

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Floor Debate February 16, 2023

**KELLY:** Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the thirtieth day of the One Hundred Eighth Legislature, First session. Our chaplain for today is Senator Hughes. Please rise.

**HUGHES:** Dear Father, thank you for bringing us safely here today. We are thankful for our Unicameral here in Nebraska. Please be with us that we work together and be moved by you, oh God, to make decisions that are for the good and betterment of all Nebraskans. In Colossians 3, you say that we are to demonstrate compassionate hearts, kindness, humility, meekness, patience, bear with one another, and forgiving one another as you have forgiven us. I pray that you would find in each of us-- each of us faithful in pursuing those qualities in our hearts and minds. Be with us in your name, we pray, amen.

**KELLY:** Thank you. I recognize Senator Aguilar for the Pledge of Allegiance.

**AGUILAR:** Please join me in the Pledge. 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 thirtieth day of the One Hundred Eighth Legislature, First Session. Senators, please record your presence. Roll call. Please record, Mr. Clerk.

**CLERK:** There's a quorum present, Mr. President.

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

**CLERK:** There are no corrections this morning.

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

**CLERK:** There are, Mr. President. A report of registered lobbyists, filed February 15, 2023, is available in the Journal. Additionally, agency reports electronically filed with the Legislature can be found on the Nebraska Legislature's website. And notice of committee hearings from the Revenue Committee. That's all I have at this time, Mr. President.

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**KELLY:** Thank you, Mr. Clerk. We will now proceed to the first item on the agenda, Mr. Clerk.

**CLERK:** Mr. President, first item on the agenda-- first item on the agenda, LB1, introduced by Senator Briese as Chair of the Executive Board; it's a bill for an act relating to agriculture; eliminates obsolete funds that have terminated; outright repeals several sections within Chapter 54; bill was read for the first time on January 5 of this year and reported straight to General File.

**KELLY:** Senator Briese, you're recognized to open.

**BRIESE:** Thank you, Mr. President. And good morning, colleagues. Rise today to introduce LB1. LB1 is known as a Revisor bill. For the new members, Revisor bills are technical correctional bills prepared by the Revisor of Statutes, Marcia McClurg. Under Rule 5, Section 3 of the Rules of the Legislature, Revisor bills are introduced by the Chairperson of the Executive Board and are-- and are placed directly on General File. Revisor bills are typically bills that correct internal references, harmonize statutory provisions or repeal statutes that have become obsolete. Our first and only Revisor bill this year, LB1, would outright repeal statutes referring to five cash funds under the Department of Agriculture which terminated in 2020 and are now obsolete. And those-- you can read the bill and look at those funds, but basically they're the Bovine Tuberculosis Cash Fund, the Anthrax Control Cash Fund, the Brucellosis Control Cash Fund, and the Pseudorabies Control Cash Fund and the Scrapie Control Cash Fund. All the remaining funds in each of these cash funds were transferred to the Animal Health/Disease Control Cash Fund in 2020. I would ask for your support and green vote to advance LB1. Thank you, Mr. President.

**KELLY:** Thank you, Senator Briese. No one in the queue. Senator Briese to close. Senator Briese waives closing. The question is, shall LB1 advance to E&R Initial? Please record your votes. All those in favor vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk.

**CLERK:** 33 ayes, 0 nays on the advancement of LB1 to E&R Initial.

**KELLY:** LB1 advances to E&R Initial. Mr. Clerk, next item.

**CLERK:** Mr. President, the next bill is LB151, introduced by Senator Dover; it's a bill for an act relating to the State Real Estate Commission; amends several sections within Chapter 81; change provisions relating-- relating to membership to the State Real-- Real

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Estate Commission and certain notice requirements. Repeals original section. Bill was read for the first time on January-- January 9 of this year and referred to the Banking, Commerce and Insurance Committee. That committee reported the bill to General File with no committee amendments.

**KELLY:** Senator Dover, you're recognized to open.

**DOVER:** Thank you, Mr. President, and good morning, colleagues. I rise to introduce LB151 for your consideration. The purpose of LB151 is to update and simplify two processes. First, LB151 updates the process of the selection of new commissioners in relation to congressional districts. Currently, Nebraska Revised Statute 81 refers to the congressional districts as they were in 2006. LB151 revises this outdated language so that the commissioner selection process is based on congressional districts as they exist at the time of the appointment. The bill also clarifies that when the congressional district lines are redrawn, any currently serving commissioner will fulfill the remainder of their term for their respective district. Second, LB151 expands the mailing methods the Nebraska Real Estate Commission can employ to send formal notices. LB151 would allow the Nebraska Real Estate Commission to employ designated delivery service as provided for in Revised Statute 25-505.1 and first-class mail. Notices sent via first-class mail must have a intelligent mail barcode or similar tracking method approved by the United States Postal Service. This will allow the Nebraska Real Estate Commission to employ newer mailing methods that are faster and less expensive while maintaining tracking and confirming delivery. LB151 moved out of committee with an 8-0 vote and no opposition. I would be happy to answer any questions you may have. Thank you for your time. I would appreciate your vote in favor of LB151.

**KELLY:** Thank you, Senator. Senator DeKay for an announcement.

**DeKAY:** Thank you, Mr. President. As Vice Chair of the State-Tribal Relations Committee, I am filling in for Senator Day, who is unable to be here today. Colleagues, I would-- I would like to share with you that last year the Legislature adopted LR280, which declares February 20 as an annual day of remembrance to recognize the atrocities at the Genoa Industrial School and other boarding schools in this state. As February 20 is both a state holiday and a recess day, I am asking that those present will stand with me for a moment of silence in honor of the survivors of the Genoa Industrial School and other boarding schools in the state, along with their families and communities. Thank you.

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**KELLY:** Thank you, Senator DeKay. Senator Conrad, you're recognized to speak.

**CONRAD:** Thank you, Mr. President. And good morning, colleagues. And thank you to Senator DeKay for that somber opportunity to reflect and remember on tho-- about those critical issues. Colleagues, I'm not planning to spend a great deal of time or energy in regards to Senator Dover's LB151. I think it's an important technical cleanup measure. But in reviewing the agenda, I did notice that it kind of opens up the-- a section or conversation related to redistricting and updating these statutes to make sure they're reflective of the current congressional districts. So I wanted to just take a moment to remind folks, when we joined together at the Legislative Council, we heard from Legislative Research that they're already starting to prepare for the next go-around when it comes to redistricting; that they're taking those lessons learned, they're already starting to pull together redistricting information and data and prepare and look forward. And I think it's important that we do the same as the staff is doing. We just came through a very hard-fought redistricting effort, and I think there were a lot of important compromises. I think there were some very inequitable results, in particular, how it related to Lancaster County and the city of Lincoln. And I do think that it's important, while some of those lessons are fresh in our mind, that we take to heart some of the work that we need to do together as a body to prepare for the next round of redistricting, and that includes-- there was a very important discussion brought forward by Senator McKinney and others related to the term "prison gerrymandering" and how we count Nebraskans who are incarcerated in regards to our redistricting. There seemed to be some agreement amongst the members involved in redistricting that that was an important issue and we should take it up in the future. So I'm hopeful that-- that we will make good on that promise to carry forward, not only as it relates to our current institutions, but particularly, as looming in the Governor's budget and the preliminary budget from the Appropriations Committee, the possibility of at least one more massive new prison and perhaps two in our near future, and ensuring that we're thoughtful about what that means for other aspects of state policy, like redistricting. I'm hopeful that the body will continue to work together with citizens across the state to explore some of the models from our sister states to provide for more equitable results and to remove partisanship from the endeavor as-- as much as possible, for example, like our sister state of-- of Iowa, which uses a much more data-- data driven, less political approach, and I'm committed to continue to work on bringing together a citizen commission to help lead the redistricting efforts

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in the future and plan to bring legislation on that again in the future. I did bring it up in regards to the rules debate that we had earlier this year, and then those measures were not advanced out of committee. And so we'll continue the dialogue in regards to those measures as well. So I just wanted to note that because the-- the statute itself, which-- or the bill itself opens up statutes to make up dates on redistricting, that those are some important substantive issues that we should be thinking about for the future, as well, when it comes to redistricting. Thank you, Mr. President.

**KELLY:** Thank you, Senator Conrad. Does anyone else wish to speak? Senator Dover to close. Senator Dover waives closing. Question is, shall LB151 advance to E&R Initial? Please record your call. All those-- or your vote. All those in favor vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk.

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

**KELLY:** Thank you, Mr. Clerk. Next item.

**CLERK:** Next bill, Mr. President, LB207, introduced by Senator von Gillern; it's a bill for an act relating to the Nebraska Trust Deeds Act; it amends Section 76-1007; changes provisions relating to the location of the sales of trust property; repeals the original section; declares an emergency. Bill was read for the first time on January 10 of this year and referred to the Banking, Commerce and Insurance Committee. That committee placed the bill on General File with no committee amendments. There are other amendments pending, Mr. President.

**KELLY:** Senator von Gillern, you're recognized to open.

**von GILLERN:** Thank you, Mr. President. Good morning, colleagues. LB207 clarifies that the sale of property by a trustee pursuant to a power of sale under a trust deed may be conducted in any public building in which county offices are located within that county. The current statute leaves some ambiguo-- ambiguity as to specifying the location of such transactions. As such, there was a situation this past year in Saunders County where the county court offices had relocated from the traditional courthouse. Officials at the Law Enforcement Center suggested that nonjudicial sales needed to be conducted at the old courthouse, which continues to house the Register of Deeds, but not the county and district courts. A strict reading of the word "courthouse" could indicate that it is the physical building in which the court is located; or it could be argued, "courthouse," meaning

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where the operations of the county are held. There was an occasion where a deputy at the Law Enforcement Senator-- Center in Saunders County told those in attendance the sale had been canceled or was not held at the location where the sale had been published to be held. The matter, thankfully, was resolved without challenge, but of course we want to clean this up and prevent any potential for such issues to arise again. LB207 makes a technical change to the statute regarding these sales by clarifying that trust deed sales may be conducted in any public building in which the county offices are located within that county in which the real estate is to be sold or part of that real estate being sold is located. The notice-of-sale requirement-- requirements remains the same. The bill does include an emergency enactment, as we believe that this is something best resolved as soon as possible to avoid any further legal complications at the county level. LB207 was passed-- passed out of the Banking and Insurance Committee by 8-0 vote. No one testified against it. It's a pretty simple change for a serious issue that we can easily resolve. I'd be happy to answer any questions and appreciate your green vote.

**KELLY:** Thank you, Senator. Mr. Clerk.

**CLERK:** Mr. President, Senator Machaela Cavanaugh would move to amend the bill with AM132.

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

**M. CAVANAUGH:** Thank you, Mr. President. Good morning, colleagues. AM132 strikes the enacting clause. So I am going to pull this amendment, but I'm going to talk for a minute. Do I have five or ten minutes?

**KELLY:** 9:40.

**M. CAVANAUGH:** Thank you. So first, the reason: I put this amendment and I put amendments on some other bills after January when we were having a re-referencing debate on the floor and I did a call of the house; and 24 of my colleagues voted against the call of the house, and I think it was 11 voted for the call of the House, which means that 35 out of 49 senators were literally on the floor at their desks, pushing the button, saying whether or not 49 of us should be on the floor at our desks. And Senator von Gillern is one of the individuals who voted against the call of the house. I had numerous times spoke on the mic to all of you about what a call of the house is and what it means. I have since then also done that numerous times. Colleagues, I have-- I have no expectation or problem with you voting against me,

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with you voting against my bills, my amendments, my motions. The problem is-- the problem is-- sorry, for those watching at home, I'm just waiting for it to quiet down a little bit in here-- the problem is that you're not voting against anything of substance. You are voting against procedural things that just are a common courtesy. And if you don't want to have a common courtesy in this body, it is going to be a rough 60 days left. It's going to be a very rough 60 days if we don't have common courtesy. So out of a place of frustration, and honestly not knowing what else to do, because I talk on this microphone and I say exactly what I am doing, exactly what I am doing and why I am doing it-- I am so transparent. And it's fine if you choose not to listen, but if you don't listen and then you're frustrated because you don't understand what I'm doing, it's because you haven't listened to what I have said I am doing. So I had tried numerous times to explain to this body what a call of the house was. And since nobody seemed to pay attention to it, or maybe you did and you just didn't care, this was my next move, was to put amendments striking the enacting clause on senators' bills that voted against the call of the house, specifically freshman senators, because I was speaking directly to freshman senators the numerous times that I talked about the call of the house. And I felt like you weren't going to listen to me unless I took some sort of penal action. So that's what this amendment is about. Since that time, I have decided to pivot in all of this, and I appreciate the support of leadership in this body for trying to get us back to a point where we actually just have common decency in how we're operating. And we haven't had calls of the house failing. We still have people voting against calls of the house, which I still believe is disrespectful, but we don't have them failing. And I hope-- and I don't take responsibility for that. I know that none of you care what I think or are listening to me. I know that it's leadership in this body that has convinced some of you to listen to your better angels and behave in a way that is much more collegial and collaborative, and I appreciate that so much. I really, truly do. But I still wanted to speak to this amendment this morning because I want to acknowledge that this has been going on, that we are on day 30, I believe, day 30 today. We are a third of the way done and this has been going on for 30 days and it is so unnecessary. People wanted to know what was going on yesterday. Folks, I'm right here. Come and ask me or listen to me. I say it every time. I am infuriatingly honest. I won't play poker with any of you because I would lose my shirt. I am infuriatingly honest. So if you want to know what's going on, come and ask me. If you want to play games on the microphone, then do that. That's fine. But don't complain to other people that you don't know what I'm doing. Come talk to me. Come ask me. I will always

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tell you what I am doing. And if I don't want to tell you, I'll tell you that I don't want to tell you. I'm never going to-- I'm never going to be anything other than transparent about what I'm doing and what's going on. Yesterday, I was taking time for multiple reasons. One, I think we rush through our gubernatorial appointments far too quickly. This is our job of oversight. Two, I have no problem with taking time, no problem with it. It's a happy accident that some of these things take time. And sometimes if I'm taking time just for the joy of taking time, I will tell you that. Yesterday, I divided the question on the Nebraska Arts Council because we give them millions of dollars that they distribute, and I think that it is worth having an individual conversation. And not everybody agrees with me on that. Most of you don't agree with me on that. People in my own party don't agree with me on that, and that is fine. It's still my prerogative to do. So I feel like I've probably lectured the body enough this morning, so I'm going to withdraw this. And I-- if I have any other amendments up that are on bills this morning, I'm going to withdraw them as well. And I would just, again, encourage you, colleagues, if you have a question, if you want to know what I'm doing, come talk to me. I promise, I don't bite. Thank you, Mr. President.

**ARCH:** Motion is withdrawn. Senator von Gillern, you're welcome to close on LB207. Senator von Gillern waives close. The motion before the body is to advance LB207 to E&R Initial. All those in favor vote aye; opposed, nay. Mr. Clerk, please record.

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

**ARCH:** LB207 advances. Mr. Clerk, next item.

**CLERK:** Mr. President, the next bill, LB296, introduced by Senator Ballard; it's a bill for an act relating to insurance; adopts the Pet Insurance Act and provides an operative date. Bill was read for the first time on January 11 of this year and referred to the Banking, Commerce and Insurance Committee. That committee reported the bill to General File with no committee amendments. There are other amendments pending, Mr. President.

**ARCH:** Senator Ballard, you are re-- recognized to open on LB296.

**BALLARD:** Thank you, Mr. President. Good morning, colleagues. I rise today to open on LB296, which would adopt the Pet Insurance Act. The pet insurance is a rapidly expanding industry across the United states. According to information from the National Association of Pet Health-- Health Insurers, the pet insurance industry has grown by over

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30 percent a year. Pet insurance is categorized by high frequency but low severity of claims, meaning that pet insurance consumers use their policies more than any other policies, but the cost of those claims are much lower than the claims of other type of insurance. Average policyholders file for pet insurance claims 1.5 times a year. The average monthly premium for a dog is \$49 and for a cat is \$32. With the growth-- growth in this emerging industry, products come with the need for additional consumer protection. LB296 is based upon model legis-- legislation endorsed by the National Association of Insurance Commissioners, the standard-setting regulatory support organization created and governed by chief insurance regulators from 50 states and the District of Columbia and 5 United States Territories. According to these commissions-- spent two-and-a-half years working with stakeholders from insurance industries, veterinarian communities and others to dev-- develop the legislation before you today. LB296 creates a legal framework for the sale of pet insurance in Nebraska, a framework to protect consumers and place a needed requirement on insurers and agents selling insurance products. These protections include important concu-- consumer disclosures, a waiting period, and claim schedules. But importantly, the legislation also includes policy requirements and states needed requirements for agent licensure and training. The provisions of LB296 will help provide needed protections to Nebraskans interested in purchase-- purchasing pet insurance so they can make informed decisions about what's right for their family and pet. LB296 came out of the Banking Committee on 8-0, and I encourage the body to advance LB296 to Select File. Thank you, Mr. President.

**ARCH:** Thank you, Senator. Mr.-- Mr. Clerk.

**CLERK:** Mr. President, Senator Cavanaugh would offer AM133.

**ARCH:** Senator Cavanaugh, you're recognized to open.

**M. CAVANAUGH:** Thank you, Mr. President. AM133 strikes the enacting clause. For all the reasons that I stated on the previous bill, I will withdraw my amendment. Thank you, Mr. President.

**ARCH:** AM133 is withdrawn. Senator Ballard, you're welcome to close. Senator Ballard waives close. The motion before the body is the advancement of LB296 to E&R Initial. All those in favor vote aye; opposed, nay. Mr. Clerk, please record.

**CLERK:** 32 ayes, 0 nays, Mr. President, on advancement of the bill.

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**ARCH:** The bill advances. Senator Slama would like to recognize Dr. Rob Rhodes of Eagle and he is under the balcony. Please rise and welcome Dr. Rhodes. Mr. Clerk, next item.

**CLERK:** Mr. President, next item, LB94, introduced by Senator Slama; it's a bill for an act relating to the Uniform Commercial Code; amends several sections within Chapter 1, 2, 2A, 3, 4A, 7, 8, 9, as well as sections with chair-- excuse me, Chapters 9 and 12; it adopts provisions on control of electronic records, control of intangible property, controllable accounts, controllable payment, intangibles, hybrid transactions, negotiable instruments, transactions involving digital assets, security interest in digital assets, electronic money; defines, redefines, and eliminates terms; provides transition rules, harmonize provisions; repeals original section; provides an operative date; outright repeals several sections of Chapter 12. Bill was read for the first time on January 6 of this year and referred to the Banking, Commerce and Insurance Committee. That committee reports the bill to General File with committee amendments, Mr. President.

**ARCH:** Thank you. Senator Slama, you're welcome to open on LB94.

**SLAMA:** Thank you, Mr. President, and good morning, colleagues. Today I'm asking for your green vote on LB94. The Uniform Commercial Code, among other things, governs commercial transactions in the granting of perfection of security interests in real property. The UCC is updated periodically to keep up with new types of personal property and evolving markets. During a period beginning in 2019, a committee appointed by the American Law Institute and the Uniform Law Commission, the sponsoring organizations of the UCC, considered and formulated amendments to the UCC to address emerging technological developments. This included addressing such things as virtual currencies, distributed ledger technologies, and, to a limited extent, artificial intelligence. In 2021, the Nebraska Legislature adopted Senator Flood's LB649, which passed into law the then-existing draft-- so we're replacing the draft with a final version here-- of the Uniform Law Commission's proposed amendments to the UCC, and it took effect on July 1, 2022. In July 2022, the ULC approved amendments to adopt a new Article 12 and to make accompanying amendments to UCC Article 9, creating a new category of assets, controllable electronic records, for transactions and security interests in digital assets. While similar in many respects to the final version of UCC Article 12 recommended for adoption by the ULC in July of 2022, there are a number of changes that need to be adopted to bring Nebraska law into conformity with the final version of UCC Article 12, recommended for adoption by the ULC. Those changes are found in LB94. Again, I would

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appreciate your support for this important bill. Thank you, Mr. President.

**ARCH:** Mr. Clerk, for an amendment. Clerk indicated there were amendments from the committee, AM77. Senator Slama, you are welcome to open on AM77.

**SLAMA:** Thank you, Mr. President. And good morning again, colleagues. AM77 is a minor technical amendment to LB94. It fixes two citation errors within the bill. As you can see, LB94 is a rather large bill and, thanks to the phenomenal work of our Bill Drafters, these were the only errors that were found. It goes without saying that we had a wonderful team upstairs putting in hard work into the great product they sent our way. I appreciate your support for this amendment to LB68 [SIC]. Thank you, Mr. President.

**ARCH:** Debate is now open on-- on the bill. Senator DeBoer, you are recognized.

**DeBOER:** Thank you, Mr. President. I just wanted to rise in support of both the amendment and the underlying bill. For those of you who don't understand what the ULC or Uniform Law Commission is, it's a group of folks from around the country get together, who generally the people are in the same practice area, and they will recommend laws that should be adopted by various states after a careful vetting process, quite-- quite an elaborate vetting process, so that we can have uniform laws across the various states in the United States. It makes it easier for people to do business in multiple states at the same time. It makes it easier for people to understand what's going to happen in certain, especially very specific, circumstances so that they're being handled the same way from jurisdiction to jurisdiction. So I am a big fan of the Uniform Law Commission. Those of you who've been in this body know that I usually have at least one or two of their laws each year, and I am a big fan of the Uniform Commercial Code and what is happening in this bill. So I just wanted to stand and add my support to both the amendment and the underlying bill. Thank you, Mr. President.

**KELLY:** Thank you, Senator. No one else in the queue. Senator Slama to close on the amendment. She waives. The-- the question for the body is the adoption of AM77 from the Banking Committee. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

**CLERK:** 31 ayes, 0 nays on advancement of the bill, Mr. President--

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**KELLY:** AM77 is adopted.

**CLERK:** --or, excuse me-- excuse me, on the adoption of the amendment.

**KELLY:** AM77 is adopted. Now back to discussion on the bill. No lights. Senator Slama to close. Senator Slama waives. The question is the advancement of LB94 to E&R Initial. Senators, please record your vote. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

**CLERK:** 30 ayes, 0 nays on advancement of the bill.

**KELLY:** Next item, Mr. Clerk.

**CLERK:** Mr. President, next item, LB279, introduced by Senator Kauth; it's a bill for an act relating to banking and finance; amends Sections 8-143.01; eliminates provisions relating to the report of loans, indebtedness and credit of executive officers of banks; adopts the federal updates to law relating to extension of credit; and repeals the original section. Bill was read for the first time on January 11 of this year and reported to the Banking, Commerce and Insurance Committee. That committee placed the bill on General File with committee amendments, Mr. President.

**KELLY:** Thank you, Mr. Clerk. Senator Kauth, you're recognized to open.

**KAUTH:** Thank you. Colleagues, I bring LB279 today for your consideration. The bill was advanced from the Banking, Commerce and Insurance Committee on a vote of 8-0, with a proposed committee amendment which Senator Slama will address in a few moments. Supporters at the committee hearing included the Nebraska Bankers Association and the Nebraska Independent Community Bankers Association. LB279 would eliminate the requirement for executive officers of a bank to make annual reports to the bank regarding the amount of loans or indebtedness on which they are a borrower, cosigner or guarantor, the security therefor, and the purpose for which the proceeds have been used or are to be used. The legislation would bring state banks into parity with national banks, as federal law does not require annual reports of this nature for national banks. Banks in Nebraska are subject to supervision and examination by a number of regulators, depending on whether the bank is state or federally chartered. The policy of the state has been to provide parity between state and federally chartered banks, evidenced by the existence of a wild card statute, which is updated each year by the Legislature to allow state banks to have all the rights, powers, privileges, benefits

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and immunities which may be exercised by a federally chartered bank doing business in Nebraska. Both state and national banks are subject to restrictions regarding loans to their executive officers. An executive officer is defined as a person who participates or has authority to participate, other than in the capacity of director, in the major policymaking functions of the bank, whether or not the officer has an official title, the title designates such officer as an assistant or such officer is serving without salary or other compensation. Certain bank employees are designated by statute as executive officers unless excluded by resolution of the board of directors or by the bylaws of the bank from participating, other than in the capacity of a director, in the major policymaking functions of the bank and the executive officer does not usually par-- actually participate in such functions. In eliminating this reporting requirement, the substantive restrictions on loans by depository institutions that are executive officers will not be altered, and the authority of the Department of Banking and Finance to take enforcement action against a depository institution or its executive officers for violations of the executive officer lending restrictions will not be limited. With sufficient protections in place to allow regulators to enforce restrictions on loans to executive officers which relate to the safety and soundness of the bank, state-chartered banks should be placed on par with their national bank counterparts by removing the reporting requirements for executive officers as proposed under LB29--LB279. Thank you.

**KELLY:** Thank you, Senator. As stated, there are amendment-- committee amendments to the bill. Senator Slama to open on the committee amendment.

**SLAMA:** Thank you very much. AM86 is a technical cleanup amendment that simply allows us, under the language of LB279, to have additional transparency and to allow obtaining of credit reports for the board of directors of a bank. Thank you, Mr. President.

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

**M. CAVANAUGH:** Thank you, Mr. President. Good morning, colleagues. I would ask if Senator Kauth would yield to some questions.

**KELLY:** Senator Kauth, will you yield to some questions?

**KAUTH:** Yes.

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**M. CAVANAUGH:** Thank you, Senator Kauth. So I'm just trying to understand. Does this bill reduce-- and I think we've come to realize that Machaela Cavanaugh loves government oversight. Does this reduce oversight within the corporate structure?

**KAUTH:** With-- for the state banks, it brings it in parity with what the national banks are doing, so, yes, it does reduce it for that, but the amendment allows that oversight to be intensified by the banking and-- the Banking Committee-- not committee, the banking-- Department of Banking-- there we go-- if they so choose. So it still has the same types of-- of checks and balances on it, but it reduces one oversight.

**M. CAVANAUGH:** OK. And-- and the-- the reason is to align with what the federal government does?

**KAUTH:** Correct, and a lot--

**M. CAVANAUGH:** Are we required to do that?

**KAUTH:** Are we required to align with--

**M. CAVANAUGH:** Yes.

**KAUTH:** --the federal? No. What we're trying to do is make it easier for our state banks to compete and make things less intensive for them.

**M. CAVANAUGH:** OK, so-- and I'm sorry, I am very poorly versed in the banking issues, openly poorly versed in them. What exactly is the oversight that we're removing?

**KAUTH:** The-- the bank officials, all the officials in the bank have to submit every year a report of every loan they have, everything they've requested, any debt that they have, much like we do with our accountability and disclosure statements.

**M. CAVANAUGH:** OK.

**KAUTH:** They've not been used. The Banking Committee is not actually checking on them. So the-- the-- this was actually brought to us because one banker had been caught, but he'd never done it for 15 years, didn't know it was a requirement.

**M. CAVANAUGH:** I see.

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**KAUTH:** And so if they're not using it, it's-- it's unnecessary, undue paperwork that is being done and basically filed and then not touched.

**M. CAVANAUGH:** But can it still be requested?

**KAUTH:** They can request a-- if-- if there's any suspicion in any of the other checks and balances that they have, they have the ability to say we need a credit report, which will pull all of that information automatically.

**M. CAVANAUGH:** OK. So I think I'm starting to understand. Thank you. So basically, they have an annual report that they are required to do. This removes the annual report, but doesn't remove the ability to request the annual report.

**KAUTH:** Correct. Correct.

**M. CAVANAUGH:** Thank you. That helps a lot. Thank you.

**KAUTH:** You're welcome.

**M. CAVANAUGH:** I yield the remainder of my time.

**KELLY:** Thank you, Senator. Senator Dungan, you're recognized to speak.

**DUNGAN:** Thank you, Mr. President. I rise today in support of the amendment, as well as the underlying LB279. I just wanted to speak briefly to some of Senator Cavanaugh's concerns. I shared those concerns upon my initial reading of this bill. I'm a big fan of transparency. I'm a big fan of oversight. And so when I saw that the bill, seemingly, on the face of it, maybe had the consequence of reducing some of that over-- oversight and transparency, I was hesitant. In speaking with some of my colleagues, and I see Senator Jacobson here is in the queue and I think he can explain a lot of this, given his background, probably better than me, but speaking with my colleagues on the Banking Committee, as well as looking at the amendment, a lot of my concerns were, I guess, abated at that point. One of the things that we obviously want to be doing here in Nebraska is encouraging state-chartered banks as well. And so currently, if the federal rules and regulations don't allow for this-- or don't require this, rather, but the state charter does, there's sort of this incentive to have banks charter federally when I think we should be doing everything we can to keep banks here in Nebraska, have local oversight, have local money injected into the economy, and making sure that we're encouraging state charters of banks as well. Again, Senator Jacobson can go into more of the details of why that is beneficial.

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But when Senator Kauth talks about bringing our current law in line with federal law, there is an actual reason for it. I don't think it's being done just to reduce oversight or just to put us in line with federal law for no reason. It really does, I believe, have a reason or an incentive, which is creating those state-chartered banks and making sure that we actually have those here in Nebraska. With the amendment and the allowance of the credit report and the fact that they can get that information, as well as the fact that there are those disclosure forms, any concerns I had about that potential oversight were taken care of. And so, again, I just want to express, I, too, have concerns about transparency in general, but I do not believe this bill is problematic in that sense. I do rise in support of both the amendment and the underlying bill. I'd yield the remainder of my time.

**KELLY:** Thank you, Senator. Senator Jacobson, you're recognized to speak.

**JACOBSON:** Thank you, Mr. President. And thank you, Senator Dungan, for your explanation there as well. Let me just try to clear up any misconception there. Many of you may know we-- we have a dual banking system in the United States. We have national banks. We have state-chartered banks. National banks are supervised by the Office of the Comptroller of the Currency, or OCC; state-chartered banks are-- are supervised by the State Department of Banking. And then they also choose one federal regulator, either the Federal Reserve or the FDIC, to be their federal regulator, so they have two regulators. I would tell you that what we try to do, as been discussed before, is we try to get our statutes at the state level in line with those of the national banks or the OCC. When I first chartered NebraskaLand Bank, we chartered it as a national charter, so it was NebraskaLand National Bank. We were supervised by the OCC. I spent almost my entire banking career working for national banks. A couple of years ago we converted to a state charter so we're-- now we're NebraskaLand Bank, without the "National" in the name, supervised by the State Department of Banking and the Federal Reserve is our federal regulator. I would tell you that this particular statute, or what's being changed, is you have to name executive officers. These are people in your bank who deal with policy issues; and in state-chartered banks, those tend to be a longer list of officers who get designated as executive officers. There was a statute on the books at the state level that required every one of the executive officers to supp-- su-- provide to the board of directors annually a complete financial statement, which was fairly burdensome. The OCC had that requirement and they eliminated that back in, I think, '06, and it's been gone since that time. So what we discovered along the way is that this statute remained on the state-chartered

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banks' books, and there was an exam of a bank and they realized they hadn't been collecting those, the board hadn't been collecting them. And keep in mind, these financial statements are going to the board of directors of the bank, not to the State Banking Department. So in discussions with the Department of Banking, they agreed that they didn't see an issue of having this overly burdensome, giving complete financial statements to the board of directors. And as long as there were an opportunity to pull an annual credit bureau, that was sufficient for them. So that's why the bill was amended accordingly. So we're trying to bring state statute in line with the national bank statutes, and that have been changed since '06. So that's the sum total of it, and so I'd yield the rest of my time. Thank you.

**KELLY:** Thank you, Senator. Senator Conrad, you're recognized to speak.

**CONRAD:** Thank you, Mr. President, and good morning, colleagues. I was-- hit my light originally and had planned to ask our resident expert, Senator Jacobson, a few more questions about how this worked in practice. But he was ten steps ahead of me, like usual, and already had his light in the queue-- in-- in the queue and got up to share some, I think, lived experiences about how this works in practice. I think that it's pretty standard practice where we try and harmonize our state regulations and statutes to work in a bit more streamlined manner with the federal regulations and statutes. So that seems to make sense for a public-- or a policy underpinning from my perspective. I was trying to just kind of read through some of the amendment after the exchange between Senator Cavanaugh, and then I really appreciated Senator Kauth's responses and Senator Dungan's kind of perspective from the committee as well. And as I was reading the amendment, it seems to me, you know, initially that it looked like it was a permissive kind of opportunity for the board of directors to ask for a credit report for any officer. But I guess I can understand that that leads-- leaves the option to the board of directors and the executive leadership, if they so desire, to-- to pull those reports. But then I was trying to see if perhaps the-- the next section in the amendment maybe-- the next section in the amendment maybe undercut that exception to the rule. So I was just trying to kind of read through that to see how those work together. The other point being, I think that we're really fortunate that we have such a sound financial system in Nebraska and that has a lot of diverse options and opportunities for our citizenry, from our state banks to our credit unions. And the other thing that I just was thinking about in relation to this measure on the agenda today is, of course, it's no surprise to anyone, as we've been reading the headlines over the past few months, to see that, you know, there is perhaps one of the most massive bank

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fraud cases in Nebraska history kind of working its way through the regulatory system and the courts. And I'm definitely not implying or intending to-- to say that any of the bank officers, as is subject in-- in this legislation, did anything nefarious in regards to what looks like an individual who perpetrated that, that significant bank fraud, on our institutions and communities across the state. But I do just want to be thoughtful about removing any sort of oversight or any sort of accountability measures when we're also dealing with that kind of very extreme case of-- of bank fraud in our state. And it may take a little bit of time to unwind and understand exactly how that happened under the current structure and exactly what measures need to be taken to ensure that it-- it doesn't happen again. So I'm planning to vote for the amendment and-- and the underlying bill at this stage, and will dig in a little bit more and-- and make sure that I have a clear understanding of-- of how both sections of the amendment impact the measure and the underlying policy goals. Thank you, Mr. President.

**KELLY:** Thank you, Senator. Senator Slama to close. Senator-- excuse me, Senator Jacobson to speak. You're recognized.

**JACOBSON:** Thank you, Mr. President. Just very briefly, I-- I did want to kind of respond briefly to Senator Conrad's concerns and-- and I appreciate the comments. I want to make very clear that the-- the bank fraud that she's referring to was done by a customer who was coming to various banks, not-- this was not something that was internally generated. And so when you think about the disclosures and the financial statements that were being required in the-- and the-- the credit bureaus being called for by executive officers, that's to be able to prevent any internal fraud by officers of a bank that would internally be defrauding the bank. And of course, those are also covered by our-- our various insurance policies. What she's speaking of is an external fraud that occurred, which would not be at all impacted by what this bill is bringing, although it's certainly an issue that's out there that banks are concerned about. But I appreciate her bringing the issues, but I wanted to make sure everybody understood that those are two separate issues when it comes to what we're dealing with today. Thank you.

**KELLY:** Thank you, Senator. Senator Slama to close on the amendment. She waives closing on the amendment. The question before the body is the adoption of AM86, the committee-- Banking Committee amendment. Senators, all those in favor vote aye; all those opposed vote no. Record, Mr. Clerk.

**CLERK:** 31 ayes, 0 nays an adoption of the amendment.

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**KELLY:** The amendment is adopted. Senator Kauth to close. Senator Kauth waives. The question is the advancement of LB279 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 32 ayes, 0 nays on advancement of the bill, Mr. President.

**KELLY:** The bill is advanced. Mr. Clerk, next item.

**CLERK:** Mr. President, the next bill is LB52 from Senator Lippincott; it's a bill for an act relating to tuition credits; amends Sections 85-505; changes the amount of tuition credits allowed during a fiscal year; and repeals the original section and declares an emergency. The bill was read for the first time on January 5 of this year and referred to the Government, Military and Veterans Affairs Committee. That committee placed the bill on General File. There are no committee amendments. I do have other amendments, Mr. President.

**KELLY:** Senator Lippincott, you're recognized to open.

**LIPPINCOTT:** Thank you, Mr. President. LB52 was introduced on behalf of the Nebraska Military Department to increase the statutory cap on the Nebraska National Guard state tuition assistance program from \$900,000 to \$1 million. The implementation of the \$900,000 cap was established with the passage of LB243 in 1999-- that's 24 years ago-- when the tuition reimbursement amount was increased from 50 percent to 75 percent of the UNL tuition rate. In 2020, LB450 was-- increased this reimbursement rate to 100 percent of resident tuition, and ex-- and extended a 50 percent tuition reimbursement to graduate and professional degrees. And last year the Legislature approved LB779 to remove the ten-year limitation on access to the state tuition assistance. The state tuition assistance is one of the most popular benefits the Nebraska National Guard offers. A degree is required for junior officers to progress in rank and for senior enlisted members for promotion enhancement. As service members improve themselves through education, our National Guard units become more professional and more capable. That educated force is not only in our military units, but is also your neighbor and your civilian job market workforce. As of Friday, February 10, just last week, the National Guard notified me that we are at risk of exceeding the current \$900,000 cap by \$40,000, meaning there will be roughly 29 Nebraska National Guard members that will be impacted or denied state tuition assistance for the spring semester. This will significantly impact our service members and in some instances require them to find alternative payment methods such as out-of-pocket, loans, grants, etcetera, or

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disenroll from school entirely. This number is expected to increase with the summer semester enrollment approaching. Many other states offer some form of military educational assistance that appeals to individuals who are looking for their next home, and Nebraska must remain competitive. LB52 received no opposition testimony and was unanimously advanced by the Government, Military and Veterans Affairs [SIC] Committee. In closing, I'd like to quote from our very first Commander-in-Chief George Washington, who said, the willingness with which our young people are likely to serve in any war, no matter how justified, shall be directly proportional to how they were perceived, the veterans of earlier wars were treated and appreciated by their nation. Thank you, Mr. President, and I ask for your green vote.

**KELLY:** Thank you, Senator. Mr. Clerk, for amendments.

**CLERK:** Mr. President, Senator Lowe would move to offer AM377.

**KELLY:** Senator Lowe, you're-- you're recognized to open.

**LOWE:** Thank you, Lieutenant Governor. AM377 would, on page 2 of the bill, strike, beginning with a comma in line 19, through the period in line 21 and show the old matter as stricken. As Senator Lippincott stated, the-- this amendment would remove the cap entirely. We advocate for the cap to be increased. However, in the bill they advocated for the cap to be increased from \$900,000 to a million dollars this year, but now it looks like they are going to exceed that million dollars by \$40,000. So we ask you to remove the cap completely with LB-- or AM377. Thank you.

**KELLY:** Thank you, Senator Lowe. Senator Conrad, you are recognized to speak.

**CONRAD:** Thank you, Mr. President, and good morning, colleagues. I wanted to rise in support of my friend Senator Lippincott's LB52 and also rise in support of my friend Senator Lowe's AM377. Sorry, my-- just getting used to bifocal contacts and I didn't quite catch the-- the number at first as I was looking at the screen there, so, sorry for the hesitation. But I wanted to let you know as I was reviewing legislation as it was introduced during the first ten days, that this measure caught my eye very quickly. I reached out to Senator Lippincott and-- and offered to be a cosponsor of the measure because I-- I thought it was such smart, sound policy and stand by that. We had a-- a great hearing on this measure at the Government Committee, and I think all of us learned a lot more about how this important program operates in practice. It was also fortuitous that Major

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General Bohac came before us to talk about the need for this legislation and this important educational benefit to our-- our brave men and women who serve, around the same time that we had an opportunity to kind of first learn about Governor Pillen's vision and plan for the state as evidenced by his budget proposal. So we were kind of just starting to have an opportunity to digest kind of the Governor's budget in regards to a host of different areas, and one thing that really caught my attention in that very preliminary kind of opportunity to review the-- the budget was really the-- the lack of critical support for our state college and-- colleges and university. And it was quite distressing to me because, I think we can all agree, here we are in a period of incredible fiscal health with perhaps unprecedented revenues available and what we have before us in the Governor's budget, that's essentially been reaffirmed by the Appropriations Committee preliminary budget that was distributed yesterday, is a lack of support and resources for our institutions of higher education, including the University of Nebraska. I had an opportunity to ask Major General Bohac kind of about how this program interfaces with increasing tuition at the state colleges and university at the-- the hearing on this measure, and he noted there's absolutely a direct correlation there. There's continual pressure on this program as our tuition rises and continues to rise at our state colleges and university. So I-- I just really appreciated his candor in that regard and recognizing, you know, how the decisions we make in the budget really impact a lot of Nebraskans, including our brave men and women who serve and who utilize this critical educational benefit. And so it's important that we don't divorce the issues from each other. It's important that we think about these issues and their interconnectedness. We have an incredible system of higher education in the state of Nebraska at our state colleges, community colleges, and at our university. And our university in particular has a special mission as a land grant university to make sure that it is accessible to all Nebraskans. And what we see with the continued evisceration of state support for our institutions of higher education is that puts more and more and more pressure on tuition. And when we increase tuition rates, we're pricing out--

**KELLY:** One minute.

**CONRAD:** --a high-- thank you, Mr. President-- we're pricing out a high-quality education for a lot of Nebraskans. Now, the university has tried to address some of those issues through the Nebraska Promise program and other measures. But we can't neglect to do our part to ensure that our institutions of higher education have the resources they need to benefit not only the brave men and women who serve, who

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utilize this educational benefit, but all Nebraskans who are trying to better their lives and increase their opportunities to be successful in a global economy by achieving a degree at our community colleges, state colleges and university. So I'm planning to work very hard with the Appropriations Committee to do all that we can to address the lack of support for our university, in particular, as evidenced in their preliminary budget. And I'm going to be watching this measure, I think, very, very closely to see how--

**KELLY:** That's your time, Senator.

**CONRAD:** --thank you, Mr. President-- that interconnects.

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

**J. CAVANAUGH:** Thank you, Mr. President. Well, I think I rise generally in support of LB52 and of Senator Lowe's amendment. I apologize, Senator Lowe. I-- well, I can see it, AM377-- not accustomed to looking right up there, I guess, not yet, so-- and I appreciate the concept of the bill that recognizes that we attract and retain talent through high-quality higher education opportunities in the state of Nebraska, and I would echo a lot of the things Senator Conrad just said. But I-- just looking at the bill here and looking at the fiscal note, I wonder if Senator Lippincott would yield for a question.

**KELLY:** Senator Lippincott, would you yield to a question?

**LIPPINCOTT:** Yes, sir.

**J. CAVANAUGH:** Well, thanks for bringing this bill. I appreciate it and I-- I like the concept. I was just reading the fiscal note. I-- it says \$0. I guess I'm just wondering if you have an explanation for why there wouldn't be a fiscal note if you're saying, well, we're raising the cap and you said that there's at least \$40,000. I-- could you just repeat-- I guess, first off, can you repeat the part about there's-- the-- how much short we were? I wrote down \$40,000 and 29 folks.

**LIPPINCOTT:** It was \$40,000.

**J. CAVANAUGH:** OK. And that-- and that would mean 29 members of our-- our service members wouldn't qual-- wouldn't be eligible for tuition next semester.

**LIPPINCOTT:** Correct.

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**J. CAVANAUGH:** OK. And so I guess I'm just curious about why this bill wouldn't at least have a \$40,000 fiscal note to cover those folks. Do you have-- do you know-- do you have an answer to that, I guess?

**LIPPINCOTT:** Yeah, just as a backlog, the present cap of \$900,000 was put into play in 1999, 24 years ago. And of course, we know that tuition has increased since then, approximately 8 percent per year. It doubles in nine years. And so right now, we have not only pushed up to that cap of \$900,000, but we have exceeded it, which will impact-- I believe it's 29 current military members.

**J. CAVANAUGH:** OK. And so if we raise the cap-- if we adopt just your bill without Senator Lowe's amendment, that would raise the cap 100,000 bucks a year. Right? This is a year? You can answer if you-- this would be \$100,000-- it would raise the cap \$100,000 a year.

**LIPPINCOTT:** That's the bill without the amendment.

**J. CAVANAUGH:** Without the amendment?

**LIPPINCOTT:** Correct.

**J. CAVANAUGH:** Right.

**LIPPINCOTT:** Yes, sir.

**J. CAVANAUGH:** OK. And there's-- so I guess my question is, we know right now that there's \$40,000 that are-- that is out there in demand that's not being used. So if we raise the cap, shouldn't we have a fiscal note of at least \$40,000?

**LIPPINCOTT:** Well, that would be a Band-Aid for this year, but obviously we don't want to do this mechanism year after year after year, because obviously we're pushing up against that cap right now.

**J. CAVANAUGH:** OK.

**LIPPINCOTT:** So next year, once again, we'll be right back to the same location.

**J. CAVANAUGH:** But--

**LIPPINCOTT:** And-- and I also might add, and I just showed your sister this just a few moments ago, but Nebraska right now is about at the 50 percentile in comparison to the other states, including our surrounding states, so we need to be very careful about being

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competitive with other states. We want Nebraska to be military friendly, obviously.

**J. CAVANAUGH:** And I agree with that and I appreciate that, and especially I do-- and I-- and that's why I said I-- I think I support the bill, because it does-- being competitive and-- and have-- being a place where folks want to retire from the military, those are good workforce folks who have a lot of good skills. And I guess that brings me kind of to my second question. I know in your opening you talked about the reim-- tuition reimbursement was 50 percent and then went up to 75 percent. Is that correct?

**LIPPINCOTT:** That's for graduate and doctoral levels.

**J. CAVANAUGH:** OK. So undergraduate is 50 percent?

**LIPPINCOTT:** Hundred--

**J. CAVANAUGH:** Oh--

**LIPPINCOTT:** --percent.

**J. CAVANAUGH:** Oh, OK. That's 100 percent.

**LIPPINCOTT:** Yes, sir.

**KELLY:** One minute.

**J. CAVANAUGH:** Thank you, Mr. President. And so graduate is 50, doctoral is 75, or is it the other way around? Did I mis-hear that? Well, I guess it-- my-- I guess my question would be, would you consider or would it make sense to go up to 100 percent for every level of degree to attract those higher-level degree earners?

**LIPPINCOTT:** That'd be great.

**J. CAVANAUGH:** Well--

**LIPPINCOTT:** Yeah, that'd be very friendly. But I-- I want to bring this point to you, if I could, for just-- I know that your time is waning right now.

**J. CAVANAUGH:** Yeah. No, go for it.

**LIPPINCOTT:** But raising the cap does not spend more money. We have to wait and see what the actual utilization is to see what the real fiscal impact will be.

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**J. CAVANAUGH:** OK, great. Thank you for the answer.

**LIPPINCOTT:** Thank you, sir.

**J. CAVANAUGH:** Thank you, Mr. President.

**KELLY:** Thank you, Senator. Senator Lippincott, you are recognized to speak.

**LIPPINCOTT:** I would like to just make a comment regarding Senator Lowe's AM377. It is a friendly amendment, and I would like to thank Senator Lowe for introducing it. I'm a fiscal conservative, obviously. I do appreciate the financial safeguards. However, in the case of this cap, we know that-- a lot about how the program is utilized. I think we can financially consider it a responsible bill and still keep our promise to these service members. I would encourage people to vote green on AM377. Thank you, Mr. President.

**KELLY:** Thank you, Senator. Senator Conrad, you're recognized to speak.

**CONRAD:** Thank you, Mr. President, and good morning again, colleagues. I also just wanted to-- I ran out of time in-- in my first opportunity on the mic, and so I-- I hit my mic again-- or my light again-- to-- to make sure to just kind of note the interesting procedural posture that we find ourselves at with Senator Lowe's amendment. As I mentioned, we had a great hearing on this important measure at the Government Committee, and there was a little bit of discussion at that point about whether or not Senator Lippencott's original proposal was enough to cover the need. And we kind of worked through some of those things, at least in a very cursory kind of-- kind of manner during the-- the committee, the public hearing and in the committee-- the committee's public hearing amendment. Sorry, excuse me. Now, I think, if memory serves, when we did Exec on the measure, I don't think that there was an amendment that was entertained at that time, and the committee very quickly voted the measure out because we all saw the-- the importance of it. I just wanted to note and commend my friend Senator Lowe for making a pretty bold move in filing an amendment that completely removes the cap. It wasn't really subject to the bill as introduced or at the committee hearing or as part of the Executive Session. But he saw an important opportunity throughout the process to bring forward a really good idea once the measure itself was opened up, and I think that's-- that's how the process is supposed to work. And I just wanted to commend Senator Lowe for seizing that opportunity and provide a note to all members that this is-- this is how the process and the deliberation is supposed to work. And when we see an

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opportunity to make a bill better or stronger or to take up a different track or trajectory than perhaps was even discussed in the original legislation or at the committee hearing or in Executive Session, that's a good thing. And I'm really grateful that Senator Lowe brought forward this amendment, which is much more bold and much different, actually, than the measure that-- that Senator Lippincott originally brought forward, which was very modest and very measured in regards to increasing the cap in this important program. So kudos to Senator Lowe for using the process as it was intended. I'm grateful that we have an opportunity to actually strengthen what was already a really good bill in this regard, and I'm looking forward to continual-- continued dialogue, particularly with members of the Appropriations Committee, which Senator Lippincott is, to make sure that we are being consistent in our approach. We want to make sure that our brave men and women have the resources they need to fully utilize this educational benefit. But we also have to ensure that we're providing our state university, colleges, state colleges and community colleges with the resources they need to keep tuition affordable so that Nebraskans all across the state and all across the political spectrum have a chance to pursue higher education and participate in our workforce at their highest potential without taking on crippling student loan debt. And these issues are absolutely interlinked and intersectional. And I take to heart Senator Clements' comments in the news recently that the Appropriations Committee preliminary budget is just that, a preliminary budget, and that through the public hearing process they'll continue to make adjustments before the measure is presented us--

**KELLY:** One minute.

**CONRAD:** --to-- thank you, Mr. President-- presented to us as a whole. But even making modest adjustments in maybe a quarter percent or a half percent or full percent is better than nothing, don't get me wrong, but doesn't meet the demand of the moment. It divorces itself from the reality that we are in an unprecedented time of fiscal health and it doesn't even provide inflationary resources to meet inflationary pressures for our university, state colleges and universities. That is wrong. That is a cost shift that will fall upon the backs of kids who-- who are trying to work their way through college and the moms and dads who write the tuition checks. And I think that that can and should be a huge part of our deliberations and debate moving forward, and I'll be watching the Appropriations Committee very closely in regards to how they handle that important issue. Thank you, Mr. President.

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**KELLY:** Thank you, Senator. Senator Brandt, you're recognized to speak.

**BRANDT:** Thank you, Mr. Lieutenant Governor. And I'd like to thank Senator Lippincott for bringing LB52 and Senator Lowe for bringing AM377. Would Senator Lowe yield to a question?

**KELLY:** Senator Lowe, will you yield?

**LOWE:** Yes.

**BRANDT:** Senator Lowe, by removing this cap, we know we've-- we've got \$40,000-- I think he said there was \$40,000 in excess of the million, and-- and removing the million-dollar cap, do you have any idea how many more service members would take advantage of this program?

**LOWE:** Well, they're pretty much all enrolled at this point in time, so it wouldn't be an increase at this point in time, and-- and there's been 50 years of data of-- of students going to-- and going into the-- the R-- the National Guard so that we can use that data and there won't be a large increase we can foretell at this time because they've already been enrolled. And-- and we will know in the future of the enrollments.

**BRANDT:** I mean, so there really is no danger of, let's say, \$2 million or \$3 million. I mean, this is--

**LOWE:** It--

**BRANDT:** --this is going to be a pretty static expenditure year after year.

**LOWE:** It-- it will be static and-- and let's hope it grows a little.

**BRANDT:** Yes, I agree with you. Thank you, Senator Lowe. I yield the rest of my time back to the Chair.

**KELLY:** Thank you, Senator. Senator John Cavanaugh, you're recognized to speak.

**J. CAVANAUGH:** Thank you, Mr. President. And I thank Senator Lippincott for the conversation before. And just to, I guess, circle back, I did have the opportunity to take a closer look at the statute and it-- the current statute does say 100 percent of the resident tuition for a diploma, certificate, associate's degree or baccalaureate program, or 50 percent of resident tuition charges for graduate or professional degrees, except if you go to a-- a private school, then you basically

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get some amount of the University of Nebraska rate. So it obviously-- I-- so I rise in support of AM377 and LB52. I appreciate Senator Lowe-- Senator Lippincott bringing this and Senator Lowe expanding it. And I-- I do agree that, you know, a lot of folks join and serve as a way to help pay for school, and so we need to make sure that every one of those people gets-- gets that benefit and that this is a good way to continue doing that. I did have the opportunity to talk to Senator Brewer off the mic for a second, just to get a better perspective, and I would say-- so I-- last year, I think it was, got to go and tour the National Guard base with Senator Brewer and now former-Senator Gragert, and I know a bunch of you were there. If you're afforded that opportunity in the future, I'd say certainly take it. It's-- it's great. It's well worth it. And so I appreciate Senator Brewer always educating me on many subjects, and spe-- specifically how our military operates and our military members operate. But the one thing, just to clarify the question about why there's no cost here, we're basically-- this is my understanding and anybody can correct me. I won't ask anybody a question to put them on the spot, but my understanding is we're raising the cap on the amount that's available. There is a fund that this comes out of to pay for and there is money in it, and so we're not actually-- we won't need to appropriate more money, that there's money there. This just raises the cap that allows them to spend it. It's-- so that's why there's no fiscal note. I just-- you know, I like this idea. I think we should do this. I actually would be in favor of increasing the 50 percent for those post-- those graduate degrees, as well, but not going to do it at this point. Maybe I'll bring that bill separately, at a separate time. But that's just type of things-- you hear stuff, you start talking, and you think, well, maybe we should do this. And that's, I'm sure, how Senator Lowe got to AM30-- AM377. It's how I've gotten here many times on a lot of other things. But, yeah, so there isn't going to be a, I think, a budgetary fiscal impact as a result of this bill. But I do think this is a good opportunity to continue meeting our obligation to those Nebraskans who are serving the state through the National Guard, and so I would support AM377 and LB52. Thank you, Mr. President.

**KELLY:** Thank you, Senator. Senator Conrad, you're recognized to speak on your third time.

**CONRAD:** Thank you, Mr. President. And thank you, colleagues. I think this has been a really important and interesting and substantive debate. You know, Senator Lippincott, I was hoping that maybe you would yield to some questions.

**KELLY:** Senator Lippincott, will you yield for a question?

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**LIPPINCOTT:** I will.

**CONRAD:** Thank you, Senator Lippincott. I was kind of looking around the Chamber here, and I was going to open a dialogue with members of the Appropriations Committee kind of about their thinking in regards to their vision for higher education in Nebraska, as evidenced through their-- their work on the Appropriations Committee. And as you can tell this morning, our-- our ranks are a bit thinned both due to weather-- weather and-- and illness. So I was first looking to-- in front of me to Senator Wishart and then to my left, to Senator Vargas, who are members of that committee, but they are not here today for a variety of reasons, so thank you for your indulgence, Senator Lippincott. But can you help to maybe illuminate for myself and the record, those watching at home and our colleagues, what is your vision for higher education in Nebraska and how does that correlate to your work on the Appropriations Committee?

**LIPPINCOTT:** Well, regarding this bill, as I read my opening, when you're in the military, it's-- it's incumbent really to be competitive for advancement in rank and also just for job opportunities and for the function of your job. And it's true for both the officers and enlisted people. So higher education is critically important in the military, and this bill really supports that idea.

**CONRAD:** Sure. Thank you so much, Senator Lippincott. I see Senator Dorn's here in-- in my line of vision here, so if he'd be kind enough to-- to yield to a question, I'd like to ask Senator Dorn a question.

**KELLY:** Senator Dorn, would you yield to a question?

**DORN:** Yes, I will.

**CONRAD:** Thank you so much, Senator Dorn. And I know you're a senior member of the Appropriations Committee, and you've wrestled with a lot of these issues during the term of your service. But can you maybe help us to understand a little bit more about kind of your vision for higher education in Nebraska and kind of how that preliminary budget number, which provides a very limited amount of state support and resource to our institutions of higher education, kind of squares up with that vision?

**DORN:** Thank you. I-- I've been listening to this discussion going on, and I appreciate the explanation of this and Senator Brandt from his questions to Senator Lowe and how this might affect us, I call it, going forward in the budget or in the budget process and the numbers

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it might take, and it sounds like it's going to be very, very minimal. Higher education in Nebraska, we hear all the time about we're losing students, we're not having this or that. Higher education in Nebraska, I think, is one of our most critical things we have-- community colleges, state colleges, university, as well as our schools-- because many of those leaders-- many of those students are going to be our leaders as we go forward. I look around at people like myself. We're slowly, I call it, maybe in our twilight years, and we're not going to be there, but we-- we need to have a very strong education system so that we can help educate and help get the knowledge and the criteria out there so that we prepare our-- our students in elementary, high school and colleges for their future in not only the workforce but in their future as a leader.

**CONRAD:** Yeah, absolutely. Thank you so much, Senator Dorn. I-- I really appreciate that perspective and agree with-- with a lot of what you're looking at and-- and talking about there.

**KELLY:** One minute.

**CONRAD:** Thank you, Mr. President. I-- I think there can be no doubt that our institutions of higher education in the state of Nebraska are really a-- a crown jewel, are our-- our treasures in terms of our-- our state institutions. And the state's support thereof, which helps to keep them strong and vibrant and accessible, is a generational point of pride. And it's incumbent that we are good stewards of protecting and defending and strengthening those institutions of higher education because it relates to so many critical issues facing the state: brain drain, workforce development, leadership development. And if we want to keep our best and brightest Nebraskans, that we educate from kindergarten through 12th grade, right here in the state of Nebraska during their-- their period of higher education, we've got to ensure--

**KELLY:** That's your time, Senator.

**CONRAD:** --that our tuition rates are affordable. Thank you, Mr. President.

**KELLY:** Senator Dungan would like to announce a guest in the north balcony: Oliver Kavan, son of legislative aide Camdyn Kavan. Please stand and be recognized by your Nebraska Legislature. Senator Lowe waives closing. The question before the body is the adoption of AM377. All those in favor vote aye; all those opposed vote nay. Mr. Clerk--

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**CLERK:** 30--

**KELLY:** --record.

**CLERK:** 32 ayes, 0 nays on adoption of Senator Lowe's amendment.

**KELLY:** Thank you, Mr. Clerk. The amendment is adopted. Senator Conrad, you're recognized to speak.

**CONRAD:** Thank you, Mr. President. And just because I ran out of time on the amendment, I just wanted to continue the dialogue with the members of the Appropriations Committee in regards to how this measure intersects with their approach and vision for higher education in Nebraska. So I see my friend Senator Clements is always hard at work on the floor and in committee and right here next to me in this row. I was wondering if Senator Clements would yield for a question.

**KELLY:** Senator Clements, will you yield to a question?

**CLEMENTS:** Yes.

**CONRAD:** Thank you, Senator Clements. And as a longtime member of the Appropriations Committee and now serving as-- as Chair of that important committee, I was just hoping-- and I saw your comments in-- in the-- in news reports as well-- if you could share a little bit more about your vision for higher education in Nebraska and kind of how the Appropriations Committee preliminary report supports that vision.

**CLEMENTS:** We have been told that the university had requested a 3 percent increase, and that's what came in the budget request. The Governor recommended 2 percent. When we saw that, we passed over that and decided we would wait to hear their testimony when they come in before the committee before we make a final decision. And President Ted Carter is working to be fiscally sound--

**CONRAD:** Yes.

**CLEMENTS:** --and fiscally responsible. And I've been told that he's willing to accept one of those two positions. And we're also offering a lot of scholarship money. There are-- that should help students as far as the tuition-- potential tuition increases. And so we are going to support the university and we're going to listen to their testimony when they come in to our committee.

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**CONRAD:** OK. Well, I really appreciate that. That's-- that's very helpful. Thank you so much, Senator Clements. And I see Senator Dover is-- is still on the floor. If Senator Dover would yield to a question, please?

**KELLY:** Senator Dover, would you yield to a question?

**DOVER:** Yes.

**CONRAD:** Thank you, Senator Dover, and just wanted to continue the dialogue with members of the Appropriations Committee. I know you're a new member of the committee, but I was hoping that you could share your vision for higher education in Nebraska and how the Appropriations Committee preliminary approach kind of illuminates that vision and kind of what your plan is for addressing those issues as the budget continues through the process.

**DOVER:** Being new to the Appropriations Committee, to be quite truthful, I'm going to listen and learn from the more senior Senators. Obviously, there's a number of agencies and programs that I need to become familiar with, so I don't believe I'm actually probably in a position to comment on that.

**CONRAD:** OK, very good. Thank you so much, Senator Dover. And I'll-- I'll look forward to sharing some perspectives with you and other committee members, just so folks know that working to ensure our institutions of higher education have the resources they need to keep tuition affordable and to carry out their critical research functions, these are issues that I spent a lot of time on during my-- my prior service in the Legislature and plan to be a continual strong advocate for our institutions of higher education in this go-around, and that's for a lot of different reasons. One, north Lincoln, the district that I represent, the "Fightin' 46th" is home to the flagship campus of the University of Nebraska System. And these issues are really important--

**KELLY:** One minute.

**CONRAD:** --to a lot of the working families in my community that work at the university, that are trying to send their kids to the university, and a lot of the students that reside in my district that are struggling with tuition costs. And so it's an issue that I will continue to prioritize during my term of service. And I saw a really important opportunity with Senator Lippincott's important legislation here to try and connect the dots on how this measure interfaces with some of the-- the key budgetary issues that should be an important

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part of our-- our debate and work together over the next 60 days. So I'm just going to hit my light one more time, since I'm running out of time, and I see my friend-- well, maybe Senator Erdman's not on the floor anymore, but I didn't want him to feel left out as the only other Appropriations Committee member here today that I didn't have a chance to-- to visit with. And I know he always has very strong opinions and ideas when it comes to the university and institutions of higher ed. But if he's--

**KELLY:** That's your time, Senator.

**CONRAD:** Thank you, Mr. President. If he's not here, I guess I won't  
[RECORDER MALFUNCTION]

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

**M. CAVANAUGH:** Thank you, Mr. President. I would actually yield my time to Senator Conrad if she would like it. I do see Senator Erdman here. If he's willing to yield to questions for her, I'll leave that up to them. But, Senator Conrad, I yield my time to you.

**KELLY:** Senator Conrad, that's 4:43.

**CONRAD:** Thank you, Senator Cavanaugh. And now I see maybe my friend Senator Erdman's behind the columns there, so I didn't have a chance to see him at first. Senator Erdman, if you'd be willing to yield to a question, I'd appreciate it.

**KELLY:** Senator Erdman, would you yield to a question?

**ERDMAN:** I would.

**CONRAD:** Thank you, Senator Erdman. I know you're a longtime member of the Appropriations Committee and have grappled with some of these major budgetary decisions during the-- the course of that time. But can you just share a little bit kind of about your vision for higher education in Nebraska and kind of how this measure or preliminary budget issues kind of support that vision for what-- what-- what you think higher education should look like in Nebraska?

**ERDMAN:** I-- I will do that. You know, Senator Clements described to you earlier about what we're going to do about the budget. We passed over that until President Carter gets a chance to come in and see us. I met with President Carter this summer. He had come out to Bridgeport and we had a meeting there. I believe that President Carter is trying to do what needs to be done to bring our-- our higher education up to

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the degree that I think my district or people who live in my district would appreciate. And so I like the things that he's done and I think some of the things, like hiring the football coach they hired with morals and standards more like Tom Osborne, is a great move and I think he understands that. There have been other issues that I've dealt with, that I talked to President Carter about, and he handled them efficiently and quickly, and I told him I appreciated that. So President Carter's trying to do the things that I think are important not only to the university, but to the state of Nebraska and those people that support the university. So we'll see what-- what he comes in with when he comes in. But I've always enjoyed talking to him. We always had a straight, frank conversation and he responds quite well. I thank-- I thank you for that.

**CONRAD:** Thank you so much, Senator Erdman. I-- I really appreciate that. And-- and I think even though maybe we see a lot of different issues a lot of different ways, I think there's no doubt that there's a lot of consensus and common ground around our confidence in the leadership of President Carter. And I know he's got a very, very difficult job, as do the leaders at our state colleges and our community colleges as well. But I am hopeful that a-- a key component of the session and our deliberations and discussions moving forward will center around these very substantive and important issues about education, about job training, about higher education, about how we can bring together more focus and more solutions on issues attendant to workforce development, which nobody disagrees is our number-one issue facing the state of Nebraska. This is a very important piece of that puzzle, and I appreciate all of the senators for sharing their ideas and vision today. And I thank my friends Senator Lippincott and Senator Lowe for bringing forward not only a good idea, but then strengthening that good idea throughout this process. Thank you, Mr. President.

**KELLY:** Thank you, Senator Conrad. Senator Lippincott waives closing, and the question before the body is the advancement of LB52 to E&R Initial. Senators, please record your votes. All those in favor say aye-- vote aye; those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 34 ayes, 0 nays, Mr. President, on advancement of the bill.

**KELLY:** Thank you, Mr. Clerk. Items for the record?

**CLERK:** Mr. President, items: Your Committee on Government, Military and Veterans Affairs, chaired by Senator Brewer, reports LB41, LB143, LB205, LB277, LB312, LB343, LB513, LR14CA, and LB195 to General File,

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LB195 having committee amendments. Additionally, your Committee on Business and Labor, chaired by Senator Riepe, refers LB161, LB267, LB283, LB426, and LB427 to General File. Notice of committee hearings from Judiciary and Natural Resources Committee. New A bill, Senator Walz, LB278A, a bill for an act relating to appropriations; appropriates funds to aid in the carrying out of provisions of LB278. Committee report from the Business and Labor Committee considering-- concerning the appointment of John Albin as Commissioner of Department of Labor. And a letter from Senator Hardin prioritizing LB277. LB277 is his personal priority, for Senator Hardin. Next bill, Mr. President, LB250, introduced by Senator Brewer; it's a bill for an act relating to the Nebraska Army National Guard; states legislative findings; requires a command climate survey of the Guard and a report by the Adjutant General. The bill was read for the first time on January 10 of this year and referred to the Government, Military and Veterans Affairs Committee. That committee placed the bill on General File with committee amendments.

**KELLY:** Senator Brewer, you're recognized to open.

**BREWER:** Thank you, Mr. President. Good morning, colleagues, and good morning, all those poor souls that are trapped watching us. I am introducing LB250. This bill require [SIC] a command climate profile be accomplished by the Nebraska National Guard every time there's a new Adjutant General that is appointed by the Governor or biannually. Now, just for a quick lesson on what an Adjutant General is, because I've got a hunch there's a few people that don't have a clue, he is the two-star commanding general of both the Air and the Army National Guard. He is appointed by the Governor. The duration of his appointment is purely up to the Governor. The current Adjutant General, General Bohac, has been there through now three administrations. He was appointed by Governor Heineman, served through Governor Ricketts' time, and now into Governor Pillen's. When it's time for him to be replaced, the person that re-- that will replace him has certain criteria to meet. He can be Army or Air National Guard. He actually can come from the Army Reserve or the regular Army. The requirements are that he must be at least the rank of lieutenant colonel and promotable to general. That means that he must have completed the Army War College or a war college that would then make him eligible for a general officer billet. They would have had to have been a member of either Air or Army National Guard for at least two years at some point during their career. So the problem is, if-- when it's time to change Adjutant Generals, the person coming in is not a current member of the National Guard, he has no idea what he's getting into. The military is a very stovepipe structure. Not a lot of folks

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know what goes on there except those that are part of it, designed that way somewhat on purpose. This command climate survey has been handed out so you can look at it. The one you're looking at is the one that the regular Army uses. I believe ours will be very similar to that. But this does not go into information that would be of-- of a critical nature, how many trucks, tanks, helicopters. What this is, is trying to figure out if there is a problem. Because right now, unlike other parts of government, there is no way to know that there are internal problems. We do use command climate surveys at a company or battalion level when there's a change of command, but there is no check and balance above that. What this is, is a report card, and it tells both the Governor, and technically the Legislature-- it is not a report that would be restricted-- where the Guard is. So if there's internal problems, then when this command climate survey is done, and this would go from the highest ranking general down to the lowest ranking private, it tells you if we have pay issues, if we have morale issues because of food or administrative things. It can tell you if there's a caustic command environment. So it is that report card that will let folks know whether or not the folks that are wearing the uniform and representing Nebraska and the U.S. military are being treated the way they should be treated. I believe this is a necessary correction. I have spent almost 37 years either in the Army, Army Reserve or the National Guard. I have many family members that are in or have been in the Guard, to include my wife, my son, my daughter and about 14 niece-- nieces, nephews or cousins. So I get a lot of feedback on things that are happening. And I think that in order for the next Adjutant General or the current Adjutant General to actually understand the-- the truth of what's going on, because the military is very good at the process of what's called covering your ass, so if there are problems and issues, usually those are hidden as best from the next chain of command so that someone doesn't get in trouble. The thing about this survey, this is done in private. They fill it out, turn it in, and then the information is consolidated. The idea is that the Air Guard would do the survey for the Army, and the Army would do the Air-- the Air Guard's. That way, you can't be as influential on things when you're from a completely different service. So with that, I would ask your support on LB250. Thank you, Mr. President.

**KELLY:** Senator Brewer, as Chairman of the committee, you may open on the amendment.

**BREWER:** Thank you, Mr. President. All right. The amendment was a correction that the Adjutant General came to me on, and I think it's a very good and needed adjustment, and that was the original did not have the Air National Guard. It was simply the Army. So this adds both

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Air and Army, a great idea. And the second recommendation he made was that, instead of using a paid consultant, that we go to a process where the Air does the Army command climate profile and vice versa; that way, there's no cost involved there and it keeps it all internal to the military as far as the handling of the paperwork and-- and oversight; and that instead of doing it just when the Adjutant General changes, because, keep in mind-- General Bohac's a good example-- 10, 12 years can be between Adjutant Generals. A lot of things could happen in 10 or 12 years. So what we do is go into a cycle where it would be a new command climate profile every two years, and it would be on the odd years. The two of them, I think, are a good adjustment to the bill and I would ask your support on AM107.

**KELLY:** Thank you, Senator. Senator Conrad, you're recognized to speak.

**CONRAD:** Thank you, Mr. President, and good morning again, colleagues. I rise in support of the measure and thank Chairman Brewer for bringing forward this important legislation. It definitely was a informative and meaningful hearing that we had before the Government Committee, and I think the Government Committee, as evidenced in the committee statement, really had wide and strong support for this idea that Senator Brewer brought forward. One thing that I wanted to note to kind of connect the dots with some of our recent floor debate regarding gubernatorial nominations and how this measure may be utilized, or as a model, perhaps moving forward to provide some more information to the Legislature and other key stakeholders about really what's happening in some of our code agencies and taking into account some of that information and feedback when we're working through gubernatorial appointees, particularly for cabinet officers, more so than boards and commissions. But the point being, at the Government Committee hearing Executive Session, I think we started to just briefly kind of talk about not only was this such a good idea that Senator Brewer brought forward, but perhaps we should explore and work together to see if we should conduct a climate survey for all code agencies on a regular basis so that we as legislators and other stakeholders have a glimpse or a snapshot or a deeper understanding about issues impacting frontline government employees in those code agencies that we would not have otherwise. So I think that this is an important measure, definitely planning to continue supporting the measure. And I do want to lift up as a potential strategy or solution for the body to think about moving forward, to improve not only our legislative oversight and confirmation processes, but just to ensure that we have a good understanding about what's happening in a lot of code agencies under the direct control of the Governor for frontline employees, for morale, for employment issues, to strengthen

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whistleblower protections. And-- and I think that Senator Brewer's on to something here, and-- and I think this could be a good model for-- for other agencies moving forward. Thank you, Mr. President.

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

**M. CAVANAUGH:** Thank you, Mr. President. I'd ask if Senator Brewer would yield to a question.

**KELLY:** Senator Brewer, would you yield to a question?

**BREWER:** Yes.

**M. CAVANAUGH:** Thank you, Senator Brewer. First of all, how are you today?

**BREWER:** My throat tells me I'm about to lose my voice, but I'll hang on for a little bit longer.

**M. CAVANAUGH:** All right, then I'll-- I'll keep this brief. I really like the concept of what you're doing here and I'm wondering if you would entertain expanding this to any of our state agencies.

**BREWER:** Well, at the risk of drawing a lot of hate, let's-- let's take a look at kind of why I designed it the way it is. A lot of these folks work not only behind a locked gate in a fenced compound, in a locked building, in a secure room, they-- they don't have an Ombudsman. They don't have a process, like many of the code agencies do, to identify-- to identify problems. So they're in a much different environment than just a normal code agency person, who does have the ability to go to-- well, we'll use the Ombudsman as an example-- to say we have issues and they're impacting the morale, they're impacting the ability to do the mission. And for them the impact is that as they deploy on missions, people's lives are at stake if what is happening hasn't been made aware of by key folks that need to be sure that their level of readiness is where they say it should be, that how they're being paid or treated is-- is proper for their rank and-- and their position. And so it's hard to compare the military with just a regular code agency because it's so much different. You know, it-- if the-- if the current system is broken, whether it be through the IG or the Ombudsman, then there should be a process if there isn't. But that's why the-- the military was kind of unique.

**M. CAVANAUGH:** OK. Thank you. I appreciate that. That's a helpful explanation. I yield the remainder of my time to the Chair.

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**KELLY:** Senator Conrad, you're recognized to speak.

**CONRAD:** Thank you, Mr. President. And actually wasn't planning to talk again, but the exchange between Senator Cavanaugh and Senator Brewer actually got me thinking a little bit more about some other issues pending before the Legislature, and perhaps it gives Senator Brewer a chance to get a drink of water. I know he's been-- been struggling with some nasty respiratory stuff, as I have been and-- and other members have, as well, and-- and that's definitely no fun, especially when our work includes talking so much. So I think Senator Brewer is right that there are measures for legislative oversight impacting other aspects of state government. And I will let you know, colleagues, I've been watching with great interest what's happening in the Executive Board. And it's my understanding that there is a fairly technical measure that's been brought forward to the Executive Board in relation to some cleanup language for our key actors in governmental and legislative oversight, like the Inspector General for Child Welfare and the Inspector General for Corrections and the Ombudsman more-- more broadly, perhaps, and a relatively technical measure has now opened up a broader conversation about whether or not those critical actors that we've created to extend our legislative oversight authority, to ensure that we have a meaningful window into those critical areas of policy like child welfare and corrections, to help us [RECORDED MALFUNCTION] are now under attack. Senator Lowe, I understand, has asked the Attorney General for an Opinion about whether or not those Inspector General offices are even constitutional, so we're going to have a pretty robust debate about those measures coming forward. So I agree with Senator Brewer. Perhaps there's apples and oranges when it comes to different tools for oversight for different agencies, dependent upon their structure and their culture. But I'd be very careful and hesitant, colleagues, to at this moment in time put our eggs in the basket of the good work of the Inspector General's in Child Welfare, Ombudsman and Corrections Inspector General, because those are really under attack and under fire right now and it remains unclear if and how that important work will continue moving forward. I don't know if other members have had a chance to follow that debate that is brewing in the Executive Committee, but I definitely am and would be willing to work with any senator at any time to strengthen legislative oversight and to protect those key tools, those key strategies, those key offices that really shine a light upon what's been happening in our troubled child welfare systems and our crisis-riddled Department of Corrections. Thank you, Mr. President.

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**KELLY:** Thank you, Senator. The-- Senator Brewer waives closing on the amendment and-- the question before the body is the adoption of AM107. Senators, all those in favor, please record your vote aye; all those opposed vote nay. Please record, Mr. Clerk.

**CLERK:** 36 ayes, 0 nays on adoption of the amendment.

**KELLY:** Amendment is adopted. Senator Brewer to close on LB250.

**BREWER:** Thank you, Mr. President. Well, I'm going to hurry because I'm not sure my voice will hold. Again, this is simply a report card. It's a chance for us to see that things are tracking the way they should be with both our Air and Army National Guard. It would happen only when there was a change of Adjutant General or in every-- in a two-year cycle on odd years. And it would be a process where the Air Guard would do the inspection of the Army and the Army of the Air. Thank you, Mr. President.

**KELLY:** Thank you, Senator. The question is the advancement of LB250 to E&R Initial. Senators, all those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 37 ayes, 0 nays on advancement of the bill.

**KELLY:** The bill is advanced. Next item, Mr. Clerk.

**CLERK:** Mr. President, the next bill, LB68, introduced by Senator Slama; it's a bill for an act relating to the Nebraska Hospital-Medical Liability Act; amends several sections within Chapter 44; it increases limits on and changes provisions relating to medical malpractice liability; changes provisions relating to proof of financial responsibility and the Excess Liability Fund; provides for applicability; harmonize provisions; provides an operative date; and repeals the original section. Bill was read for the first time on January 5 of this year and referred to the Banking, Commerce and Insurance Committee. That committee placed the bill on General File. There are no committee amendments. I do have additional amendments, Mr. President.

**KELLY:** Senator Slama, you're recognized to open.

**SLAMA:** Thank you, Mr. President. And good morning again, colleagues. Today I'm asking for your green vote on LB68, which advanced from the Banking, Commerce and Insurance Committee unanimously. LB68 would increase the amount of liability coverage that must be carried by physicians, certified registered nurse anesthetists, and hospitals in

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order to qualify for Excess Liability Fund coverage under the Nebraska Hospital-Medical Liability Act. Since 1976, Nebraska has benefited from the Excess Liability Fund through lowered liability premiums for health-- qualified healthcare providers, improved availability and affordabil-- affordability of healthcare, and a reliable payout to injured patients when a provider exhausts the limits of their liability insurance. This is how the Excess Liability Fund works. First, only physicians, CRNAs, and hospitals may qualify for coverage under this fund. In order to qualify, the provider must file proof of liability coverage with the Department of Insurance. Currently, that coverage must have a liability limit of \$500,000 per occurrence for all providers and an aggre-- aggregate annual limit of \$1 million for physicians and CRNAs and \$3 million for hospitals. Second, the provider must pay a surcharge into the Excess Liability Fund. This is what funds the Excess Liability Fund. The surcharge is set annually by the Department of Insurance, and it is a percentage of the provider's annual insurance premium. The surcharge is capped by statute at 50 percent of the provider's annual premium. When a provider is qualified under the fund, their liability is limited to \$500,000 per occurrence, which means it is covered by their policy limits. Any judgments or settlements over that amount are covered by the fund up to the statutory cap of \$2.25 million. LB68 would increase the amount of coverage required to qualify under the fund, based on the amendment I'm going to introduce a little bit later, to \$800,000 per occurrence and \$3 million aggregate for all qualified providers, hospitals, physicians and CRNAs. This has the effect of both bringing additional surcharge into the fund, because it will be based on a higher premium, as well as reducing risk to the fund, because only amounts over \$1 million will be paid out of the fund. It is important that Nebraska remain vigilant in maintaining a healthy Excess Liability Fund. The underlying coverage requirements have not been increased since 2004, and one of the indicators that alarms me is that the average actuarially indicated surcharge over the last five years is 67.5 percent, meaning the fund has been underfunded by a number of years, up against a statutory cap of 50 percent. We address the concerns from health systems about the costs with a compromise amendment that I'll be bringing later. This fund is a tool to help us recruit and retain healthcare workers for-- healthcare providers in our state, and it is critical that we be proactive about maintaining it. Again, I would appreciate your support for this important bill, which advanced from the committee 8-0. Thank you, Mr. President.

**KELLY:** Thank you, Senator. Mr. Clerk, for an amendment.

**CLERK:** Mr. President, Senator Slama would move to offer AM371.

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**KELLY:** Senator Slama, you're recognized to open.

**SLAMA:** Thank you, Mr. President. And good morning, colleagues. Quick question: Was that the one I just filed or the one I had filed earlier?

**KELLY:** The one filed today.

**SLAMA:** The one filed today. Fantastic. Just want to make sure I'm reading from the right notes. So AM371 is an amendment that I brought based on negotiations with the NMA and NHA. This amendment would do three things. It reduces the per-incident coverage from \$1 million to \$800,000; it changes the operative date of the bill from January 1, 2024, to January 1, 2025; and adds a second citing reference for clarification of law. This amendment was a result of discussions between the hospitals and the medical providers to get to a point where everybody could come around and get on board or at least be a positive neutral with the bill. Thank you, Mr. President.

**KELLY:** Thank you, Senator Slama. Senator John Cavanaugh, you're recognized to speak.

**J. CAVANAUGH:** Thank-- thank you, Mr. President. I guess I rise neutral to AM371. I told Senator Slama I was going to oppose it. But after her description of the original bill and talking with a few folks about it, I don't think I have as much of an opposition. Ultimately, my understanding, and maybe someone can correct me about this, is that the reason for this decrease, so the liability limit going up from \$500,000 to a million basically was just a little too much. And Senator Slama explained how it works, but basically the fund is paid for by a surcharge on the premium. And if we increase the rate too much, to a million instead of \$800,000, then the fund will have too much money in it, and then we-- you know, we don't want to have, I guess, a lot of money just sitting around for no reason, and that the claims over that amount will not be enough to actually draw down the money in the fund. So essentially, that's-- that's why Senator Slama has brought this amendment, and now that I understand that, I will not oppose her amendment after I told her I would. So I'm just standing up to-- to kind of explain my thought process on that after I told her that I didn't like the amendment. But now I think I'm OK with the amendment and that I do appreciate the bill overall. I do like the idea of increasing the limit, but this stepped-up approach and then that delayed implementation gives folks a little bit more time to just make sure that everybody is in the right place. So that's-- that's why I'm at where I'm at. I-- I guess I'll wait and see if anybody else

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says anything. Maybe I'll still vote for the amendment. Maybe I'll still vote against it. I guess I haven't decided yet. I'll wait and see how the debate goes, but I'm not violently opposed at the moment. Thank you.

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

**M. CAVANAUGH:** Thank you, Mr. President, colleagues. So I oppose the amendment for some of the reasons that Senator John Cavanaugh stated. I also don't violently oppose the amendment. I support the underlying bill, and I'm-- I'm thankful to Senator Slama for bringing it. I think it's important that we do make this change, and if the body today decides to adopt the amendment, I will still vote for the bill. I-- I think the original bill amount is appropriate, but I guess I'm also now torn because of the date change and that that is probably helpful for the implementation. So, man, the Cavanaugh's this morning are-- are on-- very torn on this specific amendment. So I'm not going to take any more time on this. I-- I do rise in opposition to the amendment. I support the underlying bill. Whatever the body decides to do this morning, I will be voting for the bill as amended or as not amended. Thank you, Mr. President.

**KELLY:** Thank you, Senator. Senator Conrad, you are recognized to speak.

**CONRAD:** Thank you, Mr. President. Thank you, colleagues, and again, good morning. Almost to a long weekend, after a vi-- vigorous week together on floor debate and in our continuing work in our committee deliberations. I am trying to get up to speed on the measure that Senator Slama has brought forward and the amendment as well. I-- I'm inclined to support it at this juncture in debate because I think she's done a good job of outlining why this measure is important and the hard work that she has done to pull together divergent stakeholders to find consensus and compromise to move the measure forward. But one area that I am a bit concerned about watching how a very similar debate, a very similar measure just recently worked through the Iowa State House and Senate and was a legislative priority of, I believe, Iowa's Governor Reynolds this session, it was a-- it was a pretty significant debate and it raised really important issues in our sister state of Iowa about access to healthcare, and in particular in rural areas. Additionally, there was a lot of debate about how this measure intersected our ability to recruit and retain medical professionals in the state, and particularly high-risk kinds of practice-- practice, like OB/GYN care. And there was a fairly

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vigorous debate in the state of Iowa in a very similar measure just this year about how to address and treat pregnancy loss, in particular, for obstetrics and perhaps an even broader reproductive justice lens. So I'm going to try and look at any potential correlations between those measures to see kind of how that interfaces with our overall goals to increase access to healthcare in particularly our rural areas in Nebraska, issues around maternal health and issues around reproductive justice as this measure continues to move forward this year. Thank you, Mr. President.

**KELLY:** Thank you, Senator. Senator Wayne, you're recognized to speak.

**WAYNE:** Thank you, Mr. President. Colleagues, so I'm going to start a couple of times here, and I'm not taking time to take time, but I have a very similar bill to this that at the end of the bill changes the caps limits. So normally any bill that deals with this section of law goes to Judiciary, but for whatever reason, it went to Banking and Commerce because they didn't deal with the medical malpractice caps. So I got a pr-- issue with how the bill was referenced, but that's neither here nor there. I guess I lost that battle. But the other issue is, do people actually know what this fund is for and what it does? This fund is actually part of a medical malpractice cap that the fund actually-- we are capped in Nebraska at \$2.5 million. Now, why is that important? Because if it is any significant medical malpractice, you blow through that cap. And in fact, there are many jury awards where a jury found that ongoing medical expenses could be anywhere from \$10-12 million and issue a family those dollars, and because of our statute it's reduced back down to 2.5. Why is that important? It's important because the state picks up those dollars and here's how the state picks up those dollars. Typically, if you have a catastrophic event in your family-- this particularly happens with young people, particularly children-- they typically, after one or two years, blow through their insurance and have to go on Medicaid. That's how the state picks it up. So by lowering this cap, it's actually a preemptive strike on another bill in a different committee as far as increasing the medical liability, medical malpractice. And why is that important? I'm going to give you a scenario. And so on Select File, I am going to bring an amendment, but I'm going to give you a scenario and if you can tell me in good conscience this is OK, then I'll pull the-- I'll pull the amendment on Select File. If somebody can get on the mic and tell me in good conscience this scenario is OK, I will pull it. So the scenario is this. A doctor wakes up in the morning and goes to work and decides to start drinking, drives to work and decides to start drinking. At 1:00, that doctor performs a surgery. During that surgery, because he's intoxicated, he does some things wrong or she

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does some things wrong. That doctor later goes back to their office, sits down to have some more drinks, and then at 4:00, decides to drive home, gets in a car wreck and kills somebody and maybe injures a couple other people in that family. If sued, the doctor during his surgery, using his medical professional license, is capped at 2.5 in all damages. That's the most that doctor is liable for. But if I-- if he leaves his work and drives drunk and hits somebody, there is no cap. Explain to me in good conscience how that is good, knowing that the state is going to pick up that person's medical bills through Medicaid, because if it's that catastrophic of an injury, insurance just doesn't cut. So they all end up going on Medicaid by either buying down their assets or, if it's a kid, just signing up for either a DDD waiver or something like that. That-- that is the problem I have with the amendment, is it's reducing the amount that will eventually go into the fund to preemptively strike on another bill that could actually have a debate in this body about raising the cap. And what my bill does, it doesn't get rid of the cap. It raises it a little bit.

**KELLY:** One minute.

**WAYNE:** But it says, if you perform such negligence in a professional manner that is catastrophic to somebody, that that means ongoing medical expenses, then you should be held liable. Tell me if that-- Senator von Gillern, in construction, we don't have a cap. Well, I don't have a construction company no more, but we don't have a cap. Well, that-- and they'll argue that increases costs, well, that increases affordable housing costs. No, no, no. Tell me why that is a good policy, that for catastrophic events, it's still a cap of 2.5. That's no more than probably four or five surgeries and a couple of weeks in a hospital. That's my problem with this amendment, is it's a preemptive strike on another bill. We need to have both bills on this floor and have a complete conversation about whether, one, the cap is still a good policy due to inflation and everything and the rise in medical costs. And by the way, we're only like one in five states that have a cap, so--

**KELLY:** That's your time, Senator.

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

**KELLY:** Senator Wayne, you're recognized to speak.

**WAYNE:** So they'll argue and they'll hear-- say at the hearing it's going to drive up medical costs. They've never produced a state that has-- not-- not-- doesn't have a cap that has higher medical cost. So

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that's my problem with how we got to this bill, is on re-referencing. I lost that fight, not gonna deal with it. But understand this bill got out of committee early. I just set my hearing for next Friday for the med mal cap. But I think we need to have a full conversation about this bill and both sides of the coin of why this medical malpractice fund or this fund is so important. But-- but it-- should it be capped for-- and I'm not even getting rid of the cap. I'm just saying for catastrophic injuries, nobody can get on the mic and tell me why it's a good policy for that doctor under-- performing underneath his license is capped, but if he drives home it's not capped. Doesn't make sense. So we need to have a full conversation. I'm not going to take up a lot of time today because, one, I didn't know it was on the agenda because I thought we were still going to be, you know, delaying like we've been doing the last three days, so I drove down not looking at it. So I'm not going to-- this is my last time speaking on this, but understand, on Select File there will be an amendment. I will have homework for everybody with tons of jury awards that were reduced that now the state is picking up those tabs, and we need to have a full conversation about what this section of law actually means throughout Nebraska but tech-- typically to the families who are now dealing on Medicaid and dealing with things that they thought they would never have to deal with because of professional malpractice on the result of surgery-- surgeons and other people. Thank you, Mr. President.

**KELLY:** Thank you, Senator. Senator Conrad, you're recognized to speak.

**CONRAD:** Thank you, Mr. President. And I really appreciate Senator Wayne's comments on both the procedure and substance related to this legislation. The other point that I wanted to be consistent about in regards to the debate is I understand that part of the compromise that Senator Slama is trying to forge between divergent interests in relation to the amendment is also related to our budget and the Governor's budget proposal and what's been put forward in a preliminary sense from our Appropriations Committee, which has, you know, a very limited, if any, sort of increase or support in Medicaid and provider rates kind of writ-large and how that impacts access to healthcare all across Nebraska, but particularly in rural areas. And I think it's really important that we're thoughtful about ensuring, you know, what resources we provide through our Medicaid program, kind of how that interfaces with measures like this. And I don't think that those dialogues should be divorced because, in fact, the-- as I understand it, they were definitely part of the compromise and consensus contained in this legislation. So again, I'm inclined to support the-- to advance the measure today, but I do look forward to additional debate, deliberation and potential amendments from Senator

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Wayne and others. And I do think that this needs to be held at a certain point until we can get some clarity on how the body is going to take up Medicaid provider rates moving forward. Thank you, Mr. President.

**KELLY:** Thank you, Senator. Senator Slama for closing on the AM371. Senator Slama waives closing. The question before the body is the adoption of AM371. Senators, all those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

**CLERK:** 31 ayes, 0 nays, Mr. President on adoption of the amendment.

**KELLY:** The amendment advances and is adopted. Senator Slama to close on LB68.

**SLAMA:** Thank you, Mr. President. I wanted to wait until the closing on the overall bill to offer a couple of responses to some of the concerns that were raised. Unfortunately, they came out of a little bit of left field for me. This was a noncontroversial bill that came out of committee 8-0. The compromise amendment simply does exactly what Senator Conrad was talking; and lowering that required \$1 million worth of coverage down to \$800,000, that was after concerns raised by the Nebraska Hospital Association about cost for providers, so we're actually addressing that concern with the amendment that we just adopted. Thank you all very much for your green votes on that. In terms of rural medical providers, most already have that \$1 million coverage. Where we run into issues are the larger medical providers that contract out their employees that normally take about a \$500,000 insurance policy. And I would argue the insolvent-- having an insolvent Excess Liability Fund is a far greater threat to healthcare in Nebraska than increasing the cap on insurance. In terms of referencing, this went to Banking and Insurance because LB68 deals purely with the insurance under the Med Mal Liability Act. It doesn't touch the cap. Those are not-- those are entirely separate issues. So I am looking forward to a discussion with Senator Wayne, probably a very spirited debate on Select File as to why we should not be adopting his amendment to bring the cap increase on because it adds additional issues, complicating factors on what is intended to be an incredibly simple bill to address a very clear and simple problem of this fund is not going in the right direction. We need to maintain it and prevent insolvency to protect our healthcare system in the state of Nebraska. So I would appreciate your green vote on LB68, and I will be more than happy to have any discussions I need to have behind the scenes to assuage any concerns going into Select File. Thank you, Mr. President.

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**KELLY:** Thank you, Senator Slama. The question is the advancement of LB68 to E&R Initial. Senators, all those opposed-- or those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

**CLERK:** 36 ayes, 0 nays on advancement of the bill.

**KELLY:** The bill advances to E&R Initial. Mr. Clerk, next item.

**CLERK:** Mr. President, Senator-- a letter first from Senator Geist designating LB447 as her personal priority for the session, LB447, Senator Geist's personal priority. Next bill, Mr. President, LB3, introduced by Senator Sanders; it's a bill for an act relating to bonds; amends several sections within Chapter 10, as well as 13-509; changes provisions relating to levying of taxes for bond sinking funds; provides for levying taxes for bonds prior to the bond being issued, and a deadline for notifying the county assessor of approved bonds in order to correct valuation of property; harmonize provisions; repeals the original section. Bill was read for the first time on January 5 of this year and referred to the Banking, Commerce and Insurance Committee. That committee placed the bill on General File. There are no committee amendments, Mr. President.

**KELLY:** Senator Sanders, you're recognized to open.

**SANDERS:** Thank you, Mr. President. Good morning, colleagues. Today I'm introducing LB3 to clean up a bill the Legislature passed last year. First, I would like to thank the Nebraska Association of County Officials for bringing us this bill. Last year, the Legislature passed LB1165, which I introduced. The bill allowed public entities with a bond issue that had been approved by a-- by the voters to include that-- the bond within their levy prior to the bond being issued. This was done in order to save time and to avoid change interest rates over time. The bill passed the Legislature on consent calendar with no opposition, and it was signed into law April 18. Last year, Palmyra schools in Lancaster County passed a bond issue on August 9. As LB1165 allows, they immediately planned to include the bond in their levy. However, there was a reporting delay to the county assessor. Since all county assessors certify taxable valuations and growth value on or before August 20 of each year, it was difficult to build the new tax district for the bond at that time. LB3 would fix this issue by setting a deadline for reporting a bond election to the county assessor. This deadline would mirror the deadline for reporting annexations, specifically, August 1 for cities of the metropolitan class and July 1 for other entities. This should prevent county assessors from having to race to the-- race the clock in any future

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August bond elections. Also, in Section 1, LB3 makes a technical cleanup to reflect the actual practice of the county board. Rather than the clerk levying taxes for bond sinking funds, the clerk would place this information on the tax rolls. LB3 was heard by Banking, Commerce and Insurance Committee on January 31. The bill was passed, committee, on an 8-0 vote, and it was supported by the Nebraska Association of County Officials and the League of Nebraska Municipality [SIC]. I would ask for a green vote on LB3 to advance this to Select File. Thank you, Mr. President.

**KELLY:** Thank you, Senator. Senator Slama, you're recognized to speak.

**SLAMA:** Thank you, Mr. President. I-- I feel legally obligated just to correct the record that Palmyra Schools is a wonderful school district in my district, District 1, in Otoe County. But I'd encourage your green vote on LB3, which is a cleanup bill to a consent calendar bill. Thank you, Mr. President.

**KELLY:** Thank you, Senator. Senator Sanders to close. Senator Sanders waives closing. The question is the advancement of LB3 to E&R Initial. Senators, please record your vote. All those in favor, aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 35 ayes, 0 nays on advancement of the bill.

**KELLY:** LB3 advances to E&R Initial. Mr. Clerk, next item.

**CLERK:** Mr. President, LB93, introduced by Senator Slama; it's a bill for an act relating to insurance; amends Sections 44-319.02, -.03, -.06 and 3308; changes provisions relating to security deposits required to be deposited by insurers with the Department of Insurance; harmonize provisions; and repeals the original section. Bill was read for the first time on January 6 of this year, referred to the Banking, Commerce and Insurance Committee. That committee placed the bill on General File with no committee amendments.

**KELLY:** Senator Slama, you're recognized to open.

**SLAMA:** Thank you, Mr. President, and I apologize to everybody for having to deal with me this morning. Today, again, I'm asking for your green vote on LB93. LB93 would amend Nebraska Revised Statutes in Chapter 44. These statutes require mandatory security deposits to be made to the Department of Insurance by domestic insurers, nonexempt domestic assessment associations, foreign insurers and assessment associations and insurers dealing in legal expense in-- insurance. Under current law, those named categories of insurers can only name

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policyholders as the beneficiaries of the mandatory security deposits. LB93 would make it so that those insurers could name either just policyholders or both policyholders and creditors as the beneficiaries of the mandatory security deposits. These security deposits are required by states on a retaliatory basis, and states will often admit a company if they have made a deposit for the same purpose in another state. The issue in matching the purposes for the deposits is that there are some states that say these deposits must be for the benefit of all policyholders, and there are other states that say the deposits must be for the benefit of creditors and policyholders. Changing our language to policyholders or policyholders and creditors allows a deposit made with us to satisfy those other states' requirements and also means if a foreign insurer who wishes to do business in Nebraska has made a deposit in another state already, that deposit would satisfy our requirements and they would not need to make another. So like 10,000-foot view, this just adjusts our language so that we can have policies that apply to all of the different language offered in different states. Again, I'd appreciate your support for LB93, which advanced from committee 8-0. Thank you, Mr. President.

**KELLY:** Thank you, Senator Slama. Senator Slama, you're recognized to close. She waives. The question is, shall LB93 advance to E&R Initial? Senators, please record your vote. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 35 ayes, 0 nays on advancement of the bill, Mr. President.

**KELLY:** The bill advances. Mr. Clerk, next item.

**CLERK:** Mr. President, LB278, introduced by Senator Walz; it's a bill for an act relating to persons with disabilities; amends Sections 58-201; provides duties for the Nebraska Investment Finance Authority and Department of Economic Development relating to housing for persons with disabilities; harmonize provisions; provide a duty for the Revisor of Statutes; and repeals the original section. Bill was read for the first time on January 10 of this year and referred to the Banking, Commerce and Insurance Committee. That committee placed the bill on General File. There are no committee amendments. There are other amendments, Mr. President.

**KELLY:** Senator Walz, you're recognized to open.

**WALZ:** Thank you, Mr. President. Good morning, colleagues. Today I'm introducing LB278. This bill guides the Department of Economic Development and the Nebraska Investment Finance Authority to obtain

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state and federal grants to create safe, accessible, affordable housing to help fulfill the goals of the Olmstead Plan. Since we have a lot of new senators and this is the first bill up regarding the Olmstead Plan, I do want to give a little bit of a background. In 1999, the Supreme Court made the Olmstead decision and urged every state to develop an Olmstead Plan. The case settled that requiring people to receive services in a setting isolated or separated from community was discrimination against people with disabilities. Here in Nebraska, we did not have an Olmstead Plan until 2016, when Kathy-- Senator Kathy Campbell introduced and passed LB1033, which required the Department of Health and Human Services to develop a plan. This brings me to 2019, when I introduced LB570, which required Department of Health and Human Services to hire an independent consultant to assist with the analysis and the implementation of the Olmstead Plan. In December 2021, we received that report back. It found that there has been little progress made in increasing access to safe, affordable and accessible housing for individuals with disabilities. It also noted that increasing the supply of affordable, accessible housing units for individuals with disabilities must become a priority for Nebraska. The report also noted that the Department of Economic Development and NIFA should take more of a leadership role in prioritizing state and federal resources to provide housing for people with disabilities, which brings me to LB278-- LB278 that I'm introducing today. One of the most important factors for individuals with disabilities to live or to continue to live independently is having safe, accessible and affordable housing. There is a severe shortage of housing like this in our state, and we actually lost quite a bit during the flooding in Sarpy County in 2019. This bill helps guide more funding and attention to this vital gap in our housing system. This bill is pretty straightforward. In Section 2, it addresses NIFA's role in fulfilling the housing goal set forth in the Olmstead Plan. It also asks that NIFA work with DHHS to-- in obtaining these grants. Section 3 reflects the exact same language, but for the Department of Economic Development's role. We also know that housing is a massive issue in Nebraska, and it's one that all Nebraskans are dealing with. I can't even begin to imagine the struggle that individuals with accessibility issues are having in finding appropriate homes. Since we are looking at housing in this body, we must also ensure that we are including individuals with disabilities and that it is appropriate, safe-- and that it is appropriate and safe, while taking into account those who have a limited income. LB278 received no opposition testimony and was voted out of the Banking Committee unanimously. I've also introduced an A bill for the

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Department of Economic Development to carry out-- to carry this out.  
Thank you, Mr. President.

**KELLY:** Thank you, Senator. Mr. Clerk for an amendment.

**CLERK:** Mr. President, Senator Walz would move to amend with AM125.

**KELLY:** Senator Walz, you're recognized to open.

**WALZ:** Thank you again, Mr. President. I am introducing AM125 on this bill. I worked with NIFA on this amendment because they had pointed out that we should be clear in our language that all three entities need to work with each other. So in subsection (3) of both sections, we are adding the Department of Economic Development to NIFA's section and NIFA to DED's section. There was also a concern that it may seem like no singular entity is in charge of obtaining these grants, so the amendment simply requests that DED will use its best efforts to coordinate and contract with NIFA to develop and administer grants to fulfill the goals of the Olmstead Plan. With that, I ask for your-- for you to vote yes on the amendment and to add-- to add clarity to the bill and vote yes on the underlying bill. Thank you, Mr. President.

**KELLY:** Thank you, Senator. Senator Dungan, you're recognized to speak.

**DUNGAN:** Thank you, Mr. President. Colleagues, I rise today in support of AM125, as well as the underlying LB278. As I indicated earlier, I am on the Banking Committee. And so when we heard testimony-- or when we had the hearing, rather, about this bill, it struck me as incredibly important and I wanted to take a second here to make sure that we all understand not just the gravity of what we're talking about, but also some of the context that we're talking about here. I think Senator Walz did a fantastic job of describing what the Olmstead decision was, and I was unfamiliar with that prior to the hearing. And so even to expand upon that, the-- this was a Supreme Court case back from, I believe, 1999, and it originated when two women-- their names were Lois Curtis and Elaine Wilson, and I think it's important to remember we're talking about real people here-- Lois Curtis and Elaine Wilson had been diagnosed with various mental health conditions as well as intellectual disabilities, and they were repeatedly sent to state hospitals because they were unable to obtain supports in the community. Ultimately, they-- they appealed this decision or they-- they filed the case, and it was taken all the way up to the Supreme Court. And the Supreme Court essentially said that it violates the American Disabilities Act [SIC] by having this unjustified segregation

and essentially requires that we do our absolute best to provide services in an integrated setting as best as possible. Frankly, I think it's kind of shocking that it took as long as it did to get an Olmstead Plan. But the fact that we have an Olmstead Plan is-- is a big deal. And you can go online and you can look at this at-- there's various ways to find it, but you can look up the Olmstead Plan in Nebraska. Disability Rights Nebraska has a lot of information about it. But I think one thing that we need to make sure we keep in mind is there are other factors to the Olmstead Plan beyond housing. So what we're talking about here today is housing and that is an incredibly important factor. Folks in the special needs community, the developmental disabilities community need to make sure they have access to affordable housing. But there are other goals as a part of that Olmstead Plan, and I'm going to go over them quickly, because we're failing as a state to take care of our folks in the DD community and in the physical disabilities community. Goal one, increasing access to community-based services and supports, that's broad and general, but we need to make sure that we have access to those community-based supports. There are organizations, nonprofits and companies that are doing incredibly difficult work out there in the community right now to provide both programming and additional social programming for folks in the DD or in the special needs community. But they need our help and we as a Legislature need to do more to make sure they get the funding they need and that they get the access to things they need to continue to serve our community. Goal number two, access to safe, affordable and accessible housing, that's what Senator Walz's bill here does a fantastic job of, and it doesn't really require any additional money from Nebraska. It just says we have to apply for these grants and not leave money on the table. Right now, we are potentially leaving money on the table that could be helping folks in our DD community and in the disabilities community at large. Goal three, serving individuals in appropriate integrated settings, that has sub-goals such as diverting admissions to and facilitating transitions from institutional care, diverting admissions to segregated settings, and reducing homelessness and involvement with the justice system. Colleagues, I served as a public defender for almost nine years, and I can tell you that almost every single client that I represented had some diagnosable issues, whether they were mental health issues, substance use disorder issues. And, yes, many of them were dealing with intellectual disabilities or developmental disabilities, and we need to be doing more to make sure those people aren't ending up justice involved and they aren't homeless. In addition to that, goal number four is increased access to education and choice and competitive integrated employment opportunities. Goal

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number five is increasing access to transportation. That's an important one that I think we don't all think about. Our friends in the-- the DD community or the disabilities community can't drive themselves places sometimes, and they rely on local transportation systems like our-- our bus system here in town where they have to sign up for their bus every single week. And they have to go online sometimes and they have to say, hey, I need another pickup this Wednesday so I can go to my job. And if they don't get that signed up or if the bus isn't available, they can't go to work. And I personally know people who utilize these services, and I'm very proud of Lincoln for providing them, but we need to make that transportation more accessible. Goal number six is services and supports reflect data-driven decision making. Goal number seven is that services will be provided by a high-quality workforce. So I guess the reason I label those is not just to waste time, because I know we're getting a little late in the day here, but I need to make sure we all understand that we have an Olmstead Plan, but we need to be looking at it and paying attention to it on a regular basis. And there's actually recommendations that are given as of the last report. Those recommendations are that all state agencies--

**KELLY:** That's your time, Senator.

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

**KELLY:** Senator Conrad, you're recognized to speak.

**CONRAD:** Thank you, Mr. President, and good morning, colleagues. I rise in support of Senator Walz's underlying measure, LB275, and the pending amendment that she brought forward. And much akin to the comments brought forward by Senator Walz and my friend Senator Dungan, I just also wanted to take a moment to acknowledge how this is an important piece in the puzzle in terms of addressing a couple of key policy goals, the first being strengthening our safety net, particularly for Nebraskans who are vulnerable and who are living with disabilities, working with disabilities, and key parts of our community. And I know that typically I-- I think that the Legislature perhaps is at its finest over the years when it comes together and puts aside political differences, geographical differences, and-- and really tries to keep a focus on the human rights and the human dignity of Nebraskans living with developmental disabilities and other disabilities. And I appreciate the work that Senator Cavanaugh and others have done in bringing forward and strengthening different safety-net programs to ensure that all Nebraskans have an ability to live life with safety and dignity, and that goes for Nebraskans with

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disabilities who need to access housing. So I appreciate that this is an important piece of the puzzle in strengthening our social safety net for Nebraskans with disabilities. The other piece that I think is really exciting and important about this legislation, and Senator Walz-- excuse me-- touched on it a little bit, was you might remember, colleagues, that there was a briefing early in our legislative session. I think Senator Briese and Senator Vargas were the co-hosts of that briefing, but it really sought to shine a bright spotlight on our-- our needs to work together to continue to strengthen our policies to support housing and workforce housing and-- and housing for vulnerable communities. And it took an opportunity to kind of address where we are with our housing policy in Nebraska, take an evaluation of some of the existing programs and policies that we had put in place to address our housing needs and housing crises in Nebraska, and then kind of tee up a broader conversation about how to continue that work together in this-- this very legislative session with ARPA funds, General Funds, and other sort of revenues and resources that we have available. And again, colleagues, what I think is so exciting about discussions like housing or discussions to strengthen our social safety net is that this provides us an opportunity to really get into some meaty debate on some critical issues that impact all of our districts and all of Nebraskans. And again, it was striking to me, absolutely striking to me on the campaign trail, talking to voters in north Lincoln as I was doing my door-to-door canvass, in talking to stakeholders across the state and across the political spectrum that had issues and interest pending for this body about what are the top issues that you want us to focus on? Where do you want us to spend our time and energies if we're honored to be elected and have a chance to serve in the Nebraska Legislature? And the response was resounding and consistent. Workforce is our number one challenge in Nebraska, from ag groups to education groups to business groups to small and large business owners to educational professionals. And so, OK, we have clarity. That is the North Star. That is the focus. Economic development, workforce development, that needs-- that's the top issue facing Nebraska. OK. Complicated issue with a lot of attendant--

**KELLY:** One minute.

**CONRAD:** --solutions-- thank you, Mr. President-- to address those workforce challenges. Childcare, housing, education, job training, infrastructure, those are some of the-- the key ways that we address those workforce challenges. And the housing components in this legislation are, again, a small but important part of recentering our conversations in this body to focus on the issues impacting the

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majority of Nebraskans, and that will help to move our state forward together. Thank you, Mr. President.

**KELLY:** Thank you, Senator. Senator Kauth, you're recognized to speak.

**KAUTH:** Thank you. I rise in support of this bill and the amendment. I'm not going to reiterate what Senators Dungan and Conrad and Walz have said. This is a very, very worthy bill. It has a very minor fiscal note and it brings us in compliance with the Olmstead Plan, which, as they have said, is incredibly important to those individuals who are living with disabilities. So I would like to just reiterate my support for this bill.

**KELLY:** Thank you, Senator. Senator Dungan, you're recognized to speak.

**DUNGAN:** Thank you, Mr. President. I just want to finish up my thoughts that I was saying earlier before I ran out of time. But the Olmstead Plan evaluation that we have here as a state has updates, as I was saying. I believe these were from 2021 and they actually install in their future plan recommendations in addition to the actual goals. And I just want to make sure we all understand what those recommendations are because these can be the guiding light or the North Star for how we view a lot of these issues that deal in the developmental disabilities and other disabilities community. One, all state agencies should move beyond process measure-- measures and identify strategies aligned with data-informed outcome measures. Two, DHHS should seek overt support from the Governor's Office. An order or proclamation in support of Olmstead can go a long way in gaining meaningful participation from all agencies needed to enhance the state's Olmstead Plan. Now, I don't know if our Governor has done that yet, but I would at this point urge our Governor just to make that sort of proclamation or that instruction. I've spoken with Governor Pillen a number of times, and I know that he's incredibly genuine about helping Nebraskans all across the spectrum. And so I want to make sure that from the top down, our state does have that guiding light, again, of supporting folks in the disabilities community. Three, DHHS should continually educate and work collaboratively with the State Legislature. Meetings with legislative champions and with the Human Services Committee could provide opportunities to garner support for and work together on Olmstead-related issues such as direct care, workforce pay, waiver waiting lists and housing instability as a social determinant of health. Four, DHHS should highlight the commitment the agency has made to Olmstead in downsizing institutional beds and terminating funding for services in segregated settings, repurposing those resources to support community-integrated

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opportunities. And finally, five, Olmstead should be the lens through D-- through which DHHS and all agencies view their efforts to serve and support Nebraskans with disabilities. Colleagues, I know that's a lot and I apologize for talking so much here towards the end of the day. I know we're trying to get through all these bills. But that last one, that this should be the lens through which DHHS and all agencies views things I think is very important to hit. We talk a lot about folks in this body who are left behind. We talk a lot about folks who don't get included in the conversation. One thing I said about why I wanted to come to the Legislature is I think it's our job and it's imperative upon us to amplify the voices of other people who don't always have the opportunity to have their voices heard. That's a number of groups, and one of them in particular is the community that we're talking about here. The DD community, the physical disabilities community, other special-needs folks don't always have their voices heard. And we need to make sure that they actually have representation, not just from an interest group or a lobbying group or an activist group, but from us, because these people are folks that we all know. They're people that affect people we all know and they need housing now. This is not something we can kick down the road. There are people with disabilities who are homeless today on the streets in the snow, and they need housing today. And so this bill is something we can do that gets towards that. It's one step along the way. But I would urge my colleagues, in looking at our legislation moving forward, whatever it is we're talking about, think about these folks. Think about our friends in the DD community. Think about our friends who don't always have a voice, and I'd urge you to take that into consideration when you make decisions about bills. And so I would again ask for your support of both AM125 as well as LB278. Thank you.

**KELLY:** Thank you, Senator. Senator Murman, you're recognized to speak.

**MURMAN:** Yes. Thank you, Mr. Lieutenant Governor. I feel compelled to make some comments from someone that does have direct experience with developmental disabilities. The Olmstead decision is-- hasn't always been the best thing for everyone that's developmental disabled. I remember-- I look at it as being kind of similar to when we closed down our state mental institutions back 20 years ago or whenever it was. It's not ideal for all developmental disability people to be out in the community so much. Before the Olmstead decision was more strictly enforced, I guess you could say, in the state, a lot of the de-- developmentally disabled people did get out in the community a lot, as much as they really wanted to. And when strict enforcement of this decision is done, it has unintention-- unintentional consequences. For instance, in greater Nebraska, there's not so many

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places for developmentally disabled people to go and they end up, you know, riding around in vans a lot, and it's not as good for those that care for them or the people themselves. They-- they may have to be in libraries a lot and where-- you know, those kinds of places, recreation, whatever. They don't have as good of ba-- restroom facilities, can't be changed and those kinds of things. They can't serve-- receive their services that they need, as well, when they're away from what they used to call workshops. They-- that's not a good term for it, but a home-based facility. So there is unintentional consequences. I just wanted to highlight that. I'm not opposed to this bill or the amendment. I do think we need handicapped-accessible housing in the state. But I just want to talk a little bit about the Olmstead Act and-- and the uninten-- intentional consequences that happened and-- and are happening as a result of that. Thank you, Mr. Lieutenant Governor.

**KELLY:** Thank you, Senator. Senator Walz, you're recognized to close on AM125.

**WALZ:** Thank you, Mr. President. First of all, I want to thank everybody who stood up and talked. And I also want to thank Senator Murman. We have had a lot of conversations about this and I know that this is an issue that Senator Murman is-- is very concerned about, as-- as well as I am, and I certainly welcome the comments that he's made. Again, I, too, have those same concerns. I think it's important that we remember that we need to use the-- the IPP planning system that's in place and that individuals, their family members and their guardians are participating in that plan and that their voice is heard. Because as Senator Murman said, the last thing that we want is to have individuals forced into vans and out in the community when that's really not the best thing for them. I will say that what I love about the Olmstead Plan is the collaborative effort, looking at all the aspects of a quality life for Nebraskans with disabilities. But what a really great plan to use, whether or not you have a disability. I think that all agencies working together to collaborate to assure that people have access to housing and transportation, all-- you know, all the needed things that they need, is important. So with that, I would close and I would ask that everybody please vote for AM125 and LB278.

**KELLY:** Thank you. The question is the adoption of AM125. Senators, all those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 37 ayes, 0 nays on adoption of the amendment.

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**KELLY:** The amendment is adopted. Senator Walz to close on LB270. Senator Walz waives. The question is the advancement of LB278 to E&R Initial. Senators, record your votes. All those oppo-- all those in favor, aye; all those opposed, nay. Mr. Clerk, record.

**CLERK:** 36 ayes, 0 nays on advancement of the bill, Mr. President.

**KELLY:** The bill advances. Mr. Clerk, next item.

**CLERK:** Mr. President, next bill, LB536, introduced by Senator Slama; it's a bill for an an act relating to insurance; amends two sections within Chapter 44; change provisions relating to investment by insurers in preferred common stock; and repeals the original section. Bill was read for the first time on January 17 of this year and referred to the Banking, Commerce and Insurance Committee. That committee placed the bill on General File with no committee amendments.

**KELLY:** Senator Slama, you're recognized to open.

**SLAMA:** Thank you, Mr. President. And good morning again, colleagues. I promise I'll make this quick. I'm asking for your green vote, finally, on LB536. I was asked to introduce LB536 by the insurance industry in our state. LB536 is a commonsense bill that updates two pro-- provisions of the Insurers Investment Act, which is in Chapter 44, quote, to protect and further the interests of policyholders, claimants, creditors and the general public by establishing standards, requirements and limitations for the investments of insurers doing business in the state. Such standards, requirements and limitations are intended to promote solvency, investment yield growth, investment diversification, investment value stability, and liquidity to meet business needs. LB536 amends provisions related to an insurer's investments in both preferred stock and common stock by eliminating retained earnings qualifications for both types of investments. As corporate practices have changed, retained earnings is not necessarily a good indication of whether or not investment in a corporation's stock is a sound investment. This change will match the state law in most other jurisdictions and will provide domestic insurers more flexibility. Again, I'd appreciate your support for LB536, which advanced from committee 8-0. Thank you, Mr. President.

**KELLY:** Thank you, Senator. Senator Slama is recognized to close, waives closing. The question is the advancement of LB536 to E&R Initial. Senators, please record your votes. All those in favor, aye; all those opposed, nay. Record, Mr. Clerk.

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**CLERK:** 31 ayes, 0 nays, Mr. President, on adoption-- or, excuse me, advancement of the bill.

**KELLY:** The bill advances to E&R Initial. Mr. Speaker for a message.

**ARCH:** Thank you, Mr. President. Colleagues, thank you very much for your commitment to being here today in spite of the weather and for the work that we accomplished. Thank you very much. Public hearings will be held this afternoon. Due to the inclement weather, however, we've extended the deadline to 5:00 p.m. today for online position comments for the public hearing record for the bills being heard this afternoon. This deadline extension was made to accommodate those members of the public who are unable to travel to the Capitol today due to the weather. If you are a Chair, your committee clerk will be providing you with language to read into the record that, due to inclement weather and an extension of the online position comments for today, additional position comments may be added to the public hearing record. Please be sure to read this statement into the record for each bill today. After today, senators have a four-day weekend. We'll reconvene at 9:30 a.m. on Tuesday. Chief-- Chief Justice Heavican will be presenting the State of the Judiciary at 10:00 that day. Next week, we'll be continuing General File debate of worksheet order bills. Also beginning Tuesday, the Legislature will have access to the Wherry Room for use as a senators' lounge. Senator Briese, as Chair of the Executive Board, will be sending out more information about the use of the room. Thank you again for today.

**KELLY:** Thank you, Mr. Speaker. Mr. Clerk, items?

**CLERK:** Mr. President, single name add: Senator Holdcroft, name add to LB126. Priority motion: Senator Slama would move to adjourn the body until Tuesday, February 21, 2023, at 9:30 a.m.

**KELLY:** The question is, shall the Legislature adjourn for the day? All those in favor say aye. All those opposed say nay. We are adjourned.