he was-- is from. Cell phone reception doesn't work very well in those areas. I shouldn't say all areas, but many of those areas. And in fact, when talking about canyons and ridges and various things that [RECORDER MALFUNCTION] and even some of the area along the highway that the introducer, Senator Brewer's LA referenced, that coverage is not always there. So for some of those reasons, and I guess I would also like to draw your attention to, it's my understanding one of the individuals that was unable to be here today due to the weather is chief, I'm sorry, Sher-- Buffalo County Sheriff, and he was going to testify about the merits of this bill. But it's my understanding he submitted comments. So I would encourage you to look at those. With that said, I would be glad to attempt to answer any questions if you have any.

**CLEMENTS:** Are there questions? Seeing none, thank you for your testimony.

**ELAINE MENZEL:** Thank you.

**CLEMENTS:** Additional proponents for LB511. Good afternoon.

**DANA TURNER:** Good afternoon, Chairman Clements. My name is Dana Turner. It's D-a-n-a T-u-r-n-e-r. And it so happens that I'm actually here to testify on one of the next bills, LB651. But this is-- LB511

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is actually something that I can speak to as I was a member of the Waverly Fire Department for ten years, also an EMT. I was their training officer for a couple of years and also worked on our communication system. I can tell you that this is not a new problem. This problem has been around going on over 20 years. There's another event that I specifically remember that happened in 2004, and that was the tornadoes in Hallam. That was a unique event because I'm sure some of you will probably remember that, that we were all out at fire school. There was a situation where you had several different departments coming in for training. When that tornado happened, there were several departments that left fire school to head to Hallam. On the way there, we were trying to coordinate with incident command that was on the scene. We were having to use cell phones. Cell phones didn't work. Communication issues, different, different signals. As it turns out, I'm also a ham radio operator, so I might be able to answer some of the radio frequency questions. But the point is, cell phones didn't work. It was a cluster when you had all these different departments started getting on the scene in Hallam. I bring up that one because the statewide radio system was supposed to fix a lot of those issues. It's-- I've been out of the department, I moved back to Lincoln in 2011, tried to get on to Southwest Fire Department, but sadly, I was outside of the response range. So I wasn't aware that a lot of these issues are still existing. That's sad, it really is. The smaller departments, one of the issues that we had even back then, and I know that it's still an issue now, is that people aren't volunteering in the numbers that they used to. A lot of these smaller communities, not only as the populations of those communities dwindled, but the number of volunteers are just not there. So you are running into a lot of situations where you're going to have more communities mutual aiding with others. That's where these cross-communication issues start coming into play. If you can't talk on the same frequencies with other agencies, things just don't go well. So again, I'm here to support LB511. I strongly encourage you to move it out of this committee and get this thing funded so that we can take care of our first responders. Thank you.

**CLEMENTS:** Are there questions from the committee? Senator Lippincott.

**LIPPINCOTT:** Again, I'm asking this just out of ignorance and curiosity. I know the iPhone 14s do have satellite capability.

**DANA TURNER:** Not everybody has them, sorry.

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**LIPPINCOTT:** Well, I know that. But, but for this money, a guy could equip the entire force with iPhone 14. Again, I'm just brainstorming. This is probably not the forum to do that.

**DANA TURNER:** So that, that is true. So there are several new variations of different cell phones. The pixel is one that's going to have satellite capability. The problem is that technology is too new. And if you're talking about fire situations or you're talking about situations where you are having to extract somebody out of a vehicle, you are not going to be using an iPhone or a cell phone because more than likely that device will get destroyed.

**LIPPINCOTT:** Yeah.

**DANA TURNER:** And if that device gets destroyed, there goes your line of communications.

**CLEMENTS:** Other questions? Seeing none, thank you for your--

**DANA TURNER:** Thank you.

**CLEMENTS:** --testimony. Are there additional proponents? Seeing none, is there anyone in opposition? Seeing none, is there anyone in the neutral capacity? Good afternoon.

**DAVE COLLETT:** Good afternoon. Chairman Clements and members of the committee, my name is Dave Collet, D-a-v-e C-o-l-l-e-t-t, and I am the manager of the statewide radio system for the state of Nebraska. I was brought in here two years ago to take over for the previous person, Mike Jeffres. The state of Nebraska has a very well-designed and put together radio system. One of the big issues that we have is that many of the people cannot afford the equipment that is necessary to do that, to talk to the state, to talk to the State Patrol, to talk to the NDOT, to talk to others. But I really am up here just to answer a couple of technical questions that have come up. To your question about the cell phones, cell phones are made for one-to-one conversation. What we are talking about here is a one-to-many conversation. You need to have something that you key up the radio and everybody else hears what you're-- what you're saying. A one-to-one conversation does not work in a-- in an emergency situation. So there is work on what they're called, what they're calling mission critical push-to-talk. But it is not anywhere near the capabilities that we have from our current radio systems that have been developed over the last hundred years. The other-- the other question that or one of the

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other questions I heard was line of sight. Is this a line of sight system? This is not a line of sight system. This goes through all the different repeaters that we have across the state. We have a total of 85 repeater sites that are located across the state. And each one of those is capable of talking to every other repeater site across the state. You can be in Chadron and you can be talking to somebody in Falls City on your radio. That is this type of a system and it is set up for this multiple communications. So that, that-- then the, the type of terrain in the state of Nebraska does make it difficult for some of the stuff that we do, especially in the Sandhills areas and others. That is why we need those repeaters in the different areas and that is why we have put up-- put up the communication systems that we have for we, State Patrol, NDOT, many of the other state users use it, and we have opened that up to all of the locals to use it also. But again, they need the equipment to be able to use it. So with that, if you have any questions, technical questions, I would prefer because I am a technical person, but if you have any other questions, I'd be welcome-- I'd welcome them.

**CLEMENTS:** Are there questions from the committee? Senator Lippincott.

**LIPPINCOTT:** Are the frequencies, is it in the FM spectrum?

**DAVE COLLETT:** So the FM spectrum is just a type of modulation--

**LIPPINCOTT:** Right.

**DAVE COLLETT:** --for the radios. Yes. These are all FM spectrum. But these, the radios that we're looking at are ones that will go in the VHF band, which is the 150 to 174, the UHF band, which is 450 to 470, and then also in the 800, 700, 800 MiG band that is specified more for public safety. So the ones that we are-- that we're looking at are the ones that will do all of those and allows us to do interoperability with anybody else in the state. It doesn't matter what band you're on.

**CLEMENTS:** Other questions? I had a question. How many agencies use this, the statewide radio system now? I know the State Patrol, I was on this committee when they were--

**DAVE COLLETT:** Fifteen state agencies use the-- use the system. There's a total of 213 different entities that use the statewide radio system. I actually have a bit of a list here. There is 82 law enforcement agencies that use it across the state, local, and--

**CLEMENTS:** That'd be county sheriffs.



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**DAVE COLLETT:** That'd be county sheriffs, city police departments and everything. Also the fire, there's 27 fire and ambulance services that use it. There's 31 diff-- 31 of the different emergency management agencies use it; 16 federal agencies and 11 different medical response, which includes the [INAUDIBLE] Antelope Memorial Hospital, Boone County Hospital, many of those, as well as ambulance services. And--

**CLEMENTS:** Senator Lippincott.

**LIPPINCOTT:** Yes, sir. Do these radios constantly monitor Guard frequencies? 1215 and 2430?

**DAVE COLLETT:** No, they do not. These are not set up for-- those are AM frequencies that are used for--

**LIPPINCOTT:** One's VHF and the other one is UHF.

**DAVE COLLETT:** Right. But those are-- the VHF and UHF is just a frequency band. The type of modulation is amplitude modulation for, for airplane.

**LIPPINCOTT:** I realize that, but those particular frequencies are Guard.

**DAVE COLLETT:** Right.

**LIPPINCOTT:** They're emergency frequencies.

**DAVE COLLETT:** These do not-- these do not monitor those frequencies.

**LIPPINCOTT:** OK.

**DAVE COLLETT:** Yep.

**CLEMENTS:** Other questions? One more thought I had, is there a specific brand name that's required or can we ask for--

**DAVE COLLETT:** So these are--

**CLEMENTS:** --bids from different companies?

**DAVE COLLETT:** We can ask for bids from different companies. These are using the Association of Public Safety Communications Officers Project 25 Standard, which is a standard for public safety communications across the country. Many different manufacturers: Motorola, Kenwood,

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Icom, all the different major manufacturers produce radios for this same-- for the same thing and can be used. It is not a manufacturer specific.

**CLEMENTS:** So of the various agencies you mentioned, they would have various brand names involved with them--

**DAVE COLLETT:** Yes.

**CLEMENTS:** --that still operate on the system.

**DAVE COLLETT:** That still operate on the-- we, we currently have Kenwood, Bendix King, Icom, and Motorola radios on the system.

**CLEMENTS:** Very good. Any other questions? Seeing none, thank you for your testimony.

**DAVE COLLETT:** Thank you.

**CLEMENTS:** Is anyone else here in the neutral capacity? Seeing none, Mr. Baker, you're welcome to close.

**TONY BAKER:** I'll waive closing. Senator, I would mention that I did ask Bill Drafting to release the amendment here today this morning.

**CLEMENTS:** All right. Thank you. He comments that he's asked Bill Drafting to release an amendment to our committee. And I need to look. Position comments for the record on LB511, we have 17 proponents, no opponents, no one in the neutral capacity. And that concludes the hearing for LB511. We'll now open the hearing for LB547. Senator Conrad.

**CONRAD:** Good afternoon.

**CLEMENTS:** Let's wait just a minute while the room clears.

**CONRAD:** OK. I know how to clear a room.

**Speaker 3:** You know how.

**Speaker 6:** Oh.

**Speaker 4:** Yeah.

**CLEMENTS:** Mm hmm. Looks like we're. Switching Cisco agents.

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**DOVER:** All right. So boring. You know, if you go abroad or bandwidth, you lose, you lose death. So if you win every time you go to 4G, 5G, you can't go as far. That's why in the old days, the old phones like one G or you could reach a long way and we could drive all the way down the highway without any problem. Not that way.

**LIPPINCOTT:** So smart.

**CLEMENTS:** It's like the rumors.

**DOVER:** Oh, I just. Have a problem.

**CLEMENTS:** Looks like the room has cleared out a bit. Senator Conrad, you're welcome to proceed.

**CONRAD:** Hi. Thank you so much, Chair. Thank you so much, members. My name's Danielle Conrad. It's D-a-n-i-e-l-l-e, Conrad, C-o-n-r-a-d. I'm here today representing north Lincoln's "Fightin" 46th Legislative District. And I'm pleased to introduce LB547. Before I jump into the prepared testimony to present this to you, what this bill does, it will be familiar to returning members of the committee, but it'll be a good opportunity for awareness and education for new members of the committee is that it creates a fund for Capitol preservation, restoration, enhance-- and enhancement. It creates an endowment fund for that so that we can continue to maintain and beautify this incredible State Capitol that we have the honor to be stewards of. So like many of you and I was so happy to hear Senator-- Governor Pillen touch upon this in, in his inaugural address. I have very, very distinct memories as a-- as a young person who grew up in rural Seward County and would frequently travel to Lincoln with my family for various and sundry purposes. And I know the exact spot on the horizon on Highway 34 when we can first glimpse the State Capitol as we're heading in-- heading into Lincoln from Seward County. And I still kind of mark that in, in my mind's eye when we're going back and forth to visit family in Seward County. And then after I had a chance to come to Lincoln in the early '90s for college at our beloved university, I always kind of had an interest in having those student apartments be kind of right around the downtown area, around this Capitol area, area so I could always kind of see this beautiful, this beautiful building to inspire me in those, those living spaces. And I'll tell you, after working here for almost, almost two decades, first as a young policy advocate and then as a senator and then a middle-aged policy advocate and now back as a senator, I still get a skip in my step every time I have an opportunity to enter this beautiful State Capitol because it

is so special and it is so beautiful. That being said, I just wanted to paint the picture about why I was interested in this measure. So for many years, many groups have worked to lift up this beautiful space, to find ways to improve it, to maintain it, to enhance it. When I was a member of this committee, we worked very hard and across the political spectrum to make significant investments in the HVAC system renovation that is happening now, actually, which is a big part of preserving the people's house. It came to light that part of the original design for our Capitol environs included gardens and fountains and additional amenities and enhancements in each of the four courtyards that are in our State Capitol Building. But because the building was built during the Depression and times were tight, some of those amenities were not able to come to fruition. So over time, different groups have come together to try and do private fundraising to enact the original vision of the architects of this Capitol. So the, the, the Nebraska Association of Former Legislators really took an incredible leadership role in this regard in recent years. And they had such a robust and successful campaign working across the state, working across the aisle to really finally bring this vision to fruition. So in just a few weeks, as spring flowers start to pop up, we'll see many beautiful tulips and other amenities that weren't there in my prior time of service and I know have become a beloved part of these Capitol environs that we're lucky enough to work in. That being said, it takes resources to maintain landscaping and amenities. And what this fund would do is it would provide a repository for those funds and resources, those private donation, bequests, gifts, otherwise to be deposited, to be administered, to be invested and to be distributed just as the other endowment and trust funds that we have in, in the State Treasury and on the books are operating today and that have operated successfully. This method provides administrative efficiency. It keeps those private dollars going farther, and it ensures a streamlined approach to taking care of our Capitol environment with a streamlined partnership between government and those funds coming in from the private sector. So I am happy to answer more questions. I know there are many of our esteemed colleagues here who have served this proud institution before us, who were significant leaders in the fundraising campaign and who continue to be active members of the Former Legislators Association that is working on this measure. So with that, I'm happy to answer questions.

**CLEMENTS:** Are there questions? Seeing none, thank you.

**CONRAD:** OK. Well, I'll stay for close just in case. Thank you so much.

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**CLEMENTS:** We'll invite the first proponent for LB547. Welcome.

**CURT BROMM:** Good afternoon, Senators. Pleased to be here. I am Curt Bromm, C-u-r-t B-r-o-m-m. I am a registered lobbyist, but I am not here in that capacity. I'm here as a citizen of Nebraska. I am here as treasurer of the Former Nebraska Association of Legislators, and I'm also here as a former colleague of yours for 12 years, during which time I gained a great appreciation for this facility. I think Senator Conrad covered an awful lot of the high points and important points, but I'd like to elaborate just a little bit. About four or five years ago, the Association of Former Legislators was kind of a group that got together maybe once a year to kind of just say hello and see how everybody was doing. But, you know, these are people that want to have a purpose. And after discussion and looking at what was happening in the Capitol and the grounds, it was decided that we would undertake an effort to try to help finish off some things that were started in the '20s but never had the money to do. And one of the main things was the fountains and the-- and the gardens that are adjacent to those. The fountains got constructed, taken care of. And the legislators undertook a campaign to raise money to do the gardens that were envisioned by the architect. Through the generosity of many people and some other organizations, we were able to raise \$1.4 million; \$400,000 basically was used to construct the gardens which are, are almost completely done. There was some planting done last year with the gardens, but with the extra money which we have held and invested to the best of our amateur ability, we have about \$1,000,000-- between \$900,000 and \$1,000,000 that we would like to have as an endowment fund to maintain the gardens into perpetuity. When we first started the project, the estimate was it would take about \$44,000 or \$40,000 a year to maintain those gardens. After a couple of years of experience, we are now told it's closer to 20 or \$22,000 a year. We figured if we could get a 4 percent return on \$1,000,000, \$40,000, we could-- we could-- we could handle the maintenance of the gardens easily. And if it's managed well, that fund could grow in addition to the return that would be used for the gardens. So that's kind of where we're at with the money. This bill creates a fund, but it doesn't require the Capitol Commission or the Legislature to accept any money. That by statute and by provisions in your mainline budget bill, if it's over \$10,000, it has to have approval of, of the Capitol Commission and the Governor to receive the money. So this doesn't require them to accept our money. But after much discussion and study and looking at other options and investing it and trying to hold down the costs of investing, it is frankly a no brainer to give this money to a fund

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that is managed by the Nebraska Finance Commission for investment. Their returns and costs of investment are so much less than any private source that we-- and we interviewed several. But, but we don't want to take \$10,000 or \$15,000 a year for investment fees, which depletes or reduces the amount we have available for maintenance of the garden. So we think this is a very practical and good solution, and I hope this is a good bill for you because we're not asking for any money. It should make your day a little bit more pleasant than all the other bills you have to deal with. And, and let me say that while I was in the Legislature, I never had the opportunity to serve on your committee, but I don't think I probably have the best aptitude for what you do. But I totally always have respected your challenges and what you do, and that continues to today. So from a standpoint of efficiency, oh, one other point I wanted to make. In raising the monies, we found that some people were a little bit apprehensive about who is going to hold those monies and were they going to be secure.

**CLEMENTS:** That's your time.

**CURT BROMM:** Oh [INAUDIBLE]

**CLEMENTS:** I was wanting you to--

**CURT BROMM:** I'll finish the sentence.

**CLEMENTS:** --elaborate on-- I remember when the courtyard project was brought forward to our committee, probably 2017, that you didn't place it in the state's hand for some reasons. And I'd like for you to go ahead and elaborate on that.

**CURT BROMM:** Sure. At the time that it was started, there was-- I think there was a lack of confidence that this actually would happen, and there was no support from the then current administration for doing that. They thought it should be a private effort, didn't want any state money involved and, and so-- and we share that. We'd rather not have the money raised, we'd rather raise the money privately. But for security and future confidence in this project, we feel it's much better to have the state handle the administration of the fund and under the-- under the auspices of the Capitol Commission, decide what's appropriate to, to use out of the fund on an annual basis. What I was going to say was in raising money, and I'll be very brief, in raising the money, we ran into some donors that said we'd like to give money, but we'd like to be sure that it's going to be handled right, it's going to be taken care of properly, and that it's stable and

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it'll go into future ages. Our organization, the people in our organization, come and go as, as, as people die off or new people come out of the Legislature. So we just feel it's more secure to have it handled in this manner.

**CLEMENTS:** Are there questions from the committee? Senator Lippincott.

**LIPPINCOTT:** I've been to all these different capitols flying around the country, and some of them have gorgeous landscapes and buildings and lights and everything. And I'm trying to remember if some of them have advertising where a company will give money for the botanical gardens, for instance. You know, advertising is allowed in giving money to make things here-- happen here at the Capitol Building, gardening, landscaping or such, green lighting.

**CLEMENTS:** Is that a question?

**CURT BROMM:** I'm not sure I'm qualified to understand it let alone answer it. I'll try.

**CLEMENTS:** I think the question, have you considered having sponsorships, a plaque--

**CURT BROMM:** Our group--

**CLEMENTS:** --sponsored by a landscaper or something?

**CURT BROMM:** Yeah, our group-- our group has not. We have sought some discounts in getting materials and things done. But I don't know. I think there-- there's been a feeling maybe this is out of date, I don't know. But we'd rather keep the public-- the public's building public and free from anyone with a lot of money taking over publicity or gaining publicity out of supporting the architecture and the image of this building. And maybe that's just an antiquated view, but we didn't really consider doing, I don't think, what you're suggesting. But, you know, if the Capitol Commission would want to undertake that, they certainly have the authority, I think, to do something like that.

**CLEMENTS:** Other questions? Senator Dorn.

**DORN:** Thank you, Senator Clements. Thank you for being here. As I read the bill, though, and as you talked to me earlier with all this fund, the, the money that's taken out of this endowment fund is limited to 4 percent of the total amount on January 1 of that year.

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**CURT BROMM:** Correct.

**DORN:** But it can only be used for, I call it the gardens out here or other projects on the Capitol grounds. In other words--

**CURT BROMM:** Correct.

**DORN:** --if we can't take-- we can't take 20 percent out some year.

**CURT BROMM:** That's the way the bill is drafted. And, and it was done that way to try to make sure the money would last and be focused on, on the project.

**DORN:** Thank you.

**CLEMENTS:** Other questions? Seeing none, thank you for your testimony.

**CURT BROMM:** Thank you for your time.

**CLEMENTS:** Are there other proponents for LB547? Good afternoon.

**JILL DOLBERG:** Good afternoon. Chairman Clements and members of the Appropriations Committee, my name is Jill Dolberg, J-i-l-l D-o-l-b-e-r-g, and I'm the interim director of History Nebraska, the state's Historical Society. By virtue of that position, I also sit on the Capitol Commission. I'm speaking in favor of LB547, which establishes a trust fund account for the Capitol Preservation, Restoration, and Enhancement Fund for the endowment to support the maintenance of the gardens in the Capitol's courtyards administered by the Capitol Commission. The issue was not an individual agenda item on our last Capitol Commission meeting, so we couldn't vote to write a letter of support. But there was general support for the bill and we were encouraged to support it individually. So here I am. So thank you for your consideration of LB547. I'll answer any questions I [SIC] have, but I will caution you, I've been to three full Capitol Commission meetings, so my experience is slight.

**CLEMENTS:** Are there questions from the committee? Seeing none, thank you for your testimony.

**JILL DOLBERG:** Thank you.

**CLEMENTS:** Are there other proponents for LB547? Seeing none, is anyone here in opposition? Seeing none, anyone here in the neutral capacity? Seeing none, Senator Conrad, you're welcome to close.



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**CONRAD:** Just very briefly. Thank you so much, Chair. Thank you so much, members, for your kind consideration of this important issue. I know how many people come before you with worthy requests to make investments of our state resources. This is an opportunity to bring investments into the state budget and into the state ledger from private sources. So that's kind of a unique twist on, on this measure before you. But I know in the past there have been questions about some of the technical aspects of how the fund would work or how the bill would work. I pledge to work with you and all stakeholders to sort those out. It's time that we put this matter to rest. It's time that we secure those critical private dollars to help carry out the beautification of this beautiful, precious treasure, the State Capitol, that's been entrusted to us as stewards. So we'll tinker the language however we need to tinker it if we can get a meeting on the minds that we want to make this work. And I'm confident that this will be something that we, we can definitely come together on with our colleagues past and present. Thank you so much.

**CLEMENTS:** Are there questions? Senator Armendariz.

**ARMENDARIZ:** Thank you. I just have one question.

**CONRAD:** Yeah.

**ARMENDARIZ:** Could you tell me what you would do if the-- if the fund grew larger than the 4 percent withdrawal, what would the excess go to? Or could you cap it more at a minimum balance in the fund and then free up the dollars in excess for use?

**CONRAD:** Yeah, that's a great question. Thank you so much, Senator Armendariz. I think that the State Legislators group have worked with Bill Drafters to kind of craft the language as proposed, kind of according to the lines with other trust funds and how typical endowment funds kind of work. But I do think that we could provide more clarification to that, because one thing that your question so smartly touches upon is that actually the anticipated maintenance costs for the gardens project is actually coming in a little bit under what they thought it might be. So figuring out that we do have a good plan for additional funds I think would be very smart as we construct the-- as we construct the fund together.

**CLEMENTS:** Are there other questions? Seeing none.

**CONRAD:** All right. Thank you so much. Happy almost four-day weekend.

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**CLEMENTS:** Regarding LB547, we have position comments. No proponents, one opponent, and none in the neutral. That concludes the hearing for LB547. We will now open the hearing for LB612. Senator McDonnell.

**McDONNELL:** Thank you, Chairman Clements and members of the Appropriations Committee. My name is Mike McDonnell, M-i-k-e M-c-D-o-n-n-e-l-l. I represent Legislative District 5, South Omaha. LB612 would reimburse Nebraska counties for the office space that counties provide for usage by the state of Nebraska's Office of Probation, the Department of Health and Human Services. Nebraska counties have been saddled with paying the state's public assistance rent since the state was given complete control of Medicaid in 1983. In 1983, it would have made sense to maintain the same office space during the time of transition. But here we are 40 years later. It is the time to reimburse Nebraska counties for the cost, which is an unfunded mandate. Nebraska counties have made several attempts to change the statutory requirement of 68-130(1) to pay for rent of public assistance programs. But you-- but have repeatedly been unsuccessful. In addition, counties are responsible for all offices of the Office of Probation under 29-2259. LB612 is not a permanent fix, but it would offer temporary relief to the counties for this burdensome unfunded mandate. If you look at the handouts of my testimony, there is both sections, Section 68-130 and 29-2259, which talks about the unfunded mandate. I'm here to answer your questions.

**CLEMENTS:** Senator Armendariz.

**ARMENDARIZ:** Thank you. Just some education on how-- so Health and Human Services, Probation Offices. Are there others?

**McDONNELL:** These are the two that we're referencing. If you look at the bottom of my handout, that's what we're talking about, Department of Health and Human Services and Probation offices.

**ARMENDARIZ:** So does the county pay for these services other than the base-- pay for these services too?

**McDONNELL:** We're talking about the rent, and that's what the unfunded mandate is based on. The idea that if you look at your fiscal note based on \$4 million, is based on the unfunded mandate that the state put on the counties for Probation and for Health and Human Services.

**ARMENDARIZ:** But the Health and Human Services that are in these buildings serve the county.

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**McDONNELL:** Serves the citizens in the state of Nebraska, which happens to also be in the county.

**ARMENDARIZ:** OK. So do they serve the entire state or do they have offices in that county and mostly serve those county residents?

**McDONNELL:** So, yes, they're, they're throughout the state, the counties, I don't know exactly where they're located, in which counties. I can get you a list of that if you need it.

**ARMENDARIZ:** OK.

**CLEMENTS:** All right. Other questions? Seeing none, we'll welcome the first proponent.

**McDONNELL:** Thank you.

**CLEMENTS:** Good afternoon.

**MARY ANN BORGESON:** Good afternoon. Chairman Clements and Appropriations Committee members, my name is Mary Ann Borgeson, M-a-r-y A-n-n B as in Bob-o-r-g-e-s-o-n. I am the chairwoman of the Douglas County Board of Commissioners, and I would like to thank Senator McDonnell for bringing this bill forward and for also allowing me some time before you today to talk about it. Just in the last three years, fiscal years '20, '21, and '22, Douglas County taxpayers have paid two million four hundred forty-four-- \$2,400,445 for the state Probation and Health and Human Services offices within Douglas County. So just as the state looks for ways to cut, Douglas County is doing the same. So we're coming today knowing that this isn't a long-term fix, but it's a conversation. It's a starter of a conversation on those unfunded mandates that we do have and have had, as Senator McDonnell said, for over 40 years of paying for state offices to be in buildings within the county. And again, it's again, not a long-term fix. But we hope, as I said before, when I was before you, that we have a better partnership with you so that we can start addressing some of these, these and other unfunded mandates that we have that put upon us from the state. So with that, I am here on behalf of the county board saying that we support LB612 and hope that you will take it on past committee.

**CLEMENTS:** Are there questions from the committee? Seeing none, thank you for your testimony. Next proponent.

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**ROMA AMUNDSON:** Well, good afternoon, Senator Clements and members of the Appropriations Committee. And I see we have some green here for Saint Pat's Day. My name is Roma Amundson, spelled R-o-m-a A-m-u-n-d-s-o-n. I am appearing before the committee in my capacity as a member of the Lancaster County Board of Commissioners, County Commissioners. I am here to testify in support of LB612. In conjunction with the proposals contained in LB420, LB612 seeks to address the continuing cost to Lancaster County Property Taxpayers for providing office space for the Department of Health and Human Services to administer Medicaid. This arrangement arose out of LB522 in 1982, when the administration of Medicaid was transferred from the counties to the state of Nebraska. An amendment added to another bill in the same session established that counties would pay the cost of-- would pay the cost of Health and Human Services offices as they existed in 1983. The move to a state administration of Medicaid has benefited the entire state by bringing consistency of services and over time, increased efficiencies. With improvements in technology, the need for physical facilities shrank and those facilities became more centralized. This meant fewer locations in fewer counties were needed. Although the statute speaks about maintaining offices as they existed in 1983, we can all agree that the lay of the land has significantly changed since 1983, including just recently with shifts to remote work and telehealth becoming prominent. So over the last 39 years, while many counties have seen costs diminish or disappear with their Medicaid offices, Lancaster County continues to pay rising costs as Medicaid operations have centralized here. This situation has created an inequity that lands directly on Lancaster County property tax payers who are now on pace to pay out about \$300,000 in rent during this fiscal year. This figure rises consistently every year. In conjunction with LB420, which proposes to place the cost of office space on the state of Nebraska agency using that office space, the appropriations in LB612 would fix this fundamentally unfair situation for property tax payers in Lancaster County. Given this Legislature's focus on reducing the overall tax burden on our citizens, we believe that this is the right answer and now is the right time to pursue this legislation. Although we do humbly recognize that there are not any simple solutions to solve the property tax conundrum with which the Legislature continues to grapple, there are certainly easy and expedient options like those presented in LB420 and LB612 that attempt to restore equity to the property tax system. Thank you for the opportunity to testify and I would be happy to answer any questions.

**CLEMENTS:** Are there questions from the committee? Senator Vargas.

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**VARGAS:** Thank you, Commissioner, for being here. You know, part of this question I have is this is an appropriations ask. And in sum, it seems like in sort of the legislation that existed prior, that there was-- in your testimony that there was a bill, an amendment added to another bill in the same session that established that counties would pay the cost of Health and Human Services offices

**ROMA AMUNDSON:** Right.

**VARGAS:** --as existed in 1983. Have there been legislative changes since trying to address this problem of it being solely just on the counties? Like, have you tried to change that? OK, I'm getting some head nods in the back.

**ROMA AMUNDSON:** To my knowledge, no.

**VARGAS:** OK. So [INAUDIBLE] OK. The reason why I ask is if it hasn't already changed, you know, what we're doing is supplying the reimbursement, but we're not changing the responsibility in statute or removing that language. And I'm wondering if it's a statutory change or if we have to strengthen some changes we already made in statute. Because if people are listening, we put in the statute, you're supposed to do it, right, then that should address part of the problem. If you can't answer that sort of question or prompt, that's OK. But I want to put that out on the record. We, we typically don't address the responsibility just in funding. And I'm wondering if we can address it in statute.

**ROMA AMUNDSON:** I do understand what it is that you're saying.

**VARGAS:** OK.

**ROMA AMUNDSON:** Yeah, I do. And to be honest with you, I've been a commissioner for ten years. I've not heard of any statutory changes or anything that have been made since 1982, '83. So perhaps some investigation and research would need to be done. But as of right now, no.

**VARGAS:** OK. All right. Thank you.

**CLEMENTS:** Senator Armendariz.

**ARMENDARIZ:** Thank you. Thank you, Commissioner, for being here. I agree with Senator Vargas that maybe it'd be better to rewrite the

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language and assign that responsibility back to the state instead of just reimbursing you all for paying it.

**ROMA AMUNDSON:** I think that that would probably be a solution. However, we still would like some sort of reimbursement for the amount of money we have paid.

**ARMENDARIZ:** Yeah. So my-- so my question was, so you mentioned that other counties are, are consolidating and Lancaster County, Douglas County are, are still operating these facilities. Are there folks from other counties coming to these state locations?

**MARY ANN BORGESON:** Yes. Yes.

**ARMENDARIZ:** And are you reimbursed at all for treating--

**ROMA AMUNDSON:** No.

**ARMENDARIZ:** --those other county residents at all?

**ROMA AMUNDSON:** We are paying only for the rent for the [INAUDIBLE]

**ARMENDARIZ:** Well, but they're utilizing people from other coun-- they're utilizing those buildings for people from other counties to come there. But the Douglas County, Lancaster County property tax payers are paying the full [INAUDIBLE].

**ROMA AMUNDSON:** Property-- yes, yes. They are paying for that.

**ARMENDARIZ:** OK. I understand. Like the Douglas County Hospital that she testified earlier, they serve several counties, yet the property tax owners only of that county are supporting those fees.

**ROMA AMUNDSON:** Right. Because as actually is what-- is what I said is, is that the, the offices had become centralized and the services had become centralized. So around the communities, the people come in and they utilize those services. The rent for those offices is being paid by the specific county taxpayers that support those.

**ARMENDARIZ:** And no other counties that are being--

**ROMA AMUNDSON:** No.

**ARMENDARIZ:** --supported are paying that. OK. Thanks for making that clear.

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**ROMA AMUNDSON:** Yeah.

**CLEMENTS:** Are there other questions? Seeing none, thank you for your testimony.

**ROMA AMUNDSON:** Thank you.

**CLEMENTS:** Are there other proponents for LB612?

**DORN:** We rented the office space. There were 11 other counties that came into Gage County for Probation and it was parceled out--

**ELAINE MENZEL:** Good afternoon again, Senator Clements--

**DORN:** --percentage [INAUDIBLE] Gage County.

**ELAINE MENZEL:** --and members of the-- oh, I'm sorry.

**CLEMENTS:** OK. Go ahead. Welcome.

**ELAINE MENZEL:** Well, I'm sorry. Senator Clements and members of the Appropriations Committee, for the record, my name is Elaine Menzel. That's E-l-a-i-n-e M-e-n-z-e-l, here on behalf of the Nebraska Association of County Officials. I believe the Commissioner Borgeson and Commissioner Amundson have done a good job referencing why the counties would like reimbursement. I'm going to ask or point to the fiscal note and suggest that this doesn't necess-- necessarily indicate the amount of money that would be appropriate for us to be reimbursed based upon the costs we're incurring. This also segues with the issue of unfunded mandates, as Senator McDonnell, who we certainly appreciate bringing this to your attention. I will address on a couple of issues that Senator Vargas and-- Senator-- I'll first address Senator Vargas, you had asked whether there is legislation that has addressed this. There's not been anything to my knowledge that has passed. However, there have been proposals in the past with respect to both appropriations or I'm sorry, Health and Human Services, as well as Probation. And they are the statutes with which Senator McDonnell brought to your attention. Currently, LB420 is one that is in Government Committee for-- that they're considering with respect to the Health and Human Services provision. Senator Raybould had introduced that one. With respect to Senator Armendariz, yes, there are other offices that are state function or maintained by the counties such as the county courts or district courts and other types of courts so there's that. And also in some counties, I don't quite understand the relationship necessarily, but extension offices and I

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believe those work through the university. So therefore that would be another aspect. I think that-- well, of course, we would take additional funding if you would see fit. But with that, I will refrain from my comments and if you have any questions, I will attempt to answer them.

**CLEMENTS:** Are there questions from the committee?

**ELAINE MENZEL:** I, I apologize. One quick comment. When talking about the other counties and reimbursing for using the services of the Health and Human Services, it's Department of Health and Human Services that has centralized those functions. And therefore, one county becomes responsible for housing those. So it's not necessarily the county that's doing that.

**CLEMENTS:** But are you saying that other counties don't contribute when they have no office space being used or they're using a neighboring county facility?

**ELAINE MENZEL:** In-- with respect to when they're centralizing into a different area, yes. But now with respect to Probation, they are reimbursing the costs to that county, as I understand it, because counties are responsible for providing the probation costs. Or counties are responsible for providing office space to counties. And there's an arrangement that those centralized areas there would be reimbursement to the--

**CLEMENTS:** There's some sharing among counties--

**ELAINE MENZEL:** Yes.

**CLEMENTS:** --when there's only one county with the location.

**ELAINE MENZEL:** So essentially what I'm saying is that Department of Health and Human Services and Probation are set up a little bit differently in terms of the way they're structured.

**CLEMENTS:** All right. OK. Very good. Thank you for your testimony.

**ELAINE MENZEL:** Thank you.

**CLEMENTS:** Are there other proponents for LB612?

**DORN:** We were fortunate and got around the second floor of the police department.



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**CLEMENTS:** Seeing none, is anyone here in opposition?

**DORN:** Wd didn't have to worry about unruly people because it was the second floor of the police department.

**CLEMENTS:** Good afternoon.

**LARRY KAHL:** Good afternoon, sir. Chairman Clements and members of the Appropriations Committee, my name is Larry Kahl, L-a-r-r-y K-a-h-l, and I am the chief operating officer for the Nebraska Department of Health and Human Services, DHHS. I'm here to testify in opposition to LB612, which will in effect require DHHS to pay counties for the cost of office space and service facilities used for the administration of public assistance programs. A little history, prior to April 1, 1983, counties were responsible for the administration of public assistance programs and the cost of building space, equipment, and employees. Additionally, prior to April 1, 1983, counties were also responsible for some of the program costs, including 14 percent of the cost of the Medicaid program. This cost equated to approximately \$20 million back in 1983. Legislation in '82 and '83 mandated the transition of 89 county welfare offices, 1,200 employees, and public assistance programs from counties to state government. In exchange for the state assuming responsibility and costs for these programs. The counties were required to provide DHHS with office space to administer those programs via the Nebraska Revised Statute 68-130. Currently 53 county office-- county office locations operate under this agreement. The services provided to these counties started as Children and Family Services, CFS programs and Medicaid. However, services and programs have grown over the years, both in CFS and in Medicaid, and there are actually even some other DHHS divisions, such as developmental disabilities, that may co-lake-- collocate in some of those county office spaces. In 2011, LB234 created a process under which a county could request DHHS to review office and service facilities provided by the county. This new process determined if the department could reduce or eliminate office space within the county. The department has granted such requests in situations where the original programming was vacated or DHHS has consolidated and no longer requires county space. In some counties, the office and service facilities required by DHHS has exceeded the county's obligation, and in those cases, the department pays the county for that additional space. Currently, DHHS occupies roughly 160,000 square feet of space provided by counties. This is a decrease from the 210,000 square feet that the counties were required to provide back in 1983. DHHS estimates the fiscal impact of counties no longer providing office space at no cost would exceed \$4.3

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million to the department, not counting for annual escalation of additional costs for, for rent. The current cost to the counties who provide this space is significantly less than the over \$300 million that counties would be paying in 2022 dollars if the original situation-- if the state did not relieve them of the financial burden of the cost of county public assistance offices. So obviously, DHHS is committed to helping people live better lives wherever they reside. While we continue to improve access to services through efficiencies, we're also committed to being available in local offices across Nebraska. We respectfully request the committee not advance LB612 and thank you for the opportunity to testify. And I would be happy to answer any questions to the best of my ability.

**CLEMENTS:** Are there questions? Senator Armendaiz.

**ARMENDARIZ:** Thank you. Thank you. And I don't know if you can answer this since it's a billing question. I completely understand the spirit of the original contract. We do that all day long in contracts. If we have a contractor coming in to take over some service, they mandate we give them space to work in, maybe a computer, Internet connection, seems kind of similar. But I, I wonder if all of the counties are participating in the cost. Because I would imagine you're going to be helping all of the counties of Nebraska, but you're not actually physically in all of the counties of Nebraska. So do they all pay equally per capita of being helped or only the counties you're physically in pay that bill?

**LARRY KAHL:** And admittedly while I'm not a finance person, my understanding is, is that it is a more simple direct relationship between DHHS and the county simply for the rent of the square footage within that county that is used for the provision of services. So to my knowledge, there is not a, a, a fancier, more complex relationship that blends the total services based upon the square footage that's currently utilized. It's a pretty simple and direct relationship that was established back in '83.

**ARMENDARIZ:** So just to be clear, how I understand their, their angle is they've hired you to do a service for them in their county, their people. They've given you space, they give you Internet connection, a phone, and you're doing your side job at their space, in their office, basically working for people outside of their county as well as the people inside their county.

**LARRY KAHL:** My sense is it tends to be pretty county specific.

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**ARMENDARIZ:** So you don't serve people outside their county in those facilities then.

**LARRY KAHL:** [INAUDIBLE]

**ARMENDARIZ:** I'm a taxpayer in Douglas County, so my, my property taxes are directly going to this. So it's super important for the people in my county to understand this clearly.

**LARRY KAHL:** And I'd be careful from my perspective in trying to answer that, because my sense is, is that depending upon where the existing county offices are located and in proximity to county lines, there may be individuals from another county that cross over. But I know that the core relationship and arrangement is really directly with the state to be able to provide services to the citizens of that county, within those square-- within the square footage that has been allotted. Now, in fairness, DHHS continues to evaluate where services are needed, where-- where it's going to best serve the population. And so we rent spaces in a number of other county locations that we've added to or added services in addition to this. This formula really goes back to in '83, kind of how it was established in that initial sense of square footage. So if we added more services, we're not adding square footage.

**ARMENDARIZ:** OK. So I do understand their position and they may be helping another county out by not giving them that burden. And they're taking the full burden, but taking some of their services off of their books to say.

**LARRY KAHL:** Given-- given-- that we only have--

**ARMENDARIZ:** So maybe we could clean that up--

**LARRY KAHL:** --the three offices--

**ARMENDARIZ:** --I could definitely understand where they're coming from then.

**CLEMENTS:** Are there other questions? Seeing none, thank you for your testimony.

**LARRY KAHL:** Thank you, sir.

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**CLEMENTS:** Is anyone else here in opposition? Seeing none, is anyone wishing to testify in the neutral capacity? Seeing none, Senator McDonnell, you may close.

**McDONNELL:** I'll waive close.

**CLEMENTS:** You waive closing?

**McDONNELL:** Yeah.

**CLEMENTS:** OK. We, on LB612, we had no comments for the record. That concludes LB612. We will now open the hearing for LB651. Senator McDonnell.

**McDONNELL:** Thank you, Chairman Clements, members of the Appropriations Committee. My name is Mike McDonnell, M-i-k-e M-c-D-o-n-n-e-l-l. I represent Legislative District 5, South Omaha. LB651 appropriates \$20 million in General Funds annually for the Office of Chief Information Officer, OCIO, with specific political divisions, cities, villages, counties, educational service units, natural resource districts for the purpose of bolstering cybersecurity, critical network infrastructure, and purchasing essential software capability. Cybersecurity is a growing problem for the state governments and political subdivisions nationwide. According to the 2022 Data Breach Report from IBM, the average data breach cost for public sector entities nationwide is at \$2.1 million. Data breaches should not be confused with ransomware attacks. Data breaches are far more sophisticated and a result of a loss of citizens' personal information, including Social Security numbers, address, credit card numbers, and other personal information. Ransomware attacks result in hackers accessing a political subdivision's computer network infrastructure, encrypting all data and information, and rendering inaccessible without a unique key held for ransom. Data breaches and ransomware are common in the public sector. The ransomware is growing more quickly. According to the report of Sophos, an estimated 50 percent, 60 percent of all public sector entities faced a ransomware attack in 2021. Of those entities, between 70 to 75 percent of those attacked failed to stop the attack. And that is the highest failure rate of any sector observed in the Sophos report. Per the same report, the average ransom payment in the public sector is 21.3, with an additional remedy-- remediation or cleanup costs average of just \$650,000, \$1.6 million, and a service disruption of one to six months. That is nearly a minimum average of \$1 million in ransom payment and remediation costs. These numbers illustrate the absolute necessity

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for-- that we as a state begin aggressively investing in cybersecurity infrastructure and software, both for ourselves at the state level and for the political subdivisions. The return on the investment will be significant by preventing attacks and saving on cyber insurance premiums. It will in turn prevent our political subdivisions from raising property taxes to pay for devastating breaches and ransomware attacks. LB651 appropriates-- appropriation is split into four categories: \$3 million annually for OCIO to procure tools, hardware, and software to support cybersecurity preparedness and defense across the state and its agencies. Number two, \$8 million annually for the OCIO to procure software and professional services for the state and political subdivisions named in LB651 to continuously monitor the publicly available cybersecurity vulnerability of themselves and their vendor ecosystems. Vendor ecosystems vulnerability monitoring is critical because nearly two thirds of the data breaches and ransomware attacks originate through supply chains. Three, \$4.5 million annually for the OCIO to award a political subdivision working to meet specific cybersecurity framework to upgrade their critical network infrastructure. Four, \$4.5 million annually for the OCIO to award to purchase software and services that must be made available at the cost to the political subdivision. This is crucial because the state will be able to more efficiently enter into partnerships and achieve more favorable pricing on a state basis for a critical cybersecurity software. As the adage goes, one ounce of prevention is worth a pound of cure. While some may say \$20 million a year is more than an ounce of prevention, it's less than is needed. The state and political subdivisions are woefully behind their private sector counterparts in cybersecurity. LB651 is our first ounce of prevention. Unfortunately, the old saying is you pay now or you pay later. Here to try and answer any questions.

**CLEMENTS:** Are there questions? Seeing none, thank you.

**McDONNELL:** I will be here to close.

**CLEMENTS:** All right. First proponent. Welcome.

**KRAIG LOFQUIST:** Thank you. Senator Clements and members of the committee, my name is Kraig Lofquist, K-r-a-i-g L-o-f-q-u-i-s-t, and I'm the executive director of the Educational Service Unit Coordinating Council, commonly called the ESUCC. Today I am testifying on behalf of Nebraska ESUs and the Nebraska Council of School Administrators. Thank you for accepting my testimony in strong support of LB651. We are grateful and I would say that phrase again, we are

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grateful that Senator McDonnell has brought forth this important bill for cybersecurity is a growing problem in the state of Nebraska. No political subdivision, including schools, is exempt from the tax. It's not a matter of if, it's simply a matter of when it will occur. Although it is located in a different state as I share my testimony today, Minneapolis Public Schools is experiencing a ransomware nightmare. But you don't have to go out of state to hear ransomware stories. Nebraska schools have been attacked, too, and have experienced the unfortunate ransomware phenomenon. For example, two years ago, Gering Public Schools experienced a breach where every computing device connected to their network was infected and rendered unusable. This included their phone system and their copier/printers. Gering decided not to pay the ransom because there was no guarantee that they would receive the correct key to unlock their files. The cost to correct the problem was substantial. All Nebraska schools or other Nebraska schools have experienced this nightmare. As you know, these breaches not only cause great harm to the organizations, but also to individuals because their personal records are on file with our organizations. So due to the rising number of cybersecurity incident-- incidents, insurance companies now are requiring comprehensive cybersecurity measures to be taken. Even then, the amount of coverage for cybersecurity related events is not what it used to be. So LB651 would provide critical resources to help put a stop to cybersecurity inci-- inci-- bla, bla, bla, plus tax incidents. So on behalf of schools, ESUs, and actually all political subdivisions, I respectfully ask that you support LB651. And that would conclude my testimony and I'd try to answer questions if you have any.

**CLEMENTS:** Senator Dorn.

**DORN:** Thank you. Thank you for being here. Does your ESU currently have cyber insurance, cybersecurity insurance?

**KRAIG LOFQUIST:** Yes. It was refinagled about 18 months ago, 165 or so schools, over 160 have something called ALICAP. They have created a list of to do's before they will insure you. And then the limits of coverage have, have been adjusted. Where I-- where I work, we have Cincinnati Insurance and there's a four-page document that we have to fill out in order to get insurance.

**DORN:** How readily-- how, how much opportunity do you have to get different bids on that or is there much, I call it, insurance out there right now?

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**KRAIG LOFQUIST:** You can bid it and schools use-- do use different insurance companies. I can't name all of them, but I know ALICAP is an insurance company that insures the majority of Nebraska schools.

**DORN:** Thank you.

**CLEMENTS:** Senator Vargas.

**VARGAS:** Thank you for being here. I just wanted to clarify something because-- are you testifying on behalf of just the ESUs and the Nebraska Council for School Administrators?

**KRAIG LOFQUIST:** Correct.

**VARGAS:** OK. I wasn't sure because you also said all political subdivisions so I didn't know if that included--

**KRAIG LOFQUIST:** I know they're in the same boat. I should have clarified that. Thank you.

**VARGAS:** No, it's OK. It was just for the record. Thanks.

**CLEMENTS:** Any other questions? Seeing none, thank you for your testimony.

**KRAIG LOFQUIST:** Thank you.

**CLEMENTS:** Are there other proponents for LB651?

**ELAINE MENZEL:** Chairman Clements and members of the Appropriations Committee, for the third time today, my name is Elaine Menzel, it's E-l-a-i-n-e M-e-n-z-e-l, here on behalf of the Nebraska Association of County Officials in support of LB651. As has been expressed, cybersecurity is an issue that's of importance to county government as well. The investing in prevention tools and efforts in applying cyber risk management practices will enable counties to better face such vulnerabilities and risk when confronted with them. We support aspects of LB651, including partnering with the state to monitor publicly observable cybersecurity vulnerabilities of themselves and their vendors, ecosystems, and training classes if desired. Further, a county could apply for funding for upgrading critical information technology infrastructure. Our concern with the bill, as written, would be the requirement that a county's program for critical information technology infrastructure be technology infrastructure, rather than a vendor of their choice. And the basis for this is that

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we have-- we've worked with another organization that works with counties and to develop a consortium for purposes of vendors that would apply to this consortium-- maybe, maybe consortium is not the word they've ended up using-- a cooperative. I think that's the word they ended up using. But they've gone through the-- identified parameters and that type of thing with working for. I never say the-- I never say the acronym correctly, but CISA or SEESA [PHONETIC], whichever that pronunciation is, but a security network from the federal government. With that, I haven't done very good in terms of explaining why we support the concepts of this, the investment towards cybersecurity. But I would be open to any questions if you happen to have any.

**CLEMENTS:** Any questions? Seeing none, thank you.

**ELAINE MENZEL:** Thank you. Appreciate your time.

**CLEMENTS:** Are there additional proponents? Welcome.

**CHAD DAILEY:** Welcome. Appropriations Committee and Senator Clements, my name is Chad Dailey, C-h-a-d D-a-i-l-e-y. I'm here to promote-- proponent of LB651. I am giving an extemporaneous submission here. It's a supplement to my written submission. I'd like to also include some of the elements from peer discussions I've had. I'll start with a proverb that's endured for centuries. For want of a nail, the shoe was lost. For want of a shoe, the horse was lost. And for want of a horse, the man was lost. While I agree that information system security for the state requires immediate attention and a budget to support efforts associated to maintaining information security, I think the approach in the bill has two elements reversed, specifically, the budgeted amounts for Section (4) and Section (5). And I'd like to solicit an amendment to reflect that if possible. What I really mean is I think we should spend \$8 million in Section (4) (a) and most of it on the smart people and strengthening the workforce for the people that live here, shop here, and pay taxes here, have personal investment defending themselves and their community, and most importantly, perform the work that needs to be done while directly-- being directly accountable to the taxpayers of the state of Nebraska. (5) (a) should be adjusted to \$3 million. This still seems like a lot of money for one provider, and that money likely never comes back to our state. If you can't tell, I'm a big fan of Section (4) (a) (vii), more jobs in Nebraska that keep core cybersecurity knowledge ecosystems replenished is important, especially in government, where competitive salaries often lag the private sector. Complex cybersecurity tools require



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smart humans to configure, operate, maintain, and then execute the final decisions based upon the data those tools generate. Business process Integration is critical for efficiency and cost effectiveness, and humans are still the most cost-effective tool for human integration. Human resources and intelligence are assets that evolve and retain value long after the next version of software is released, or some vendor or their product winks into nothingness after they fall victim to some fiscal instrument or are captured by a third party. The best strategies and tactics are not bought off of the shelf. They're cultivated and developed over time, not just curated by some distant third party. We are the home team. Operational and business process knowledge directly applied to security [INAUDIBLE] make them most effective. A third party only ever gets secondhand knowledge of these elements and has no incentive to share that valuable information with their successor or competitor. Operational strategic security continuity are put at risk when these knowledge access-- assets are not owned and maintained by the state or other government entities. Further, there is no incentive for third party to reduce cost, renew, renegotiate contract or make minimal change in capacitor strategy if some element of the landscape they manage suffers upheaval. Our government requires strategic investment to operate safely, efficiently, and effectively, and its people are its most durable, long-lasting, and valuable tools for that mission. Humans are the figurative nail. We can buy all of the fancy tools a thick wallet can afford, but without the human element, you can expect them to fail. Thank you for your consideration and your valuable time. Do you have any questions?

**CLEMENTS:** Are there questions from the committee? Seeing none, thank you for--

**CHAD DAILEY:** Thank you.

**CLEMENTS:** --your testimony. Are there other proponents?

**DANA TURNER:** Good afternoon again. My name is Dana Turner, D-a-n-a T-u-r-n-e-r, and my official capacity is the chief information security officer for Union Bank. I've been an employee of that institution for about 30 years, member of the IT community in Nebraska for over 35, unless you want to count the time when I was 10 to 12 building computers back in the early '80s. I'm here in support of LB651. Did want to point out just a couple of things though. First off, there were some testimony last week regarding another bill and it was said that cybersecurity is a growing problem or a new problem. I'd

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like to tell you all that it's not new, it's not grown, it's-- or growing, it's full grown and it's becoming worse. If we do not act, if, if the legislator-- Legislature does not act now, the dollar signs are only going to increase. Overall, I think the provisions in this bill as, as it's read right now are very good. I did want to point out one potential disconnect that directly conflicts with the Legislature's statement in Section (2)(d) as far as "The office must have access to the most advanced tools, software, and services to combat cyber threats." The disconnect with that is under the vendor management portion of this bill where it reads and this is section (9) parts (a) through (c), "Any person that the office enters into a contract with to purchase software or services pursuant to this section shall:" and this is the really important part here, "Be headquartered in the United States." The way that that's worded, that's going to cause some problems. Because in the security world, there are vendors that have been around for a very long time. I'll point out one, Check Point Software. They are a major player in the firewall and endpoint security space. They're actually headquartered in Israel. We deal with a lot of newer technology companies, threat intelligence companies. They're all based in Israel. My suggestion would be to change the wording in this bill to actually use the Office of Foreign Assets Control Sanctions List. So that would actually fill, fill the intent, what I believe is the intent of covering not to make sure that we're doing business, the state's not doing business with Russia, China, or any of the other countries that actually fall on that list. The previous testifier said that humans are the most important part in ensuring that cybersecurity, a lot of these things get configured correctly. I would argue that the converse side of that is humans are also the weakest link. If you look at phishing emails, all it takes is for one person to click on one thing. The tools, yes, are only as good as they can be configured, but there are a lot of modern tools that are out there that are being used in the industry that are taking into account, I hate to use the term artificial intelligence, I like to use machine learning, but what they do is they statistically will go through and look at data and they will find patterns and correct that. So while humans are needed to, to actually configure the software, in a lot of cases, it's the software tools that are going to save you from that, that first instance that can potentially cause you harm. One other thing that I did want to mention was when it comes to the conflation of breaches and crypto events and how they're not the same, they, they actually are. Most crypto events now what is happening is the attackers are encrypting your data. They're also simultaneously stealing it and keeping it. And if you

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don't pay the ransom, they are actually selling that information. So you can-- while you can get your-- the keys to unlock your data, they still have your data and potentially can sell it. So this is-- that's one of the things that I'd heard in the previous testimony that-- or actually I think it was Senator McDonnell that actually brought that up there. It's, it's a huge problem regardless of crypto events or breaches because the breaches are happening all the time. Then-- so again, I'm here to support the bill. I think it's great. It's about time. So thank you. Do you have any questions?

**CLEMENTS:** Are there questions from the committee? Senator Armendariz.

**ARMENDARIZ:** Thank you. You mentioned loosening up those restrictions of being housed in the United. Would you-- would you agree that at least having all the data not leave the United States--

**DANA TURNER:** Correct.

**ARMENDARIZ:** --would be appropriate?

**DANA TURNER:** Yes, it would. And that actually, if I can, I did remember one other comment. It was in regards to the FedRAMP qualification that's actually listed in the bill. That's something that's traditionally more cloud centric than other softwares. But to your point, actually ensuring that the-- and this can be done in a vendor management program-- ensuring that the data is only housed in the United States. Part of the problem is if you're dealing with a lot of these companies, they're either using Azure or they're using AWS services. AWS is going to be in different regions in the United States. Their other primary location is in Ireland.

**ARMENDARIZ:** We could also restrict it to not go to Ireland.

**DANA TURNER:** Yeah. So that's at least in our contract reviews that we do, that is one of the stipulations that we always look for is to make sure that that data is not leaving the United States. So it's a-- that would be another thing to add.

**ARMENDARIZ:** Correct. And I do agree with the previous testifier about the human factor, a little bit different than you. I would propose we don't pay ransoms because that just energizes the hackers. If we stop paying the ransoms, they stop profiting off of it. And we just have really smart people to quickly rebuild those softwares that are internally housed. And we stop-- and we stop generating revenue to the

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hackers. That's the only way to stop them. That's the only way to stop them.

**DANA TURNER:** Well, the only way to stop them is to actually increase or come up with better controls to keep it from happening in the first place.

**ARMENDARIZ:** Negotiated with software companies and they will not guarantee--

**DANA TURNER:** Yeah.

**ARMENDARIZ:** --no hacking.

**DANA TURNER:** Unfortunately even with cyber--

**ARMENDARIZ:** Unfortunately, you pay them billions of dollars.

**DANA TURNER:** --with cyber insurance, that's-- there's a lot of the providers they've chosen not to write policies now specifically with companies unless you can go through those four-page attestations of what you're doing. We currently just went through that and we had to-- fortunately, we were adding several other controls that I'm pretty sure the state probably doesn't have in a lot of areas as far as privileged access. But that's becoming more and more of a requirement that you have those security controls in place and they are actually validating. It used to be, you know, about five years ago when cyber insurance became a thing, there really wasn't any validation. Well, obviously, all these companies started getting hit. They started having a lot of payouts. Now they're starting to validate. So that's the other component to this that I don't think a lot of people are really, really aware of, that the insurance companies are going in and actually auditing companies when they attest that they actually have these controls in place. So sorry, didn't mean--

**ARMENDARIZ:** That's OK.

**DANA TURNER:** --to go on about that.

**CLEMENTS:** Are there other questions? Seeing none, thank you for your information and for your testimony.

**DANA TURNER:** All right. Thank you.

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**CLEMENTS:** Are there other proponents for LB651? Seeing none, are there any opponents? Seeing none, anyone here in a neutral capacity? Seeing none, we have-- Senator McDonnell waived closing. He needed to leave. We have position comments for the record: four proponents, no opponents, none neutral.

**WISHART:** OK. That will close the hearing for LB651 and we'll open the hearing for LB812. Welcome, Chair.

**CLEMENTS:** Thank you. Back to this side of the table. Thank you, Vice Chair Wishart and members of the Appropriations Committee. I am Senator Rob Clements, R-o-b C-l-e-m-e-n-t-s. I represent Legislative District 2, and I'm here to introduce LB812. LB812 aims to provide \$3,390,000 from the Cash Reserve Fund to design and construct a public fifth floor Rotunda gallery in the State Capitol Building in coordination with Phase 5 of the Capitol HVAC project. The fifth floor of the Capitol is one of the hidden in plain sight features that the public cannot currently access. When complete, this project will provide the public with an opportunity for an up-close view of the Rotunda dome, as well as views of the second and third levels of the Rotunda below. It will also provide a new space in the Capitol for a public exhibit gallery to present information about Nebraska's three branches of government, as well as the Capitol Building itself for students and the visiting public. The fifth floor is currently unused because it opens into the Rotunda and is not secured against objects that might be dropped from above. The project will solve this problem with transparent viewing windows between the columns. Architect Bertram Goodhue intended the fifth floor to be a public viewing level during the original building construction 100 years ago. Prior to 1976, State Personnel had offices on the fifth floor. The last time the fifth floor was publicly opened was 40 years ago from 1982 to 1986, celebrating the building's 50th anniversary. This unique space has not been utilized for more than 35 years. The renovation of this fifth floor Rotunda gallery will preserve the historic character of the Capitol while ensuring public safety. It will coordinate with Phase 5 of the HVAC project as it proceeds up the tower in 2025. Savings could be realized if the contractor currently on site does this work. BVH Architecture did a project budget summary in December 2022, which is provided in your handouts. You can see there that the total estimate is \$3,389,784, which established the amount of my request. Former state senators will follow me to testify on LB812. I've also invited BVH, Architecture and Sampson Construction to be available for questions. And the estimate I'm talking about is this. It's titled Nebraska State Capitol Fifth Floor Rehabilitation. It has

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the detail, the professional fees, construction costs, fixed equipment, work allowance, other costs. And that's where the total for this bill comes from. I thank you for your consideration of LB812, and I'll try to answer any questions at this time.

**WISHART:** Thank you, Chairman. Any questions? Seeing none, I'm assuming you'll be here for closing.

**CLEMENTS:** Yes.

**WISHART:** So we'll start with proponents for LB812.

**DAVE PANKONIN:** Vice chair and members of the committee, my name is Dave Pankonin, D-a-v-e P-a-n-k-o-n-i-n. I want to thank you all for, first of all, serving our state. I had the privilege of being elected in to the Nebraska Legislature in 2006, reelected in 2010 from District 2. Have reflected with Senator Clements about us as friends going back to high school years in the 1960s from different high schools in Cass County, him from Elmwood, me from Louisville, eventually having the opportunity to represent District 2. And this past December, I had a chance to go over to Elmwood, talk to Senator Clements about this potential project and kind of explain to him why I thought it was important. And he took it from there and visited the area and then came up with the bill to present. As a former Chair of the Retirement Systems Committee, knowing that several of you also serve on that, you have tremendous financial responsibility to your fellow citizens. Again, let me offer my appreciation for the time, effort, and dedication that takes, plus being attentive at the end of the long-day hearings. I remember those times. Thank you. In my opinion, if I think about the two most significant physical symbols of Nebraska, they are the State Capitol Building, its iconic tower, and Chimney Rock and its historic natural tower. This bill before you is an opportunity to leave an additional legacy regards to the Capitol Building with this fifth floor project. The space is currently unused because it opens into the Rotunda and cannot currently be safely secured for visitor access because of the low ledge between the columns. But it can be adapted and made into a visitor attraction and exhibit area, which you can see from the pictures with stunning views of the mosaics in the Rotunda, Rotunda hall floor, and the Great Hall. Sure, it is expensive, especially to match the material and design quality of the Capitol, plus the needed safety features. But this could become one of the most popular viewing areas in the building and a place for citizens to learn about the building's history and the three branches of government through displays and exhibits. I know

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some of you have toured the space and hopefully could see the possibilities and also from the handouts that Senator Clements has provided. I asked about the pictures and I guess he took them himself. If we don't do this now in coordination with the ongoing HVAC project, this opportunity will likely be lost forever. In these relatively good financial times, please think about the lasting impact to have this completed project that would become a treasured space for generations to come. I think sometimes we should act to extend ourselves for a lasting improvement to the Capitol Building. I always felt honored to walk into this building and appreciate its history, art, architecture and function as the seat of government. I ask for your vote in favor. I think if it happens, you would enjoy seeing the finished space when completed and know you had a major role in getting it accomplished. Thanks for listening and considering.

**WISHART:** Thank you, Senator. Any questions? Senator Lippincott.

**LIPPINCOTT:** Would this be wheelchair accessible?

**DAVE PANKONIN:** You know, ADA is I'm sure they're going to talk about this would be the folks to come with the architects and engineers. But I mean, obviously, that has to be taken into consideration. There's a bathroom on that floor. They'll get into the details on it.

**WISHART:** Any additional questions? Seeing none, thank you.

**DAVE PANKONIN:** Thank you.

**WISHART:** Additional proponents? Don't be shy.

**SARA KAY:** Hi, Senator Wishart, members of the Appropriations Committee. My name is Sara Kay. Oh, I'm sorry. Thank you. And my name is spelled S-a-r-a K-a-y, and I'm representing the American Institute of Architects, the Nebraska chapter. And I was just going to indicate we have about 650 members across the state, and we would be thrilled to actually see this gallery happen and continue the wishes of the architect that was first involved with the Capitol. And I also asked the question about ADA, because that's important to me, and it will be ADA compliant.

**LIPPINCOTT:** The elevators.

**SARA KAY:** I'm asking about the elevators myself for personal reasons. From what I understand, yes, that they will be. They are now. But you can definitely ask the architects about that for sure. I would say

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that this gallery really reminds me a lot of the United States Capitol Visitor's Center. If those of you who have actually seen that space in Washington, D.C., this reminds me a lot of it, and I think it would be a great attraction for everyone in Nebraska and also across the country that comes to visit. A little-- a little information that's kind of interesting. AIA did America's favorite architecture. It was a while ago. It was back in 2007 and the State Capitol was number 67. So a lot of people across the country are very interested in the Capitol, and I think this would, would definitely draw interest. Any questions?

**WISHART:** Any questions?

**SARA KAY:** Thanks for your consideration. Appreciate it.

**WISHART:** Thank you. Additional proponents?

**JILL DOLBERG:** Seeing a lot of me today. Good afternoon. My name is Jill Dolberg, J-i-l-l D-o-l-b-e-r-g. And again, I'm the interim director of History Nebraska, our State Historical Society. I'm speaking in favor of LB812, which would set aside funding to create a fifth floor exhibit space in the State Capitol. Our Capitol is a national historic landmark that draws between 60,000 and 100,000 visitors per year to see the glories of its prairie art deco architecture and its expansive murals. While the murals tell stories of Nebraska's history and artwork, there is space, both literally and figuratively, for a more historical or topical interpretation of Nebraska's history or the branches of government that occupy the edifice. Civics as a school subject aren't emphasized very much in our country. On average, school systems spend \$50 per student per year on STEM education, while they spend about 5 cents per year, 5 cents per student per year on civics and history. A visit to the State Capitol is the culmination of a year of study of Nebraska history for fourth graders, but also serves to show students where their government lives, so to speak. The building is the embodiment of the executive, legislative, and judicial branches of Nebraska government. So where better to receive a lesson on what happens here? History Nebraska and our board of trustees encourage your support of the passage of LB812. And I would be happy to answer any questions you might have for me.

**WISHART:** Thank you. Any questions? Seeing none, thank you.

**JILL DOLBERG:** Thank you.



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**WISHART:** Additional proponents? Seeing none, we'll move to opponents. Seeing none, anyone in the neutral? Welcome.

**DAN WORTH:** Good afternoon. My name is Dan Worth. It's spelled W-o-r-t-h. And I'm here to, I guess, offer some comments in a neutral capacity. I'm a historic preservation architect with Bahr, Vermeer, Haecker Architects. Recently retired, though in early 2020, excuse me, 2021. I did have the great pleasure of working with the Capitol Commission and the former senators on the development of, of, you know, the conceptual design and documents that have been presented to you today. Also with me today is Mark Bacon, who is a design principal with BVH. He's currently working with BVH. Also our mechanical engineer, Paul Bauman with Alvine and Associates; and our contractor, Ben Richter with Sampson Construction, who prepared all of the construction cost estimates that contributed greatly to the budget that has been presented to you. I've had the unique opportunity to have worked in this building since 1995 and have seen a great many changes and improvements for the benefit of not only the building, but certainly the people of Nebraska, the citizens of Nebraska. As Senator Clements noted, the original design architect, Gertram [SIC] Bood-- Goodhue, excuse me, designed the fifth floor Rotunda as a light source for illuminating the colonnade and the beautiful Guastavino tiles at the top of the dome and light filtering down to the Rotunda below and created a viewing gallery that, of course, has not very-- been very well utilized. The OCC and former senators asked us to look at how we could tap the potential of that space and turn it into something that could be equally as exciting as the Memorial Chamber or walking into the Legislative Chambers or even the Supreme Court Chambers. So hopefully the proposal that's in front of you accomplishes that. Mark Bacon, who designed the project, can speak more to the design solution after I'm completed. Senator Clements probably provided you with and, of course, on your tour you saw the deficiencies of the space. It's cut up. It's stairstepped. The walls, the plaster is cracking and peeling. It's got lead-based paint everywhere. The original steel windows need restoration, of course. And of course, the HVAC system really isn't one. It's heated only by some old cast iron radiators that are in the space. It lacks security and, of course, isn't accessible to the lower viewing areas. This project will create a more accessible and a very exciting space to interpret not only the materials that you can walk up close to, but also enhance and deliver more opportunities, as Jill Dolberg said, for the education mission of the Capitol Commission. Key to that is going to be to insert a floor system with a very gentle ramp that will take visitors down to the

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base of those columns so every visitor can walk up close to the Rotunda, see those columns, view down into the Rotunda below, and look at the golden tiles above. This will-- a question was asked earlier about ADA access. The elevators technically do not meet ADA standards, but wheelchairs can roll in and back out. And I believe all of the controls on the elevators have been modified for ADA considerations. But once a visitor, if in a wheelchair, is at the fifth floor, they will have full access just as anyone else will. It will be ADA, quote, accessible once you reach the fifth floor. Also, the project will strip all the lead-based paint, take out all the hazardous materials, restore the steel windows. It will also provide all the, the-- all the new utility systems that are coming up from the HVAC project that will feed the tower restoration. So it will be provided with all the technology, the fire suppression, security systems, all those things that will enhance an interpretive space.

**WISHART:** Thank you, Dan.

**DAN WORTH:** OK.

**WISHART:** Any questions?

**DAN WORTH:** Questions?

**WISHART:** I really appreciate all the work you've done on this Capitol Building. Thank you.

**DAN WORTH:** Thank you.

**WISHART:** Seeing none, additional people testifying in the neutral capacity?

**MARK BACON:** Well, good afternoon, members of the Appropriations Committee and Senators. Thank you for enduring a long afternoon. My name is Mark Bacon, M-a-r-k B-a-c-o-n. I've had the great fortune of being able to work on this project as a way to, to really bring forth an opportunity that doesn't yet exist. I know many of you had the opportunity to, you know, go up there yourself and take a personal guided tour, but that's not the opportunity that the public gets. And this is a public building. And I think this is a real opportunity to provide the public, those school-age children that were mentioned earlier and others that are passing through our state to see this great building. It's an opportunity, much like the Memorial room or any of the, the Chambers, the great Rotunda, even the, the fountains that were recently completed. It's just another opportunity to

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represent the state of Nebraska, the three branches of the government, and also have a great interpretive feature for those visitors. I've also had the opportunity to work on another stewardship of Nebraska art, an interpretive center, and that's at the Museum of Nebraska Art in Kearney. And so I see this as a real opportunity to continue that legacy for, you know, to celebrate that there is great art, there is great work here, there are great things going on, and this would be just one of those opportunities. So I'm hopeful that we can get this passed and continue working on the design as part of Phase 5 implementation.

**WISHART:** Any questions? Seeing none, thank you.

**MARK BACON:** Thank you very much.

**WISHART:** Additional testifiers in the neutral capacity? Seeing none, we-- we don't have any letters to read into the record. Chairman Clements, you're welcome to close.

**CLEMENTS:** Thank you. I first-- when I was first up there, it was December and just did see also the opportunities that would be presented with that and especially the fact that there are no other historical displays in this building of the building itself, of the legislative branch, executive branch, judicial branch, which I think most of us talk to our fourth graders about. And I think this would-- there's ample space and that could be decided by the Capitol Commission what was really displayed. But that was one thought I had. As I'm walking through the Capitol down on the first floor information area, people put in temporary exhibits that come and go, but none of them really are about the branches of government that are here. And I think that's what attracted me to look into presenting this bill. And I would answer any questions.

**WISHART:** Any questions? Seeing none, thank you, Chairman.

**CLEMENTS:** Thank you.

**WISHART:** That closes the hearing for LB812, and that closes our hearings for today.