

Transcript Prepared by Clerk of the Legislature Transcribers Office

Floor Debate January 25, 2023

Rough Draft

KELLY: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the fifteenth day of the One Hundred Eighth Legislature, First Session. Our chaplain today is Pastor Kyle Campise, Bethel Baptist Church, Ord, Nebraska. He is a guest of Senator Briese. Pastor Campise.

PASTOR CAMPISE: Let's pray. Dear Lord, we pray this morning for our members of this Nebraska Legislature. We ask that you reveal to them and bring them closer to you, each in your own unique way. That they may hear your voice clearly and distinctly. Pray that you speak to them of truth, integrity, justice and fairness. God, we pray specifically for our Governor and the State of the State Address this morning. Father, our Governor carries an enormous burden and the decisions made by him affect the lives of people not just in our state, but all over the nation. And he especially needs your touch to lead. We pray that you strengthen him, Lord, and give him wisdom and grace and let him speak and act with honesty and integrity in all situations. We pray all these things in the precious name of Jesus. Amen.

KELLY: Thank you, Pastor Campise. Senator Geist for the Pledge of Allegiance.

GEIST: I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.

KELLY: Thank you. I call to order the fifteenth day of the One Hundred Eighth Legislature, First Session. Senators, please record your presence. Roll call. Mr. Clerk, please record.

CLERK: There is a quorum present, Mr. President.

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

CLERK: I have no corrections this morning.

KELLY: Thank you. Are there any messages, reports or announcements?

CLERK: There are, Mr. President. Amendments to be printed from Senator Hunt to LB606, LB575, LB574, LB169, LB753, LB371, LB606, LB626. Additionally, notice the committee hearings from the Executive Board, as well as the Revenue Committee and the Judiciary Committee. Finally,

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Mr. President, Senator Raybould would file a-- is filing a conflict of interest statement pursuant to Rule 1, Section 19. Senator Raybould has filed a potential conflict of interest statement under the Nebraska Political Accountability and Disclosure Act. Statement is on file in the Clerk of the Legislature's Office. That's all I have at this time, Mr. President.

KELLY: Thank you, Mr. Clerk. Senators, Senator Moser has a guest under the south balcony, past State Senator Lee Rupp of Columbus, District 22, serving from 1982 to 1987. Please represent-- please welcome him. Senator Albrecht would like to recognize Dr. Dave Hoelting of Pender, Nebraska, who's serving as our physician of the day. Please recognize Dr. Hoelting. Mr. Clerk, first item on the agenda.

CLERK: Mr. President, Senator Wayne would move to withdraw LB790.

KELLY: Senator Wayne, you're recognized.

WAYNE: Thank you, Mr. President. Thank you, colleagues. This is simple. In-- the first time in seven years, I introduced the exact same bill twice and this is one of the-- it's literally, word for word, the same bill. So I would ask for you to allow me to withdraw this or I'll have to have, like, two hearings on the exact same bill. Thank you, Mr. President.

KELLY: Thank you, Senator Wayne. Senator Machaela Cavanaugh.

M. CAVANAUGH: I'm recognized to speak?

KELLY: You are.

M. CAVANAUGH: Thank you. Good morning, colleagues. Thank you, Mr. President. Would Senator Wayne yield to a question?

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

WAYNE: Yes.

M. CAVANAUGH: Thank you, Senator Wayne. So what is the bill number of the duplicate bill?

WAYNE: I, I don't know off the top of my head, but it has the exact same title.

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M. CAVANAUGH: OK. All right. So I will look that up. Would you reconsider pulling this and keeping it as a possible shell bill towards the end of session in case we need it for something else?

WAYNE: I have plenty of bills you can use for that so I don't, I don't--

M. CAVANAUGH: Oh, is that a standing offer?

WAYNE: That is a standing offer.

M. CAVANAUGH: Wow. I feel like I've got a little bit of carte blanche here, Senator Wayne.

WAYNE: Yes, but this is in Judiciary, so that's why-- I know I have other bills in Judiciary that we could put together a Christmas tree on if we need to.

M. CAVANAUGH: OK. Well, thank you. I appreciate that.

WAYNE: No problem.

M. CAVANAUGH: I'm, I'm going to have to look up what the other bill is before I decide if I'm going to vote for this or not, although I understand why Senator Wayne would want to save us some heartache on having duplicative bills. I know we've got quite a few this session and probably would be a good idea to go through myself and, and check on some of my bills to see if they have been duplicated efforts, either by myself or by other senators. Senator Wayne, I will say that your staff is on the spot and I just received a message of the bill number so I'll share that with the, with the body. It is LB348 is the-- LB790 is the duplicate of LB348. Thank you to the legal counsel of Judiciary for that. So, friends, this morning we have the State of the State. We have the Governor coming in to address us. It's an invitation. We invite the Governor. The Governor can't just come in here. We have to invite the Governor to come and speak to the body. And we have very few opportunities between now and mid-February to speak about anything that's going on. And, and I find that in a lot of ways disappointing because starting next week, we have all-day committee hearings, which are going to be grueling for everyone, especially our staff. But it also is going to be depriving us as a body to have the opportunity to use this forum where we all are collected together. Instead, our public forum is going to be committee hearings. And so when I have the chance, I'm going to use this forum to address the body and to address the state. I have several things to

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say, but I feel like I'm jumping the order of, of what other people have to say. So I'm just going to end with to those of you who are feeling alone, who are feeling unloved, you are loved, you are wanted, you are a part of this state. Everyone matters. And our LGBTQ youth should be treated with kindness, compassion, grace and love every single day. And I am here to serve you. I yield the remainder of my time to Senator Hunt if she would like it.

KELLY: Senator Hunt, you have 1:30.

HUNT: Thank you, Mr. President. Thank you, Senator Cavanaugh. Good morning, Nebraskans. Good morning, colleagues. It's an exciting day here with the State of the State happening that everybody is tuned in to watch. I have no problem with Senator Wayne's motion to withdraw his bill. That's always fine. The reason I'm taking some time on this motion is because we haven't had any motions on the floor where we've been able to speak and share information with the public, get things on the record. That's all--

KELLY: One minute.

HUNT: --thank you, Mr. President. That's all a very important part of the work that we do. I probably won't stay for the State of the State because I've got some things upstairs that I'm working on. But we are going into all-day hearings next week. We've had many days on the floor this week where, you know, issues could have been taken up, things could have been talked about. I shared a-- I distributed a handout that depicted some protests at an all-ages drag queen story hour at a church in Omaha on Saturday. And I wanted to talk about how the bills that we introduce in here stir up that kind of violence and that kind of aggression toward children. And that's what you need to realize that we're doing. But we haven't had a motion since Saturday to talk on that. And that's part of the work that we have to do in here, colleagues. It's not just fast-tracking bills. It's not just getting things on the calendar. It's not just going to Billy's for a drink.

KELLY: Senator, your, your, your time has expired, but you may continue on your own time.

HUNT: Thank you, Mr. President. When we have a press and a journalistic community in this state and in this country that has been so decimated, they rely on ad revenue. They have private owners that change the editorial slant of what they're able to report on. I really

think that the press is actually the important second house of this body. And there's the people as well and, like, that's all very important. But when we can't talk about things on the floor and bring up things that are going on in our districts, that are affecting our people, that our bills are having impacts on, that is a disservice to Nebraskans because it takes away the ability of the press to know what's going on. It takes away the ability of Nebraskans to understand the issues as they affect them. Because when we just go straight into committee hearings and those are all day, those are a lot less accessible to Nebraskans and there's no opportunity for us to use that time in committee hearings to talk about these issues. I think it's better to have the morning for debate and the afternoon for committee hearings so that all these things can be laid out and we can have accountability around these issues. But what I wanted to raise and speak about is I got to call one of you out. You know, I, I have profound disappointment in the way the norms of this body and the dignity of this position has been eroded by those of you who want to use this space for political campaigning. It is so indignified to do something like reserve the Rotunda to have a political rally. Last year, this happened several times and it was the first time that anyone could-- that anyone knew of, that the Clerk knew of, that could tell me that this property inside the State Capitol had been used for a political rally. We had big backdrops back there that said Jim Pillen for Governor. We had big backdrops and step-and-repeats and photo opportunities that said Mike Flood for Congress. And on February 1, next week, we're going to have a big thing that says Suzanne Geist for Mayor. Anyone know that Suzanne Geist wasn't running for mayor? Is that news to anybody? Have you seen the billboards everywhere and all the signs for the last however many months? The difference is that now we're in session and now we have the opportunity to use the people's building, the State Capitol and the Rotunda, to finally have our campaign rally that we're entitled to. The far radical right has infested this body so deeply that it doesn't matter what indignities we bring upon ourselves in this Legislature. It doesn't matter what norms we break. As long as we are for lowering taxes, for banning abortion, and for saving guns, they let you get away with anything else that you want to do. You can miss your first day as committee chair and go to D.C. to watch Senator Ricketts get sworn in. You can miss introducing four of your own bills to go to D.C. and watch your patron-- and he is the patron for so many of you-- get sworn into his new office that he bought for himself. The dignity that you have brought to this place and the shame that your actions bring to our work here is embarrassing to everybody. Why have the, the political

rally, Senator Geist, in the Rotunda? Why not have it right here in the balcony? Why not have it right here in front of the Clerk's desk on the dais? Why not have it right in here? Because to me, it's all the same thing. There's no difference between the Rotunda and the balcony and everything, this and that. Because this is the place where state government work happens, where we do work to represent all Nebraskans, not where we campaign for election.

KELLY: One minute.

HUNT: Thank you, Mr. President. Why not ask the University of Nebraska for the keys to Memorial Stadium? Why not have your political announcements and parties on the 50-yard line? You can get whatever the star player is to come and support you. That's exactly what you're doing. That's what it looks like. Why not take the state plane and get some of your best donors and take them on a vacation to Paris? Colleagues, what is the end of state resources that we're going to be allowed to be used for campaigning? It's shameful and embarrassing and it diminishes the work that we do here, as does the fact that there were all kinds of things to talk about, get on the record, things affecting other members of this body that have been reported on in the press. And we haven't had the opportunity to make a motion to speak on that, to have anything of that until today.

KELLY: That's your time, Senator.

HUNT: And we've only got 15 minutes.

KELLY: Senator--

HUNT: Thanks, Mr. President.

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

M. CAVANAUGH: Thank you, Mr. President. Thank you, Senator Hunt, for your words. I'm actually going to shift what I'm talking about now because I was just handed a letter by my staff. And I'm only flagging this because I think it's of interest to Senator Erdman. But, Senator Erdman, you might want to listen to what I'm about to share because I think you're going to care about this as much as I do. This is in response to a public records request I made to the Department of Health and Human Services. Senator Murman, we definitely need to revisit that bill we cosponsored last year. Thank you for your public records request on January 18, 2023. A copy of your request is attached to this message for your reference as reviewed this time and

cost estimates prepared in response to your request for documents, communications related to the formulation of the RFP part of your request. I'm going to read this whole thing into the record this morning, friends. But first I'm going to skip to the end where a sitting senator requesting documentation-- I sit on the committee, the Health and Human Services Committee. I made a request about an RFP process that I find questionable at best, that has the CEO of the Department of Health and Human Services listed as a reference and the former chief of staff of the former Governor's office listed as a reference for a new contract that was awarded to a managed care organization over retaining one of the existing contracts. Additional information from that managed care organization was withheld from the RFP process that would have impacted the scoring. So I wanted the documentation on the RFP process. And I'm sorry I'm using letters, request for proposal, that process. I went through the proper, proper channels, channels I have gone through numerous times over the last four years. And I received a letter this morning telling me how much it was going to cost me to do my job. Thank you to the members of the Department of Health and Human Services who are sitting up in the balcony for this moment in time. I'm so grateful for this relationship that I thought we were building together. I walked out of a luncheon last week and I turned to my colleague, Senator Walz, and I said that was refreshing. That was a great meeting. Shame on me. Shame on me for thinking that anything would be different. I had anticipated that a new administration, a new day, a new dawn, that we could build a relationship together. And instead, I get a bill for doing the people's work, for investigating, for providing oversight to a state agency, which is our job, senators. It is our job to provide oversight to members of the Health and Human-- the, the Department of Health and Human Services, to the Department of Corrections. This is our job. We are required to pass a budget and to provide oversight to state agencies and to be sent a bill-- grand total for HHS, emails and HHS documents: \$64,285. Part of that is staff time. Do you not pay your staff unless there's a request? Are you only paying your staff if there's a request? Because your staff time should be part of your budget. You should anticipate, as part of your budget, that this body is going to ask you for documentation. And when I ask you for documentation around a, around a request for proposal, all of that should have been retained during the process. And I have seen enough documents from lawsuits to the department to know that they have to produce the same information for a lawsuit.

KELLY: One minute.

M. CAVANAUGH: So I'm going to come back. I'm going to read this whole letter and then I'm going to ask the department very publicly to give a very public response as to why they think it is their purview to charge members of the Legislature to do our jobs. And every single one of you should be outraged by this. This is unacceptable. This is trying to squash the voices of our constituents. This is trying to squash our ability to provide oversight for the state of Nebraska. I have never, in four years, ever received a bill for any documents request that I have done, ever. And I have done a lot. I have done a lot. And it makes me wonder what they're trying to stop me from finding out when they do things like this and it should make you wonder that too.

KELLY: Senator, that's your time. Thank you, Senator Cavanaugh. Senator Hunt.

HUNT: Thank you, Mr. President. There have been so many times where I had to FOIA the government to find out what the government's doing. When the government has to FOIA the government to see what the government's doing. Senator Cavanaugh is talking about the government having to pay the government to find out what the government's doing. Just, just got to talk to each other. It's too much. Again, I don't have a problem with this withdrawal motion. It's just the only motion that we've had since this week began and so it's the only opportunity that we've had to speak. I wish that this day had started at 9 a.m., knowing that we have the State of the State Address at 10 p.m. [SIC]. Because once we clock in at 9:30, we, you know, have the prayer that we got to do. We do the pledge again and again every day in case we forgot it the day before. And then we give a few minutes for people to check in. And then what is that leave? Fifteen minutes or so to bring up the issues that are facing Nebraskans every day that we haven't had an opportunity to talk about. Colleagues, we don't have a rule in this body against having campaign events in the Capitol, but just because you can do something doesn't mean you should. Just because you can do something, doesn't mean it's becoming or right or that it brings, you know, the level of dignity to the work that we do here. There's all kinds of stuff that I can do that we don't do here in the body. So I, I think, Senator Geist, I think you should reschedule your campaign rally. I think you could have it out on the steps. We do things like that. That's normal. I think you could have it at some local business or something like that. That would be good and appropriate. People leave the Capitol to go do campaign events offsite pretty often, which is an appropriate thing to do. But having it in the Capitol, it's embarrassing. The Legislature is Nebraska's joke. They look at the

work we're doing. They say, look at these people thinking they're going to be morality police for the entire state and this is how they treat the house that we send them to, to represent us. Having a campaign event in the Capitol where we are elected to serve and represent Nebraskans and our constituents who sent us here. But what boundaries do we have in here? What boundaries do we have in here? It doesn't matter where you are day to day. It doesn't matter if you're campaigning in here day to day. It doesn't matter where your residency is and where you live. As long as you're voting the right way, (a) they'll keep the checks coming, (b) you can do whatever you want in here. I'll yield the remainder of my time to Senator Cavanaugh.

KELLY: Senator Cavanaugh, you're yielded to two and-- 2:15.

M. CAVANAUGH: Thank you. Thank you, Senator Hunt. Continuing with reading the response. Emails and Webex, the agents-- agency identified approximately 99 individuals who were involved in the RFP at some point between September 1, 2021, and September 23, 2022. Since no search terms were provided, the agency requested OCIO to provide the total number of emails for those individuals during the timeframe. The result? The search resulted in 138,345 emails. Further, the agency requested a search of Webex messages for records for those individuals. Please note that the agency does not have any search capability regarding Webex messages. Each entry on a Webex chat is its own separate entry and must be manually opened and printed to review the messages. I'm going to pause here and just say that sounds like a personal problem of how you're operating as a department and maybe you shouldn't allow messages to be transmitted that way, and they should all be documented through the email process. Continuing with the letter, the system also does not provide messages in chronological order or by employee--

KELLY: One minute.

M. CAVANAUGH: --and each webchat has to be manually organized as a result. The agency must request a poll of all messages for all individual during a certain time period and review them manually for responsiveness and to ensure that confidentially-- confidentiality of privileged information is not released contrary to state or federal law. As such, the numbers are simply the total generated and not necessarily the total number of messages that may be produced. Webex messages belonging to the 99 employees. Webex spaces: 1,301 activities; 54,481 files; 1,203 whiteboards one. Below is the time and cost estimate for the requested emails, Webex communications, and the

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remaining items you requested: employee job title, hours, description of work, unit cost, total cost. Attorney 3: 16 hours, first 4 hours free. Not sure why the first four hours are free. Total hours: 12.

KELLY: That's your time, Senator. And Senator Machaela Cavanaugh, you're recognized to speak and this is your third time on the motion to withdraw.

M. CAVANAUGH: Thank you. Twelve hours. Attorney administrative migration of data non-privilege review: \$32.86 per hour, per hour; \$525 and 76 for 4 hours-- minus 4 hours is 100 and-- minus \$131.44 so that's a total of \$394.32. My first question is why are four hours free? Are we hiring an outside attorney? Why are we not using in-house attorneys if that's the case? If we're using in-house attorneys, why isn't this process part of the budget? And if this is how cumbersome your system is for doing searches for documentation, that's a problem that needs to be addressed either through standard operating procedures or we can legislate that for you. And I don't think that we should have to legislate competence and how you search emails. That feels a little heavy handed, but I'm willing to do it if that's what it's going to take. HHS Webex messages: 600-- 56,986 potentially responsive messages. Employee job title: attorney, eight hours. Administrative-- attorney administrative migration of data turns out to be \$262. Senior IT support analyst: IT email retrieval, one hour included in the above costs. That's great because I'm pretty sure that person is again on staff. I will be making a records request, by the way, for staffing hours and how, how staff are paid, how that is included in a budget. And are we double-dipping in this request? If I were to actually pay this \$64,000 to the state, does that mean that the state's administrative costs for paying and salaried employees will decrease? As Senator Hunt pointed out, it's the state paying the state. Also just be better. Do a better job and I'll stop requesting things. The time and cost estimated for HHS documents, excluding emails and Webex messages responsive to this request is included below. It's attorney: 340 hours at \$32. Total cost: \$2,188.40. So-- oh, I'm sorry. I skipped over the administrative assistants: 2,305 hours. Responsiveness review of records organized nonprivilege review at \$18.88 per hour is \$45-- \$43,518.40. And I will say that I am sorry to the administrative assistants that are going to have to do this. I am sorry that somehow in the year 2023, the Department of Health and Human Services hasn't figured out a way how to do searches of emails that don't require you printing off every chat message and going through it manually. This is really unearthing, for me, a complete inefficiency in government and taxpayer waste in how we are doing

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things. So that brings us to \$64,285. Please note that under public records laws, the first four hours of staff are free. Oh, there we are. That's why it's free. Thank you for that. The four-hour threshold does not apply to the amount allowed to be charged by DHHS to produce electronic data under the Nebraska Statute 84-712 (3) (b) (3). As a result, the full cost for the time spent by IT to retrieve the information as outlined above, Please know that you have ten business days to review the estimated costs and request the agency to fulfill the request, negotiate with the agency to narrow or simplify the request, or withdraw your request. If you do not respond within ten days, the agency shall not proceed to fulfill your request. I'm just going to go ahead and say for the public record--

KELLY: One minute.

M. CAVANAUGH: --that, that I am not letting this go in the next ten days. I'm not paying \$64,000 and we will get to the bottom of this. But just wanted that stated. Don't worry. All the reporters that are in this room, you don't have to ask me that question after this. I'm definitely pursuing this. I only have one minute left, so I-- and I'm out of time to talk. So I will just be continuing this on the next time that I have an opportunity to talk, whether somebody yields me time or it's tomorrow. But this has just become a top-priority conversation for me for the rest of this week. So thank you, Department of Health and Human Services, for your lack of collegiality working with the state and your lack of transparency. It is extraordinarily disappointing that you would behave in such a manner.

KELLY: Thank you, Senator Cavanaugh. Senate-- Speaker Arch for a message.

ARCH: Thank you, Mr. President. Per discussions on the floor, we're going to lay this motion over to a later date and we will proceed to the State of the State Address by the Governor. Thank you.

KELLY: Thank you, Mr. Speaker. Senator Bostar for a motion.

BOSTAR: I move that a committee of five be appointed to escort the Governor of the state of Nebraska to the Legislative Chamber to deliver his State of the State Address.

KELLY: All those in favor say aye. Opposed say nay. Motion carries. I appoint the following five: Senator McKinney, Senator Linehan, Senator

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Clements, Senator Dorn, and Senator Walz. Please escort the Governor to the Chamber.

SERGEANT AT ARMS: Mr. President, your committee now escorting the Governor of the great state of Nebraska, Governor Jim Pillen and First Lady Suzanne Pillen.

GOVERNOR PILLEN: Can-- there we go. Now we're alive. Well, good morning. Please be seated. Thank you all for being here. President Kelly, Speaker Arch, members of One Hundred Eighth Legislature, tribal leaders, family, friends, distinguished guests-- this is cool-- my fellow Nebraskans. Our family has experienced incredible stuff the last two years ever since we accepted the calling to campaign across Nebraska to become the 41st Governor of Nebraska. We are incredibly humbled. Since the morning of November 9, we've been working really hard, building our team, working on transition and getting ready to compete for Nebraska. Thank you to all of you for everyone-- for your willingness to visit and engage and for your answering the call of public service. I also want to thank all of our state teammates for their commitment to serving Nebraskans. Our family has had an incredibly deep emotional experiences over the last several months. From, from election night to taking the oath January 5 in front of all of you to the inaugural ball, which was an incredible celebration of Nebraskans selling Nebraska-- celebrating Nebraska on January 7. To the passing of Suzanne's mom, Donna, last Wednesday and celebrating her incredible life just 48 hours ago. You have all been so incredibly kind and gracious to Suzanne and me and our entire family. Just let me thank you from the bottom of our heart. We're very, very grateful. Thank you. When we talk about our greatest asset, people, sometimes we forget to acknowledge the amazing work done by Nebraska's caregivers every single day. The care that comes from doctors and nurses, other healthcare professionals, pastors, teachers, counselors, first responders and many others. They do an incredible job of caring for each other. Oftentimes, though, that care doesn't come from a professional. It comes from our family, comes from a mom or a dad, a brother or sister, a daughter or son. I need to pause for a moment and acknowledge the amazing relationship that existed between Suzanne and her mom and the impact that bond had on all of us. Our family watched Suzanne face the many blessings and challenges that came with being her mom's caretaker and major advocate. Whether we're caring for a relative who is elderly, ill, disabled, or struggling with mental health or substance abuse, our family caretakers are the incredible heroes. Lots of times, we forget to say thank you. So I want to make sure we take a minute to say thank you. I want to recognize my bride,

Suzanne, and all the other incredible family caretakers across the great state of Nebraska that love their, their family and do whatever it takes. Suzanne. Our family heroes, right? They are the examples of perseverance, strength and grace and they're the essence of Nebraska, a place we all treasure about family. We care about one another and we value, value each and every life. That's the strength of Nebraska and that is my focus every day; people, not politics. Because of our people, the state of our state has never, ever been stronger. We, the people of Nebraska, have the grit and determination needed to solve the tough problems, overcome the difficult obstacles, no matter the circumstances. Today, I am presenting an agenda that will help us overcome serious challenges and make life better for every single family in our state. Like many of our neighboring states, we have more money in our coffers than anyone can believe or quite frankly, comprehend. There's bushel baskets of it. All of us think \$1 million is a lot-- and by the way, it is-- and that every nickel matters. And as my dad would say, we need to treat every one of them like manhole covers. But what we do with the people's money this session is critical for my grandbabies and yours and for generations to come. We all agree we are taxed way too much in Nebraska. Our tax policy chases our kids out, chases our grandparents out of the state. We can't grow Nebraska that way. From my view, it's really simple. We must have the courage to say no, no to overspending, and maintain a focus of investing in our kids and giving this money back to Nebraskans via historic property and income tax cuts. We, Nebraska's leaders, must compete for Nebraska to win. The cuts I am proposing today make us more competitive. These proposals will not get us in the top ten, but we will rank number 15 if we enact them. I hope that you will support my vision and this strategy so Nebraska competes and wins. I believe that together we can, together we will, together we win. Today, I'm introducing a budget that restricts the growth of state spending to an annual average of just 1.3 percent over the next biennium. With an inspirational systems approach of running our agencies, we will improve services to Nebraskans and cut the cost of operations. This will enable Nebraskans to keep more of their hard-earned money. We have asked agencies to tighten their belts and focus on what's needed; not all the stuff that's nice. Needs, needs are our focus. And we are leading by example in the budget I'm presenting. The Governor's Office will not see one penny more than the prior budget. With just a 2 percent increase in the state appropriation for operations, the University of Nebraska, under the leadership of my former colleagues on the Board of Regents and President Ted Carter, will be challenged to focus on students' needs. All across state government, we will rise

to better meet the high bar that Nebraskans have set for us through their example of working hard and tightening their belts. While carefully controlling the growth of state spending, we will work to provide significant tax cuts for Nebraskans, beginning with property tax. Our property taxes, we all agree they are so far out of whack. Think of this, you don't even need to own property to be affected by our property taxes. We must lift this burden. We have to do it now. Today, I'm recommending to the Legislature an additional \$2.4 billion in property tax cut for a total of \$7.1 billion through fiscal year '26-27. And all Nebraskans will be, be really, really thrilled with your support. As part of this total, I am recommending an additional investment of \$390 million into the Property Tax Credit Relief Fund. I'm also recommending that the state assume the responsibility for funding our community colleges across the state, which will immediately cut property taxes by nearly \$300 million a year. We all agree. We all agree our kids are our future. We need more of them to pursue their degrees here. Excuse me. We need more to attract-- we need to attract more students from other states. We need better outcomes for our Nebraska workforce. We need more engineers, actuaries, accountants, architects, geneticists, scientists, nurses and teachers. We need more welders, auto technicians, electricians, technicians to fix computing dependencies on cars and trucks, tractors and combines, almost everything. It is essential. The success of our community colleges that start-- were conceived over 50 years ago has a higher calling today in our state than ever before. It's the 20th century. Fifty percent of our kids are not obtaining any training after high school. Together, we have to create better opportunities for all. The success of utilizing community college in Nebraska for students best suited for trades is a game-changer. That is why this funding proposal is so important; helping us better meet the needs while cutting property tax. In addition to these investments in property tax reform, I'm also recommending \$1.5 billion in additional tax cuts for individuals, families and businesses and Social Security recipients. I'm asking you all to phase down our individual tax-- individual income and business tax rates to 3.99 percent by 2027. This enables Nebraska to be more competitive in attracting and retaining investment, talent and new opportunities. This is key to stopping outmigration. I'm also asking the Legislature to exempt Social Security income from state taxes by next year, 2024. In addition to these reforms, I am presenting a series of transformative bills to the Legislature with combined-- with fiscal responsibility in state and local government will help fix our broken tax code and reduce property tax for years to come. Let me be clear. The property tax problem can't

be solved by levy limits alone. Levy caps are misleading Nebraskans. When valuations skyrocket, they have little impact. When a levy is capped, but valuations increase, the cap does nothing to stop overspending. Our valuation system of our property tax is the problem and it must be changed. Our first step is addressing valuations of ag and horticultural land. The market value of this land goes up almost every year, creating more and more money for government. And it's spent, simply vaporizing into the thin air before our very eyes, all without any regard to how much actual value the land creates for the family or farms or ranches. That is totally wrong and it needs to be changed. By changing this from market-based, income-based assessments and capping ag land valuation growth, we can cut property tax and we can keep government growth in check. Kind of like living within our means at home. My top priority and that of all Nebraskans, is our kids. It's our kids. We all agree they're our future. That's why today I'm proposing the creation of an Education Future Fund, with an investment of \$1 billion in fiscal year '23-24 and an additional \$250 million each year thereafter. This investment ensures that Nebraska will never give up on a single kid ever again. The Education Future Fund will provide further assistance to our school districts to help the needs of special education students across the state. It has been promised to local districts that 80 percent of special education funding would come from the state and federal sources. Hard-core reality, we're only funding half. We have to sufficiently support special education. This commitment is the state's job, not that of property taxpayers. This investment will ensure we meet the commitment to special education needs and enable property tax relief. This investment also includes a major structural change to our state aid, to the education formula, TEEOSA. This formula has long failed to meet the needs of those school districts that receive no equalization aid from the state. Today, I'm recommending an allocation of \$1,500 annually to every public student-- school student in every Nebraska school district. This foundation aid provides much needed for our rural school districts, which been-- have been underserved for far too long. This investment, combined with special education funding reform, will provide more funding to every school district in the state. The Education Future Fund is a transformative investment of state tax dollars in education, but it must be combined with a framework that ensures dollar-for-dollar property tax relief. I am recommending a 3 percent cap on spending for school districts, which can only be overridden by 75 percent of local school board members' vote or 60 percent of voters in a vote of the people. As the state shoulders a greater portion of the cost of educating our kids, the burden on

property taxpayers must be reduced through careful spending, control and constraint by our school districts. This 3 percent cap will ensure property tax relief while maintaining local control. It will enhance accountability to the taxpayers and ensure that government does a better job of treating our nickels like manhole covers. Our kids want to stay here in Nebraska. They want to stay here and get their postsecondary education here. To address this, my budget provides \$39.4 million to fund over 200-- 4,200 scholarships for Nebraska students who attend any of our Nebraska institutes of higher education. This helps us to compete for our kids and keep them here. I want to inspire and challenge Nebraska's stakeholders and business leaders to pick up the ball and do business, business differently in Nebraska. We all need to reach out to K-12 and build relationships with our kids. Get them to work at a young age and give them hope. Scholarship them so they can get an education and work in your business for a minimum of five years and return. It's not only the right thing to do, but it's also the key to growing our workforce. It's the key to growing your business, and it's the key to growing our Nebraska. Focusing on all our kids, I'm recommending a \$50 million investment for scholarships for Nebraska kids whose needs are best met outside of public education. Opportunity scholarship tax credits will provide scholarships for kids who live in poverty, foster care systems, and those with special needs. We can't let one kid fall through the cracks. We are joined today by a very special lady, Tanya Santos, principal of Holy Name Catholic School in north Omaha, and some of her amazing teachers and students. Would you all please stand and be recognized? Holy Name, Holy Name accepts kids from every race, religion, walk of life with a commitment to providing each one with the support they need to succeed. Ninety-nine percent of the Holy Name kids' families receive financial assistance to be able to send their kids to school. They believe, as I do, that limited means shouldn't deny a child an opportunity they need. These opportunity scholarships will help make that goal a reality for far more kids like those that Principal Santos and her team serve. My budget also includes \$10 million investment for the biennium to help recruit and train students in high-field needs, such as teachers, nurses, and something I think I know a little bit about, food animal veterinarians for food security. I'm very, very proud to have Dr. Jais Ford stand, a new graduate who is practicing food animal medicine in Hyannis in our beloved Sandhills. Dr. Ford. With that school debt, the decision to practice food animal medicine in rural communities can be very difficult and intimidating, but we can and need to make it easier. Our food animal veterinarians are critical to our state's agricultural growth and to

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ensure food security not only in our state, but in our great nation. I'm also committing \$20 million to continue the Good Life is Calling campaign to market Nebraska. We simply have to brag about Nebraska across this country, with a focus on attracting top talent. We will be reporting back to you next year the results of this investment. I, like you, have really, really high expectations for solving our workforce challenge. This is a step forward. We must focus on our future, on the great careers, great careers, not jobs, great careers that exist here in Nebraska. Nebraska is a pro-life state. Many Nebraskans have been praying for 50 years to end abortion. We have to do more. This discussion, in my opinion, has gotten far too complicated and misleading. Here's what pro-life is not in Nebraska. It's not about preventative contraception. It's not about in vitro fertilization. It's not about fertility medicine discussions. It's simply about one thing: it's simply about ending the abortion of babies growing and mothers' wombs. I am fighting for the rights of every baby, every baby with a beating heart, pure and simple. I am fighting, I am fighting to help women choose life and love. Nebraskans will be a state that provides extensive resources to all women in need throughout their pregnancies. And I'll fight with all my might to make sure Nebraska becomes a place where parents who want to provide a great home for a child can find an easier route for adoption, instead of spending years on paperwork and red tape. Together we can. And as Suzanne coined for our family, love conquers all. Love conquers all. Love is what makes all the people of the state in Nebraska such a special place. This, right now, today, is the most important time in the history of our state. And as Nebraska's leaders, we are making decisions that will impact our state for generations to come. And if you don't sleep at night, I think that's a good thing. We have a big lift, big responsibility. These investments are more than education and tax cuts. Today, I'm also recommending to the Legislature essential investments in law enforcement, infrastructure and water. Water is vital to Nebraska. The drought makes it even more urgent. We must build the Perkins County Canal. We have had stakeholders across our state working on this project for over 20 years, fighting for Nebraska's rights via the Perkins Canal. My budget recommendation includes fully funding the canal. Infrastructure needs for Nebraska are more important than ever before. To grow Nebraska, we must address roads and broadband. My budget includes \$100 million to leverage an additional \$400 million in federal funds to improve our bridges and roads. Our team has also created the Nebraska Broadband Office. We have to get broadband across Nebraska completed. It will be the sole focus of the Nebraska Broadband Office and I don't have any patience

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about it. Finally, finally, our budget prioritizes even greater support and investment in the brave men and women of law enforcement. Today, we are joined by Trooper Brandon Sutton, who's done a tremendous job removing change-- dangerous drugs from our streets in the past year of patrolling central Nebraska. Central Nebraska. Think about it; central Nebraska. His efforts have led to the seizure of nearly 37 pounds of cocaine, 11 pounds of fentanyl, 2 pounds of meth, and nearly 2,000 pounds of marijuana and 2 illegal guns. I've been trying to add it up. I don't know how many feed sacks of drugs that is, but that's a lot. In central Nebraska. Trooper Sutton also serves as a TAC officer at the Nebraska State Patrol Training Academy, helping the next generation of troopers begin their careers. Trooper Sutton, would you please stand and be recognized? Our state troopers, police officers, sheriff's deputies, correctional officers, they put it all on the line every day to help keep us safe. And we must have their backs. I think the other thing, when we're out, there's never, never a time not to go up to someone in blue, shake their hand and look them in the eye and just say thank you. That is the gift of love that emanates through. If there's anybody that deserves that every single day, it's our blue. Today, I'm proposing significant law enforcement investments to the Legislature. The first is an \$18.6 million increase in funding for our treasured Nebraska State Patrol to ensure we can continue to recruit and retain the very best to serve and keep us safe. Second, I'm recommending finalizing the last phase of funding to the Nebraska-- to replace the Nebraska State Penitentiary, which this body has approved. The facility was designed more than a century ago, at a time the mission was much different. Today, it can't sufficiently meet the security needs of the future. It can't meet the programming needs of our inmates to reduce recidivism and can't get people back to work after they pay their dues to society for their transgressions. A new facility will have additional space for programming and will help more people become productive, law-abiding citizens. One of the groups charged with protecting our state is the Nebraska National Guard. It's an incredible-- it's incredible. We have over 4,000 Guard men and women that answer the call in both the Army and Air Guard. We are fortunate today to have several distinguished members with us. As I call out their names, I would ask each to stand and be recognized. This first is somebody really, really doing good for Monroe, Nebraska, Staff Sergeant Bryan Kummer. Senior Master Sergeant Nathan Schmaderer. Nathan, thank you. Staff Sergeant Alicia Bushhousen, thank you. Senior, Senior Airman Corey Weber. And Master Sergeant Crystal Puhalla. Each of these individuals has distinguished themselves by deploying overseas

missions, providing humanitarian relief and supporting critical operations within the United States. Let me tell you, they are among the best example of Nebraska's well-trained and dedicated military soldiers and airmen. We salute your service to our state. We are all "enhumbled" and we thank you. We thank you for safeguarding our liberty. Thank you very much. We all believe in our kids. We all believe in doing what's right. We all believe in doing our best every day. We all believe in treating each other the way we want to be treated. That's the Nebraska way. We are Nebraska. Together we can. Together, this session will impact Nebraskans for generations. Folks, we simply have to compete for Nebraska. As your Governor, it's really simple, really simple. I want Nebraska to win. I know you do as well. Together, we'll win for Nebraska. God bless you for all that you do and may God bless this incredible state of Nebraska. Thank you all for inviting me here this morning.

KELLY: Will the committee of five please escort the Governor out of the Chamber? Mr. Clerk for items.

CLERK: Mr. President, new bills. LB813 introduced by Speaker Arch at the request of the Governor. It's a bill for an act relating to appropriations; amends several sections; defines terms; provides, changes and eliminates appropriations for operations of state government; repeals the original section; declares an emergency. LB814 introduced by Speaker Arch at the request of the Governor. It's a bill for an act relating to appropriations; states intent; defines terms; makes appropriations for the expenses of the Nebraska State Government for the biennium ending June 30, 2025; appropriates funds allocated to the State of Nebraska from the federal Coronavirus State Fiscal Recovery Fund pursuant to the federal American Rescue Plan Act of 2021, 42 U.S.C. 802, as amended; transfers funds; provides duties; provides an operative date; and declares an emergency. LB815 introduced by Speaker Arch at the request of the Governor. It's a bill for an act relating to appropriations; appropriates funds for the payment of salaries of members of the Nebraska Legislature and for payments to be made provided by Chapter 68, Article 6, for fiscal year '23-24 and fiscal year '24-25; to provide an operative date; and declares an emergency. LB816 introduced by Speaker Arch at the request of the Governor. It's a bill for an act relating to appropriations; appropriates funds for payment of salaries, benefits of certain state officers for FY2023-24, '24 and '25; defines terms; provides an operative date; declares an emergency. LB817 introduced by Speaker Arch at the request of the Governor. It's a bill for an act relating to appropriations; defines terms; appropriates funds for capital

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construction and property acquisition as prescribed; states intent; requires program statements and a request for funding; provides an operative date; and declares an emergency. LB818, introduced by Speaker Arch at the request of the Governor, is a bill for an act relating to funds; amends Section 9-1,101 and 48-144 [SIC 48-145], Section 61-305, 75-109.01; provides for fund transfers; changes and eliminates provisions regarding sources, uses and transfers of funds; harmonize provisions; repeals the original section; outright repeals several sections within Chapter 81 and 86; and declares an emergency. LB819 introduced by Speaker Arch at the request of the Governor. It's a bill for an act relating to the Cash Reserve Fund; amends Section 84-612; provides for the change-- provides for and changes fund transfers; eliminates obsolete provisions; repeals the original section; declares an emergency. LB820, issued by Senator Albrecht and others at the request of the Governor. It's a bill for an act relating to revenue and taxation; amends several sections within Chapters 19, 46, 76, 77, 79 and 86; adopts the Agricultural Valuation Fairness Act; changes and eliminates provisions relating to the valuation of agricultural and horticultural land; changes the Tax Equalization and Review Commission Act; harmonizes provisions; provides an operative date; repeals the original section; outright repeals several sections within Chapter 77; declares an emergency. Additional items: your Committee on Banking, Commerce and Insurance, chaired by Senator Slama, reports LB151, LB207, and LB296 to General File. Additionally, a committee report from the Banking, Commerce and Insurance Committee concerning gubernatorial appointments. Notice of committee hearing from the Banking, Commerce and Insurance Committee. Amendments to be printed from Senator Murman to LB371 and LB452. Name adds: Senator Walz to LB31; Senator Halloran to LB153; Senator Conrad to LB274; Senator McDonnell to LB787; and Senator Slama to LB787 as well. Finally, Mr. President, a priority motion. Senator Lowe would move to adjourn the body until Thursday, January 26, 2023, at 9:00 am.

KELLY: Senators, you have heard the motion. The question is, shall the Legislature adjourn for the day? All those in favor say aye. Opposed nay. The motion carries. We are adjourned for the day.