

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate March 30, 2023

ARCH: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the fifty-third day, for the fifty-third day of the One Hundred Eighth Legislature, First Session. Our chaplain for today is Reverend Brenda Peters from Unity of Omaha from Senator Wendy DeBoer's district. Please rise.

REVEREND PETERS: I invite you all to join me in prayer. Gathered here today, we first bless this space, infusing it with harmony, love, and unity. And we also bless all who are gathered here today, infusing them also with harmony, love and unity and giving them the strength and the courage for the work that is before them. We also honor those who have come before us having the foresight to show the country that we can work together as one. And we also give gratitude. Gratitude for those of you who are here doing the hard work. Gratitude for your sacrifices, your service, your passion, and your commitment to the state of Nebraska. And we also give gratitude for the blessings that we have and the blessings yet to come. And so it is. Amen.

ARCH: I recognize Specialist 4th Class Ronald Leishman from the 145th Aviation Battalion, Army, Lincoln, Nebraska, from Senator Eliot Bostar's district.

RONALD LEISHMAN: 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.

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

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

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

CLERK: There are no corrections this morning.

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

CLERK: There are, Mr. President. Motions to be printed from Senator Hunt to LB11, LB14; Senator Machaela Cavanaugh to LB35; Senator Hunt to LB50; Senator Machaela Cavanaugh to LB61; Senator Machaela Cavanaugh to LB63; Senator Hunt to LB71 and LB77; Senator Machaela Cavanaugh to LB78. That's all I have this time, Mr. President.

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ARCH: Thank you. Senator Wishart, you are recognized for a personal point of privilege.

WISHART: Thank you, Mr. President. Colleagues, I, I think this might be the first time I've ever done a personal point of privilege, but I think this announcement is really worth it. Senator Cavanaugh gave us a preview of this, but yesterday we got word that Senator Slama passed the bar, which is just a huge feat to do not only in itself, but also to do it while she's serving in the Legislature. And I've been thinking about this yesterday and, and then over the evening, how important it is to lift up these moments for everybody, but especially for young women to see the ability to serve your state and also move your career forward. So congratulations, Senator Slama. So proud of you and looking forward to seeing what you're doing in the future, not only in your public service but also in your career. Congratulations.

ARCH: Senator Slama would also like to introduce Dr. Rob Rhodes of Eagle, Lincoln, who is serving as our family physician of the day under the north balcony. Senator Bostar would also like to welcome Betty Leishman, wife of Ronald Leishman, who led our Pledge of Allegiance this morning, and Eric Leishman, son of Ronald Leishman. And they are seated under the south balcony. Welcome. Mr. Clerk, first item.

CLERK: Mr. President, first item on the agenda, LB754, introduced by Senator Linehan at the request of the Governor. It's a bill for an act relating to revenue and taxation; amends Sections 77-2715.03 and 77-2734.02; reduces individual and corporate income tax rates as prescribed; and repeals the original section. The bill was read for the first time on January 18 of this year and referred to the Revenue Committee. The committee amendments have since been divided to AM1063 and AM1064. There is a amendment from Senator von Gillern that has been adopted. The first division of the committee amendments are pending as well as a Senator DeBoer amendment to those amendments, Mr. President.

ARCH: Senator Linehan, you are given two minutes to refresh us on LB754 and AM1063.

LINEHAN: Thank you. Good morning, Mr. President, and good morning, colleagues. So we're-- the part we're on right now once, once it was divided was the income tax deduction, rate deductions. Part of it is just paying for what we did last year, which took 6.84 to 5.84 over a number of years. Now we're taking it down to 3.99 would be the top bracket over I think it's three or four years. So that is the goal

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here. That part is the income tax. The rest of the package, which I hope we get to this morning, is to adopt a Childcare Tax Credit Act and reauthorize the School Readiness Tax Credit Act, which is Senator Bostar's, reduce-- covered that part-- provide an income tax adjustment relating to federal retirement annuities, which is Senator Blood's bill, which takes care of the people that aren't on Social Security, which are being left out of the changes we made on Social Security, change provisions relating to taxation of Social Security benefits, which is Senator Kauth's bill, which pays-- so we-- last year we were going to do away with taxes on Social Security over a couple of years. Now we're going to do it this year. Also, then there's Senator von Gillern's LB492, which increases the rate of deductions for certain research and experimental expenditures. And also another Bostar and Kauth bill that takes-- clarifies our law that if you come to Nebraska for 15 days out of a year, whether it be for a board meeting or training or sales meeting, that you are not taxed because you're working in Nebraska if you're here for 15 days or less. And then finally, the SALT fix is all in the bill. And I'm here if anybody has any questions. Thank you, Mr. President.

ARCH: Mr. Clerk, for an amendment.

CLERK: Mr. President, first of all-- Senator DeBoer, AM1070, I have a note you wish to withdraw. In that case, Mr. President, Senator DeBoer would move to offer AM1092.

ARCH: Senator DeBoer, you're welcome to open on your amendment.

DeBOER: Thank you, Mr. President. Colleagues, that little bit of maneuvering was just the amendment that I had put up on the board last night what had an error in it. This is the correct one that matches what so irreverently I called the boop amendment last night. This is the amendment-- what this does is it says everything Senator Linehan is doing on income taxes, exactly as Senator Linehan is doing them, exactly on the timeline she's doing them. But after all of the income tax cuts have been put in place that Senator Linehan would like, this would then take an additional 0.25 percent off of the second to highest bracket. So confusingly, that is sometimes called the third bracket because the highest one is the fourth bracket. So I will continue to refer to it as the second to highest because I think that is clear for everyone to understand. So now to refresh what this amendment does is it says that we are cutting substantially the top income tax rate in the top bracket. And this would say we're going to follow Senator Linehan's lead and then when we get done with her cuts, we're going to add a tiny bit more for the middle-income tax bracket

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so that we, one, keep the-- some progressivity in our tax code; two, so that we say we recognize we're giving over a two-year period of bills passed, 3 percent in income tax cuts to the top rate or thereabout, and we are only giving 1 percent to folks who are in that second to top bracket. And this says we're going to give them 1.25 percent. So it isn't an even cut. We're not giving the same amount of tax cuts to the highest bracket as we are giving to the second to highest or the sort of middle-income earners. But we are making it a little more evened out in terms of the numbers between the cuts that we're doing for the highest-income earners and some not all that high, but high-income earners, higher, and then the folks that are in this area. And to remind everyone, we're talking about folks in this second to top bracket. If you're married, filing jointly, this is \$53,000 to \$74,000, more or less. And if you are single, this would be \$36,350. The bottom of that is 30-- or \$25,350. So this is the, the, the income bracket, the income range we're talking about here. And the lovely thing about this little additional tax cut is that for all of you, the vast majority of people in your district, if you vote for this, will get an additional tax cut. Everyone who makes \$25,350 or more in your, in your district single and everyone making \$53,500 or more if they are married filing jointly will get a tax cut. So voting for this tax cut for almost everyone in your district. So that's a nice thing. That's a nice thing to give your, your constituents. It also helps to preserve a very nice kind of distinction between the, the tax brackets we would end up with at the end when it's all put into place: our highest rate, 3.99; our second to highest rate, 3.75; our third to highest rate, 3.51. So we have a nice kind of even staircase there. And that is-- that's really all this amendment does. It recognizes that we're cutting a lot of taxes here. Senator von Gillern says let's give the money back to the people of Nebraska. And I say let's give the money back to the people of Nebraska and let's give it a little more evenly back to the people of Nebraska. And I'm not criticizing anything Senator Linehan is doing. I just think this would be a very nice addition to her bill and would add a little bit more fairness into the way in which we are doing tax cuts here. And that is not a criticism. That is simply just a suggestion that let's, let's think about the folks who are in that middle class tax cut area, that middle class bracket. Sorry, not middle class, I'm sorry, middle-income, middle-income bracket. And, and let's give them 0.25 more. When folks ask me what it costs, again, we don't have all the numbers, but I'm told it'll be somewhere between \$30 and \$35 million a year when it's fully implemented. So that'll be the, the Linehan cuts and then four years out or whatever it is when hers are fully put into place will add about \$30 million, \$35 million, whatever it turns out to be at

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that time, to give those folks who are making between, again, \$53,000 and \$73,000 or so married filing jointly or single \$25,000 to \$36,000 to give them a little more of a tax cut. And that's what it does. So, folks, I would appreciate your vote in support of this motion. And let's get our middle class and the people, middle income and the people who are earning that amount a little more of a tax cut. And let's bring these tax cuts, all of them, to all of the people who live in our districts. Thank you, Mr. President.

ARCH: Senator Linehan, you're recognized to speak.

LINEHAN: Thank you, Mr. President. I actually am not in disagreement with Senator DeBoer on what she's trying to do here. What, what we are always faced with on the Revenue Committee, and this goes back for the last five or six years, is you've got a, you've got a box that you've got to fit a package into. And the box has to include-- this year, our goal is the box includes so much for income taxes, so much for property taxes, so much for school funding, and the Opportunity Scholarship Tax Credit. That's all got to fit in a box. So this amendment, if it's \$35 million, would be exactly what Senator Bostar's part of the package is worth. So it's trade-offs. Is this a better deal than the child tax credits? I would ask that we, we don't add this amendment to the bill this morning. But I will say that if the, if the package can grow, if there is room, I'm not philosophically against this idea. I just don't know how we get it in at this point. There will be, and as I've said this before, unless the world changes dramatically from the time I've been here, there will be a-- this package will probably end up being too big. Maybe not. Maybe forecasters come in and say we got even more money and that's a possibility. Then we could do more. So I just-- I don't know how this fits or if it can fit. And if we do an additional \$35 million, then what we have to do is actually-- because I know there's ag people out in the Rotunda this morning-- if we do another 35 on income taxes, we have to do another 35 on property taxes. So it's just does it fit? Can we make it fit? I am open to those discussions. OK. With what time I have left this morning-- as I think many of you know, at least my staff knows, I get up first, I make my cup of coffee and I read the paper. So this morning-- I read it online. So this morning I'm reading Nebraska Examiner, which I appreciate. They're not even here. I can't believe it. There's one of our press people. Nebraska Examiner I read this morning and there is a story, so I thought I would jump ahead of somebody else handing this out: Job opportunities, not taxes, top of mind when people migrate, UNO researcher says. And I'm not picking on UNO here, I'm just reading the headline. So it says there were two surveys done and neither one of the surveys do taxes come out on top.

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Well, guess what? Neither one of the surveys gave taxes as an option. So when you do a survey and you don't give people the option, it's unlikely it will come out on top. Just so, if you see the headline, we need to read the whole story. And actually, Cindy Gonzalez, who wrote this, did a good job of writing this story because if you read the whole story about a third of the way down, it says taxes are not offered as a specific choice. But there was another category where respondents can specify another factor. She said taxes is not commonly a written response. So I don't know how many people do surveys. I stopped doing them a long time ago because you never know who is doing the survey. And I would suggest people be careful about answering surveys, but-- so you're limited in the number of people you get to, and I assume most of us have seen polling here since we've been involved in elections. And we all know there's several ways to manipulate polling. And then it goes down further to the other survey, again, taxes were not included as a particular question, but in a separate question.

ARCH: One minute.

LINEHAN: The average, an average of 11 percent chose taxes, even though taxes wasn't offered. And in the same survey, 16 percent chose the house-- cost of housing. So you add those two numbers together, because I would say the cost of housing in Nebraska is high because property taxes are too high, so you add those two together and it's 27 percent of the people say taxes and the cost of housing is why they left Nebraska, 27 percent. It's a high number, folks. Thank you, Mr. President.

ARCH: Senator Moser, you're recognized to speak.

MOSER: Good morning, Mr. President. Good morning, colleagues. Good morning, Nebraska. In this discussion of taxes, the discussion has mostly gravitated toward the top rates and the benefits to higher-income individuals. And part of this package that so far hasn't been mentioned is the coupling of the Nebraska standard deduction to the federal standard deduction. I don't know, ten years ago or so, the federal tax plan changed and Nebraska decoupled from the federal tax standard deduction because we couldn't afford it at that point. It was-- had a really, really big fiscal note. And so for those ten years, it's been difficult for Nebraskans to get the same deductions on their state income tax return that they could get on their federal. So the federal standard deduction, depending on how many in the family and filing independently or jointly and all is around \$25,000. And currently the Nebraska standard deduction is 15-something. So by

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mirroring the federal standard deduction, roughly, it's a \$10,000 increase in a deduction. And if you look at the tax table and depending on where you are on the tax table, you move \$10,000 down, you save somewhere around \$250, \$288. So this is savings for low-income filers, lower-income filers, everybody. Everybody is going to save that \$200 or \$300 on their tax. So I know yesterday it was talked about that lower-income people might save \$11, lower-income taxpayers might save, you know, crazy small amounts of money. But moving \$10,000 in the tax table, it's going to save you \$250 to \$300, depending on where you're at. So, again, I know Senator Briese was talking yesterday about you have to look at this in total in the package. You can't just pick on the things that you don't like. You need to look at the total effect of the change in tax rates. And so I support LB754. And I, I know we're going to come to a vote on this in an hour or so. And I look forward to voting for this and moving it on. Thank you.

ARCH: Senator Slama, you're recognized to speak.

SLAMA: Thank you, Mr. President, and good morning, colleagues. I rise today in support of LB754. And like Senator Linehan, open to what Senator DeBoer is proposing on AM1092. I want to make sure that we're not compromising funds that could be used for property tax relief for the sake of growing this particular package. And before I really quickly yield my time to Senator Linehan, I would like to briefly thank Senator Wishart for her kind words on the mike this morning. We've announced my engagement and now my graduation, well, my passing of the bar exam on the floor so it's-- it really means a lot to be able to go through these major milestones with everybody. And it's a privilege to work with all of you. So with that, I'll yield my time to Senator Linehan.

ARCH: Senator Linehan, 4:15.

LINEHAN: Thank you, Senator Slama, and congratulations. I feel like you're growing up in the Legislature. So I want to go back to a few things that were said last night. And we were all-- I was at least, I don't know if all of you were, but I was getting a little punchy last night. And I'm sorry, Senator Raybould, I didn't have a chance, I should have talked to you off the mike here, but we're stacking up this morning. So you mentioned Blueprint Nebraska and that we should read it. And I agree with you wholeheartedly that everybody should look at that. It has several sections of it. I think the, the total report, hard copy-- well not hard copy, but the book was maybe a half an inch thick. This tax package is basically trying to get to exactly

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what Blueprint said we should go. Lance Fritz, who-- CEO of Union Pacific, was CEO of Pacific was one of the cochairmen, somebody from west-- I'm embarrassed, I can't--

JACOBSON: Owen Palm.

LINEHAN: Thank you. Owen--

JACOBSON: Palm.

LINEHAN: --Palm was the other cochair and I met with them a couple of times. I've met with other people that worked on it several times and getting our rate, I think their goal was 4 percent, but that was written before Iowa went to 3.99. So when Iowa went to 3.99, we just shuffled and said we got to at least match Iowa. And in that conversation, and I think if you go back and read the full report, they said we needed to move away from big, big incentive programs that picked winners and losers. And they also said that we should try to find a way to help young people with taxes and keep them in the state. That's all. And I have read it. So I, I do want to know that this is not separated from Blueprint. It's actually very much influenced by Blueprint and obviously by Governor Pilleen, who's on behalf we-- I introduced it. The other thing I want to talk about this morning is the fact that we've capped Senator Bostar's part of the child tax credit. Again, that is not because-- I don't-- I wouldn't-- I have, I've raised children, have several grandchildren. I know how expensive it is. I want to help those families. And that's why I like this. Again, if, if we put this in and it works, there will be an opportunity in the future to raise it if our revenues are strong. And then I don't know how much time I have left, but I'm going to go to how, how strong our revenues are. I've got OpenSky's, OpenSky's briefings for the last five or six years here. And it's basically every year they say pretty much the same thing. I will read from '22: below is the state-- today's forecast provides a rosy state revenue picture, but we also know we are in unprecedented times, as was evidenced by the uncertainty expressed by the several Forecasting Board members in their comments about our economy. Our revenues are being impacted by a range of factors beyond the control of the Legislature, such as a massive influx of federal relief dollars, substantial inflation, workforce shortages. Given this new, we are concerned. And it says-- if you go back six years, they say that same thing, sometimes a little differently, but basically the same thing. So in 2019-- well, let's go back to 2018-19, our revenue is up, we're up 8.7 percent. In 2019-20, our revenues were up 4.8 percent. In 2021, it turns out the Forecasting Board wasn't being nearly rosy enough,

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our revenues were up 13.5 percent. And in '21-22, the Revenue Office, the Fiscal Office, the Legislature all missed the mark by a lot. Our revenues were up 22.1 percent. So now, will there be a downturn? There will. There was a downturn before we got here 2016-- 2015-16.

ARCH: Time, Senator.

LINEHAN: Thank you. I'll return, I'll go back to this if anybody yields me time. Thank you.

ARCH: Senator Jacobson, you're recognized to speak.

JACOBSON: Thank you, Mr. President. Just a couple of things. I kind of want to reiterate a couple of things that were said last night. I, I appreciate Senator DeBoer in trying to bring things. I'm all in favor of tax cuts. OK? If our taxes were zero, that'd be fine with me. OK? So I'm all about tax cuts, but I'm going to tell you that my biggest concern remains property tax. Property tax. Property tax. Property tax. Entirely too high. Now I get the fact that we need to move our headline state income tax rate down to 3.99 to be competitive with the states around us. And I'm fully supportive of that. I agree with the Governor. I agree with Senator Linehan. I agree with the Revenue Committee for bringing that. But we absolutely, positively have to reduce our property tax burden. And as Senator Linehan has laid out, this is a comprehensive package. And every dollar, every dollar of income tax savings has got to be offset also by a dollar of property tax savings. And trust me, there are many, many of us rural senators here who are keeping track. So I'm going to oppose any amendments that have a fiscal note that's going to impact this bill until we get to Select File and know exactly what the property tax numbers are going to be. If we get to Select and the property tax numbers work and the income tax numbers work, I welcome any amendments at that time to look at tweaks. I have no issues at all with what Senator DeBoer is bringing, other than the fact that I'm not going to let one nickel go until we know where the property tax savings are. Show me the money on the property tax side. I'm also going to tell you that one of the concerns that I continue to have are the number of people who are nearing retirement, they're going to sell their business and they're looking at the income tax burden here in this state. And yes, these are going to be higher income because they sell their business and they're going to pay taxes on that. And what they do, if you're faced with paying almost 7 percent of the sale of your company in taxes in Nebraska, but you can go to Florida and buy a home in Florida and be there when that sale occurs, and you don't pay that taxes because you're now a resident of Florida, you're probably going to move to

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Florida. I have a long list of people who have done just that. Florida, Wyoming, South Dakota. Take your pick. It happens. It happens all the time. And if they're younger people, I'm saying younger in their mid-fifties and they retire early, many of them start up another business. Guess what? In Florida, not in Nebraska. You can buy an awfully nice house if you sell a business for a substantial amount of money and you keep 7 percent of that sale roughly, and you use it to buy a home somewhere else for free. That's what's happening every day. Income taxes matter. But if we want savings for everybody, everybody has to live somewhere, and there are property taxes associated with that home that you live in, property taxes help everyone. Every income tax-- every, every tax bracket, you get property tax savings. That's where we need to make substantial progress this year. With that, I'm going to yield the remainder of my time to Senator Linehan, because I think she's got more to her story.

ARCH: Senator Linehan, 1:20.

LINEHAN: Thank you. So again, we've been blessed with incredible revenues: '21-- '20-21, 13.5 percent; '21-22, '21-22, 22.1 percent. Now when we did the budget--

ARCH: One minute.

LINEHAN: --last year, I want you to know that we used zero growth because we were trying to be careful. I didn't agree with zero growth, but I didn't win that argument. So we used zero growth. That is why we have so much money, folks. And what we're basing these figures on going forward and this tax is 3.5. And every-- in the only years that I've been here, right when I got here, our revenues were flat, or actually went up 0.3 percent. But nothing in the last, not since 2008, the largest recession, depression, they're going to call 2008, in, in decades, have we fallen below what we brought in the year before. It is sustainable. Thank you very much, Mr. President.

ARCH: Senator Raybould, you're recognized to speak.

RAYBOULD: Thank you, Mr. President. Good morning, colleagues, and good morning, fellow Nebraskans watching us today. I do want to thank Senator DeBoer, and I do support her efforts to come up with a more equitable way of providing a well-deserved tax cut. And I want to thank Senator Linehan. I got so excited when she talked about how can we enhance the childcare tax credits even more because that will be so impactful to Nebraska families. And, and I want to thank Senator Linehan again about talking about Blueprint Nebraska, which is one of

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my favorite subjects to talk about. Blueprint Nebraska talks about people, land, location. And it says: these assets have always provided the foundation for Nebraska's success. And despite the fact that we have a tremendous reserve that we are so fortunate to have, Nebraska still faces several challenges, particularly around innovation and talent. We've talked about this before, that Nebraska has difficulty retaining and attracting young talent. We're ranked 39th towards the bottom of our ability to attract and retain our population from 25- to 29-year-olds. And we are losing the war on people talent. We are losing the war. Blueprint Nebraska talked about what we can do to really be that shining example, the shining corporations in our, in our state that can attract and retain our young families. And they talk about encourage the private sector to lead by committing to increasing diversity and inclusion. One of the initiatives it spoke about was trying to have training for company wide unconscious bias training. But there are more efforts that it talked about on how to end some of the misperception about our beloved state of Nebraska. You know, we are really facing a crisis when it comes to workforce. We have a labor scarcity that is very unappealing to any corporation. Right now, and I believe the numbers have increased, we have 64,000 job openings. Site selectors-- and I'm going from Site Selection magazine, say companies are more concerned with skill availability, transportation infrastructure, and other factors with state taxes. How can we attract people? I mean, how can we attract corporations when we don't have people to work in those corporations? That is the fundamental thing. And I love talking about Blueprint Nebraska. And, you know, they say we have to be competitive with our taxes. And I commend Governor Pillen for really doing something very innovative and looking at property taxes and how that impacts everyone in our state. That's the number one cause of complaint. Property taxes. You don't hear people complaining about income taxes or corporate taxes. We're going to try to get a handle on both of those. But Blueprint Nebraska was really clear, and I support Senator Linehan's efforts. I would like to see and I would like to propose an amendment to just do it for one year. We're doing a very innovative property tax cut and other things that we're doing in our state. But I would like to see and this is what Blueprint Nebraska repre-- recommends, when it comes to that, taxes, they want to commission a nonpartisan study to reconsider tax policies. If we implement Senator Linehan's package for one year, which is great, we're giving corporate income taxes and we're giving individual tax, tax cuts, which is great. But I think what we need to do is follow what Blueprint--

ARCH: One minute.

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RAYBOULD: --Nebraska says. Thank you, Mr. President. And we need to have a commission, a nonpartisan study to reconsider tax policies in order to maximize growth and opportunity for all. The effort would include a comprehensive review of all taxes, corporate, income, property, and sales to identify optimal rates to promote economic growth. And this study, they encouraged us to get it done as soon as possible, and then we would introduce a clean sheet tax program to keep tax bargains as competitive, efficient, and equitable as possible. And I think that's what Senator DeBoer was trying to get at. Let's make this tax cut more equitable. And I want to say thank you all for providing such a great debate that all Nebraskans love to listen to. And I think we can come up with a great package that will benefit more Nebraskans and particularly be an attraction to young families to come to our state.

ARCH: Time, Senator.

RAYBOULD: Thank you, Mr. President.

ARCH: Senator Fredrickson, you're recognized to speak.

FREDRICKSON: Thank you, Mr. President. Good morning, colleagues. Good morning, Nebraskans. This is interesting, I'm actually, I'm in, I'm in a new spot today. I usually speak on that mike. I sit between Senator DeBoer and Senator Cavanaugh, Machaela Cavanaugh, who is always filibustering. So I always try to maybe-- I, I never get the opportunity to speak at Machaela-- Senator Cavanaugh's actual stand here so I feel like I'm kind of in the sacred grounds of the filibuster here. I also want to give a-- another shout out to Senator Slama for passing the bar. I feel like everyone piled on the accolades on my birthday, so I'm going to jump on that bandwagon and maybe try to embarrass her a little bit. That's a huge accomplishment. Very proud of you and congratulations on that. I spoke yesterday about this on the mike so, you know, we're talking about kind of holistic view this and holistic perspective of the tax cuts. And, you know, I am-- again, I am, I am intrigued by the bill. I, I am really-- I think Senator Dungan and Senator John Cavanaugh, Senator Raybould did an excellent job and Senator DeBoer talking about how can we ensure that we are also supporting middle-class, working families with that and that is essential that we need to do that as well. And, and really having a holistic perspective of when we're talking about attracting businesses, attracting workers, you know, yes, I think tax policy is without a question a, a part of that puzzle, but it's, it's not the silver bullet, you know, we, we, we need to be taking a holistic view in this and a holistic perspective of that. And so that's, that's

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something I, I still feel very strongly about. I've also been very appreciative of the conversations I've been having with Senator Linehan. I know I spoke with the-- the Governor's PRO Office has been able to provide me with some forecasting data, which has been extraordinarily helpful for me as I try to grapple with this. I think the childcare aspect of this bill is-- of this package, I should say, is, is crucial, especially, especially, especially if we're thinking about long-term sustainability of the workforce. I would love to see that be a little bit more robust, to be honest. But I do like that we are including working families in this package and I, I think that, you know, that that's something we need to continue to be mindful of and continue to think about when we're, when we're addressing this. I know that there's a lot of work that is going to be done on this bill between General and Select. I've had those conversations with Senator Linehan. I look forward to continuing to have those conversations, and I know that there's going to be obviously updated fiscal notes and the Forecasting Board is going to be meeting again, I believe, in April. So they're going to be able to provide us with other data and perspectives on what we can expect on that. So with that, I, I will be voting for cloture for this bill because I am interested in having this conversation move forward to continue this conversation. I'm also going to be looking very closely at the numbers as they come in with the updated fiscal note and from information from the Forecasting Board as well. I will likely be present, not voting on the underlying bill itself as I await for more information and more numbers on that. But I do plan to vote for cloture on this bill so we can continue this conversation and see what the numbers look like with the updated fiscal note and updated information from the Forecasting Board. With that, I will yield the remainder of my time to my other row mate, Senator Wendy DeBoer.

ARCH: Senator DeBoer, 1:40.

DeBOER: Thank you, Senator Fredrickson. Row mate, I didn't hear that the first time that I-- in fact, when Senator Dungan had said it all these times, I'm like why roommate? Row mate. Yes, that makes much more sense now. So I really appreciate Senator Linehan and others getting up and talking about that they're willing to work on this bill with me or my portion and see if we can find a way to fit it in. I think this is a very important thing to do. You all have heard me talking about it for a while now. This is important to me and I so appreciate that because it's important to me because the idea is something that has--

ARCH: One minute.

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DeBOER: --some merit to some folks that we're talking about it in more detail. We'll continue the conversation. So in a spirit of collegiality and in a spirit of trying to work together, I will in a second withdraw this amendment so that we can take it up on Select File. At that time, we should have a clearer picture of our financial situation. We should have a clearer picture of a lot of things. So really appreciate the discussion last night, although I was a little loopy, and again this morning the discussion about this amendment. We will continue to have these talks to work on, on this between General and Select. So I am going to now-- Mr. President, I will now pull my amendment and revisit it and file it for Select File.

ARCH: AM1092 is withdrawn. We'll continue debate on AM1063. Senator DeBoer, you are next up in the queue.

DeBOER: Well, this is awkward. I will now thank you for your time. I have already done the thing, pull my amendment. I guess I would say that I will vote for cloture on the bill and the bill for now, understanding that it's a work in progress. Last year, we used to get a lot of just give peace a chance, move this to Select. Let's see if we can work on it. So that's what I'm here for this morning. We're going to move it to Select, see if we can work on it a little bit more together with our colleagues and see what we can come up with. Thank you, Mr. President.

ARCH: Senator Erdman, you're recognized to speak.

ERDMAN: Good morning. Thank you, Mr. President. I appreciate that. Some of you realized or recognized yesterday there were several calls of the house that I had to return to come back to vote. We was-- I was working on the budget, trying to understand the agency's needs and trying to make sure we make correct decisions there. But when I returned, my desk was covered in papers from the charts and the explanation of the income tax brackets and those things that we're trying to accomplish with LB754. There have been thousands of hours put in developing these charts and distributing this information. The Revenue Committee, Senator Briese, Senator Linehan have worked tirelessly to try to present to us an opportunity for us to reduce our taxes in the state of Nebraska. And I appreciate that, and I will vote for LB754. But let me share with you that this really does not move us into a position to be significantly competitive with any of our neighboring states or any other state as well. We may move to 3.99 over a period of years, but if you think the people and the states that we're competing with are going to remain at their current 3.99, you're mistaken. You will never catch up with those people-- with

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those states. So the only way to fix this system is to fix the system in its totality, and that's remove the current system we have and replace it. And I've mentioned it to you many times about the consumption tax. So I've been asked, why don't people in the Legislature support this? So one reason, and these are in no particular order, you can arrange them how you would like, one reason is we've never done that. Well, that's not true. Before 1967, we didn't have income tax nor sales tax. So what did they say in '67? We can't do that. We can't eliminate property tax for the state because we've never done that. So what did we do before we're currently doing this? And we say many times here on the floor, we've never done that so we can't do it. The other issue may be is they haven't taken the time to really sit down and consider this issue wholeheartedly enough to understand what it is and what it will do. It would move us to the front of the line. It would move us into a position that no one, no one could compete with us with the current system they have, and they would therefore then have to adopt the same program that we have, the consumption tax proposal. There may be another reason why it doesn't catch a lot of traction, and that perhaps could be the person who introduced it. That could be part of it as well. But the point is, Senator Jacobson have talked about property tax relief and people have talked about people leaving the state because of our taxes are too high. Generally, what happens, and you can ask Senator Hardin this question if you would like, when businesses are thinking about relocating or where they should locate or expand one of the very first questions they ask is--

ARCH: One minute.

ERDMAN: --what is the tax consequences of that decision? We in Nebraska have not gained one person that has moved from another state over the number of people who left our state. We have grown our population by refugees and foreigners who have moved here. People don't choose to move here unless we give them the Nebraska ImagiNE Act and make it available to them or TIF financing or some other method to lower our current tax system because we know it's too high and it's broken. At some point in the discussion, we have to talk about what the solution is and not the Band-Aid on an amputation. So I appreciate all the efforts that the Revenue Committee and Senator Linehan and Briese and those worked on to get us to this point. And I will vote for this because once we get to '26--

ARCH: Time, Senator.

ERDMAN: Thank you.

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ARCH: Senator Jacobson, you're recognized to speak. Senator Raybould, you're recognized to speak.

RAYBOULD: Thank you, Mr. President. And I want to thank Senator Erdman. I love-- I actually love what he said. And about, you know, we have to be competitive. And that's why looking at this tax cut, both for individuals and corporations, should probably be done with a one-year scope. And then we can be more nimble and flexible and watch what our competitive states are doing around us. But more importantly, we can do a study. We can get a study, maybe not during this summer, but the following summer to see how we're faring against our competitors. And I also love what Senator Erdman talked about refugees. The state of Nebraska has always been a welcoming state for refugees. The city of Lincoln has been a refugee relocation hub ever since I was a little kid growing up with kids from Cuba and then kids from Vietnam. And it has really enriched our city of Lincoln and has enriched our state of Nebraska. You know, we talk about becoming a more welcoming state. Blueprint Nebraska was pretty clear on that, inclusivity and diversity. But when we enact legislation that really divides us rather than unites us, that's problematic. When we tell one very diverse group of population you're not welcome here, that impedes our ability to be a welcoming state. You know, refugee relocation has been an essential part of our economic growth and development. And unfortunately, with refugee relocation, it did take a tumble under President Trump's administration, where we went from 90,000 refugees being relocated all throughout the United States down to 17,000. And then we instituted the Muslim ban and it went down to 13,000. How do I know this? I traveled to Jordan, representing Oxfam America and Sisters on the Planet Ambassador and visited the Syrian refugee camps, talking to refugees who were turned away as they were ready to board the plane only because they were Muslim. That's a primary factor in deterrent. And if-- I'd like to take some of my time, I'd like to ask Senator von Gillern a question, please.

HANSEN: Senator von Gillern, will you yield?

von GILLERN: I will.

RAYBOULD: Thank you, Senator. You know, you and I had a conversation and we've been following up on a conversation how to make Nebraska more attractive for corporations. And you said, you know, we know that when we give corporate tax cuts, it's like honey for bees, you know, that you attract lots of corporations. And I said, tell me the states that have enacted these great corporate tax cuts and what have they done? Have they attracted new businesses? And while you were

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researching, I was researching and reaching out to other research places. Tell me the states that have been successful, and like the numbers, job growth, economic development, increases in their GDP, etcetera. And so I know you were going to talk about it and I wanted to give you a chance to do so.

von GILLERN: Yeah. Thank you. I, I don't have the specific answers for you yet on the, on the states. Obviously, doing a lot of research yesterday and gathering some thoughts and some data together. What we do know is that the states that have been the most progressive, and I use the term progressive, we got in an interesting conversation yesterday with Senator DeBoer about progressive versus regressive. But when I say progressive, I mean being aggressive in cutting their taxes. We know that those states have seen the greatest growth across the nation in states like Texas and Florida and Oregon and some of the others that have cut their taxes have seen a great surge of, of increase in population. And we know that those folks aren't coming without jobs. So it's a, it's a natural delineator to say that those two have gone together. And I, I was having a conversation with Senator Walz a little bit ago, and I said-- I was--

HANSEN: One minute.

von GILLERN: --just expressing that somehow we've lost the connection between corporations and people. And the fact is that most people work for companies. Most people are not self-employed. There are a lot of people that are self-employed, and those folks are certainly interested in finding a friendly tax environment in which to work. But it's certainly people will not move unless they can find a job. And if the tax environment is friendly for corporations, we know that that will draw people also. So I'm going to delineator between those two.

RAYBOULD: Well, you know, and I-- thank you, Senator-- I appreciate that. And I know I had quoted Moody's study, cofounder of Moody's Analytics, and they talk that, that increasing the after-tax income of businesses typically does not create much incentive for them to hire more workers in order to produce more because production depends primarily on their ability to sell their products and had found that corporate income tax cuts are not an effective way of stimulating the economy.

HANSEN: That's time, Senator.

RAYBOULD: Thank you, Mr. President. Thank you, Senator.

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HANSEN: Thank you, Senator Raybould. Senator Kauth would like to welcome 81 fourth graders from the Saint Stephen the Martyr Catholic School in Omaha in the north balcony. Please stand and be recognized. Senator Conrad, you are recognized to speak.

CONRAD: Thank you, Mr. President, and good morning, colleagues. I am intrigued and gratified to hear that Senator Linehan will continue to work with members, as she always does, as this package continues to move through subsequent rounds of debate. I do philosophically have a significant amount of concerns about the overall sustainability of this measure in terms of our uncertain financial future and recognizing the fact that most of the unprecedented nature of our existing surplus is in large part due to the infusion of federal relief funds. And want to be very thoughtful about that structural dynamic before we commit ourselves to a course for very, very expensive ongoing tax cuts. Additionally, I am concerned about the inequities in a few, a few different components of the program design contained in the tax cut package. So again, I, I think that it is a very, very important first step, baby step to have some form of a child tax credit available. I have a much more robust proposal that mirrors the approach from the federal government in recent years and as adopted by, I think, about 10 or 12 of our sister states, red states, blue states that recognize if we want to support family values, we have to value families. And when you give a child tax credit to families, it's up to the families to decide how that best meets their needs. So that's why it had broad support at the committee level from the Catholic Conference, poverty advocates. These funds could be utilized by the families for private school tuition. They could be utilized for the families for home expenses if the family decided not to have both parents in the workforce or it can, of course, be utilized for childcare, which is one of the top economic pressures and concerns that really make families' bottom line that much more tenuous. And that hurt our shared interest in supporting a robust workforce and addressing our workforce challenges. The more that we can do to support working families' opportunities to access quality childcare, that helps not only the families but our shared economic prosperity. So I will continue to work with Senator Linehan and members of the Revenue Committee about some of the program design aspects contained in the child tax credit and childcare tax credit components in the legislation to make sure if we are going to commit ourselves to taking that important first step, that those dollars are maximized to go to families in need instead of just 10,000 or 15,000 families, when we know there are hundreds of thousands of families similarly situated in need of that help with childcare expenses. So

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that's one piece that, that I wanted to lift up. The other piece I wanted to lift up was what do we do for childless working adults and low-income working families? And the EITC, the earned income tax credit, is a bipartisan solution with a well-established track record to reward work and help to address poverty. I can tell you that as a young lawyer, when I was working in the public interest right out of law--

HANSEN: One minute.

CONRAD: --school-- thank you, Mr. President-- we were working on a living-wage ordinance here in Lincoln, and I was on kind of this speaking tour with members of the business community that opposed that measure. And I was helping to do public education about why the living-wage ordinance was, was important and helpful from an economic justice perspective. And during that, that thoughtful endeavor, we quickly realized that there was a lot of common ground on the EITC as a way to address economic inequities and as a way to reward work. It has been some time since Nebraska has updated and involved its approach to the EITC, and as we continue to update and evolve our approach to other aspects of our tax code, we need to make sure that those low-income working families are not left behind. So I'm committed to continuing the conversation and working in good faith with Senator Linehan, other members of the committee, and other stakeholders to make sure that we--

HANSEN: That's time, Senator.

CONRAD: --take additional efforts to improve equity. Thank you, Mr. President.

HANSEN: Thank you, Senator Conrad. Senator Raybould, you are recognized to speak. Seeing no one left in the queue, Senator Linehan, you are recognized to close.

LINEHAN: Thank you, Mr. President. So I'm hopeful that we can-- I can get your green vote on this amendment, which is the part we've been talking about. So we've got the next 20 or 30 minutes to talk about the rest of the package, which I think is important. I think this has been a very valuable debate. I-- as I said, I will work with Senator DeBoer and others before we get to Select. And my understanding, I think, we won't get to Select until after the budget. So we're going to have some time here and after the Forecasting Board so we'll have time to figure out what we can all do and adjustments we can make. So

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with that, I would appreciate your green vote on AM-- and I think maybe the board's hard to read because--

JACOBSON: AM1063.

LINEHAN: --thank you-- AM1063. Thank you very much. And call of the house regular order.

ARCH: There has been a request to place the house under call. The question is, shall the house go under call? All those in favor vote; all those opposed vote nay. Mr. Clerk.

CLERK: 21 ayes, 3 nays to place the house under call.

ARCH: The house is under call. Senators, please record your presence. Those unexcused senators outside the Chamber, please return to the Chamber and record your presence. All unauthorized personnel, please leave the floor. The house is under call. Senators Day, Vargas, Dover, McDonnell, please return to the Chamber. The house is under call. Senator Linehan, Senator Day, Vargas, Dover, McDonnell are not present. Would you like to proceed or wait? We will proceed. Mr. Clerk, roll call.

CLERK: Senator Aguilar. Senator Albrecht voting yes. Senator Arch voting yes. Senator Armendariz voting yes. Senator Ballard voting yes. Senator Blood voting yes. Senator Bostar voting yes. Senator Bostelman voting yes. Senator Brandt voting yes. Senator Brewer voting yes. Senator Briese voting yes. Senator John Cavanaugh voting no. Senator Machaela Cavanaugh voting no. Senator Clements voting yes. Senator Conrad voting no. Senator Day voting yes. Senator DeBoer voting yes. Senator DeKay voting yes. Senator Dorn voting yes. Senator Dover voting yes. Senator Dungan voting no. Senator Erdman voting yes. Senator Fredrickson voting yes. Senator Geist voting yes. Senator Halloran voting yes. Senator Hansen voting yes. Senator Hardin voting yes. Senator Holdcroft voting yes. Senator Hughes voting yes. Senator Hunt. Senator Ibach voting yes. Senator Jacobson voting yes. Senator Kauth voting yes. Senator Linehan voting yes. Senator Lippincott voting yes. Senator Lowe voting yes. Senator McDonnell voting yes. Senator McKinney not voting. Senator Moser voting yes. Senator Murman voting yes. Senator Raybould not voting. Senator Riepe voting yes. Senator Sanders voting yes. Senator Slama voting yes. Senator Vargas voting yes. Senator von Gillern voting yes. Senator Walz voting yes. Senator Wayne not voting. Senator Wishart voting yes. The vote is 40 ayes, 4 nays, Mr. President, on adoption of the amendment.

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ARCH: AM1063 is adopted. Mr. Clerk, next amendment. I raise the call.

CLERK: Mr. President, some items quickly. Motions to be printed from Senator Hunt to LB78 and LB79; Senator Machaela Cavanaugh to LB81; Senator Hunt to LB84; and Senator Day to LB84. Mr. President, your Committee on Natural Resources chaired by Senator Bostelman reports LB425 to General File with committee amendments. Additionally, your Committee on Transportation chaired by Senator Geist reports LB607, LB796 and LB234 to General File; LB234 having committee amendments. And a notice that the Agriculture Committee will meet in Executive Session under the south balcony at 10:30; Agriculture Committee, Exec Session, south balcony, 10:30. Mr. President, next amendment, the second division of the committee amendments, AM1064.

ARCH: Senator Linehan, you're recognized to open on AM1064.

LINEHAN: Thank you, Mr. President. So this is the rest of the bill. So I'm going to ask-- I've given Senator Blood a heads up and Senator Bostar. Senator Kauth and Senator Briese, this is your head's up, Senator von Gillern. So, Senator Blood, would you like to explain your part of this part of the bill?

ARCH: Senator Blood.

BLOOD: Yes, absolutely. Real quickly, just a reminder that federal retirees works-- it works like this: federal retirees that began working for a federal agency before 1984 are covered by the CSRS. This retirement system requires them to pay 7 percent into the system but are not covered by Social Security as this system was created. Those employees that started after 1984 are covered under FERS. Employees under the FERS system are eligible for Social Security. This includes combination of federal annuity, Social Security, and 401(k) type of plan. While Social Security taxes were lowered for everybody else, we left out the federal employees. So through LB873 and soon LB641 not only will nonfederal employees get a break but federal employees will also get a break because right now without this bill, 100 percent of federal annuities are still subject to Nebraska income tax. And we want to alleviate that. Thank you, Senator Linehan.

LINEHAN: Thank you, Senator Blood. Senator Bostar, would you like to refresh people on your part?

ARCH: Senator Bostar.

BOSTAR: Thank you, Mr. President and Senator Linehan. So we've talked extensively about this already. But just as a refresher, this

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amendment contains the childcare tax credit and the school readiness tax credit reauthorization. So briefly, the childcare tax credit provides a one or \$2,000 refundable tax credit per child to families for childcare expenses; \$2,000 for households of income of \$75,000 or less and \$1,000 for households of income of \$75,000 to \$150,000. The exception to that is no childcare expenses need to be accrued in order to qualify for the \$2,000 credit per child if the family is at 100 percent of the federal poverty level or below. Second provision is a tax credit that incentivizes private contributions for the development and expansion of childcare services in Nebraska. That's a 75 percent credit under normal circumstances and a 100 percent credit if the childcare is being delivered in an opportunity zone or if the childcare provider is also serving children that are participating in the subsidy program. And the third provision is the school readiness tax credit that has two components. One is a refundable tax credit for child educators in order to essentially provide those individuals who are doing this important work, frankly, with the means to survive, considering the poverty rate that exists with those that are participating in that employment. And the second component is for childcare businesses, which is a nonrefundable credit. That goes to, again, increase the sustainability and access of childcare services. The other, I'll just mention briefly, the other provision that I have within this package is related to nonresident income, and that would provide for a 15-day exemption for individuals who are employed outside of Nebraska to do work in Nebraska for 15 days out of a calendar year. Currently, if someone were to even pass through the state and do any amount of work professionally, that could be-- and it sounds ridiculous, but that could be as little as responding to work emails while passing through Nebraska. Technically, they would be subject to Nebraska taxation and would have to file a, a tax form in filing annually for that purpose. So this is an incredible burden that disincentivizes individuals to just even come through the state of Nebraska. In particular, one way that we've heard that it represents as a, as a challenge is if, if a company wants to have a, a board retreat or board meeting here in Nebraska, then all of a sudden every single board member from across the country would have to be filling out Nebraska tax forms. If a business wanted to, you know, let's say a business that's located in Kansas wanted to send a team to Gallup to undergo training or team development, all of a sudden all those employees become subject to Nebraska taxation. So this provides for a 15-day exemption. It's a necessary addition to our tax code, and I would appreciate everyone's support.

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LINEHAN: Thank you, Senator Bostar. Also, there's a couple of other things in the package. Senator von Gillern, do you want to cover your-- in this-- your amendment? Thank you, Senator von Gillern.

ARCH: Senator von Gillern.

von GILLERN: Thank you, Senator Linehan. So the portion of the bill that, that I sponsored was LB492. LB492 allows income tax deductions for the cost of certain property and certain research and experimental expenditures. And what it does is it basically accelerates and allows for the immediate expensing. This is an accounting function, rather than having if you purchase additional equipment or you have R&D expenses, rather than depreciating those as a business over 7- or 10- or 20-year lifespan of that equipment, you can take that depreciation in the first year. What that does is it frees up capital for companies to reinvest that capital within their business, which, of course, as we know results in purchasing of additional equipment and creating additional jobs. This is, this is a piece of legislation that was already in existence that was allowed to sunset. And we, we are attempting to renew that now. Because of that, there's a little bit of confusion about the fiscal note. And, and last evening, Senator Wayne pointed out that there's a \$45 million fiscal note on this bill. The reason for that is because the expensing of this equipment would happen in that first year. If it was expensed over the lifetime of the equipment, it would be expensed over a number of years, 10 or 20 years. But the net difference is zero to the state as far as tax revenue and tax income. Again, I think this is an important bill. It's important to some of our largest blue-collar employers in the state, companies like Chief Industries and Valmont, Lindsay Manufacturing, Novozymes, AGP. It's important both for, you know, ag areas, rural areas and urban and industrial areas and employers and it does some of my favorite things and that is returns-- it provides an ROI, provides a return on the investment for the, the tax deduction and generates additional growth for our state. Thank you.

LINEHAN: Thank, thank you, Senator von Gillern. One other thing, we've got the Social Security. Senator Kauth, could I ask you a question?

KAUTH: Sure.

ARCH: Senator Kauth?

KAUTH: Yes.

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LINEHAN: Senator Kauth, would you like to explain the Social Security part of the bill?

KAUTH: Yes. Basically, these are the Social Security tax cuts that were supposed to start in 2025. We're accelerating that and starting 100 percent Social Security tax cuts as of January 1, 2024.

LINEHAN: Thank you. Thank you.

KAUTH: You're welcome.

LINEHAN: And then the one other thing that's in the package is the SALT fix. So--

ARCH: One minute.

LINEHAN: --you don't have to pay taxes on the taxes that we pay. So in 2018, I think when tax cuts were passed at the federal level, the federal government decided your exemptions or your deductions, I should say deductions, for taxes paid to the state, including income state taxes and property state taxes could not exceed \$10,000, which catches a great number of people in my district, meaning they are paying taxes on their taxes at both the federal level and the state level. And I have not had the mathematic algebra problem to figure out what that rate actually ends up being. If our top rate even at 3.99, if we keep this and don't fix this, that means you're basically paying 8 percent on a portion of your income. So that's the parts of the bills and--

ARCH: Time, Senator.

LINEHAN: Thank you, Mr. President.

ARCH: Debate is now open on AM1064. Senator Conrad, you're recognized to speak.

CONRAD: Thank you, Mr. President. And just wanted to continue my comments in regards to some proven tax policies that can help to deliver for working families in Nebraska, including a child tax credit, a childcare tax credit, and the earned income tax credit. I have bills pending on this measure-- on these measures before the Revenue Committee, and I have made my personal priority bill a measure to provide a child tax credit to about 81 percent of families all across the state. Just wanted to also let you know that the states that after we had an experience during the COVID pandemic, there were a host of different policies put forward to help families address that

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uncertainty and that economic upheaval. And one of the most widely studied and most effective components of COVID relief was having that child tax credit available to families. And we heard from teachers at the hearing about how taking a little pressure off families helped to make sure kids were more prepared to learn when they came to school. We heard from families who talked about how having that little bit of extra breathing room helped them make ends meet on buying groceries, on paying for childcare, on school needs that weren't covered otherwise, on transportation issues. And I think that's why you're seeing our sister states move in that direction. States with somewhat similar or very dissimilar political landscapes and demographics to Nebraska. Nine states already have a child tax credit. That's California, Colorado, Idaho, Maine, Maryland, Massachusetts, New Mexico, New York, and Oklahoma. And I understand that this year, Montana's Republican governor also proposed a \$1,200 CTC for children under six years old as part of his budget proposal and need to see where that measure is working its way through in Montana. So I just wanted to lift this up because this program is so important to helping families manage the rising cost of living. It's critically important to addressing our state's workforce challenges, which we all agree is Nebraska's number one issues. And it really can help to advance economic justice, racial justice, and economic inequity that we see in the present in the state of affairs in Nebraska. The other thing that I wanted to lift up was a little bit more information about the EITC as a whole. As I mentioned on my last time on the mike, working with the business community for many years, over the course of my career, we have philosophical disagreements about some aspects of our state policy, but we are able to find common ground and consensus on a lot, on a lot contained in the Nebraska Blueprint, on a lot contained in business development programs and finding ways to make work pay and lessen reliance on public assistance, and that one of those proven bipartisan policy solutions that should be part of this tax package is an earned income tax credit. The last time we updated and evolved our earned income tax credit in Nebraska, and if I get this wrong, I'm sure somebody will help, help to-- help me to correct the record. But I think the last time that we adopted an increase in the EITC was the last time I was in the Legislature so many, many years ago. I think it was--

ARCH: One minute.

CONRAD: --oh, I just have this down and I'll have to bring that back at my next at the mike, but it's, it's been well over ten years since we've updated our EITC. And today Missouri has a 10 percent EITC, our neighbors in Colorado have a 25 percent EITC, Kansas is at 17 percent,

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our neighbor in Iowa is at 15 percent, and Nebraska remains at 10 percent. So in light of the commentary in regards to competitiveness regarding the other aspects of this tax package, it's time that we also update, modernize, and ensure that our tax programs that benefit low-income working families and lessen reliance on public assistance and save taxpayers money that we're also updating and evolving that policy to better meet the rates that our neighboring and sister states have adopted. That's why my measure would move Nebraska to 17 percent EITC instead of the existing 10, which would put us in line with our neighboring states.

ARCH: Time, Senator.

CONRAD: Thank you, Mr. President.

ARCH: Senator Jacobson, you're recognized to speak.

JACOBSON: Thank you, Mr. President. I just wanted to rise and speak in support of, of the amendment and really thank all the individuals who brought individual bills that got merged into AM1064. Just going down through the list. Thank you, Senator Blood for remembering federal retirees. That's important to people in my district and across the state. And, of course, Senator Kauth, as it relates to Social Security tax acceleration of ending the taxes on Social Security. If I learned one thing along the past summer, is retirees are in need of every nickel that they have to really survive today when you look at the high inflation that we're dealing with. And so I think this is just that they've paid their taxes over the years. They should not be paying taxes on their Social Security income. I also want to point out that, as I mentioned in earlier discussions, that as it relates to taxation and lowering the rate on lower-income people, I really prefer what we're doing here, which is directing the income-- or directing the benefits to those folks in a different sort of way, such as the childcare tax credit, because I believe that's a way to get people back to work and be able to get them productive and be able to solve some of our work short-- workforce issues. And I think it's appropriate as I look at childcare providers, they're in short supply. It's hard for people to afford to do it, and yet it's hard for the childcare providers to survive on the rates that they're charging. And so this will, I think, will go a long ways to helping workforce development in our state. So again, the other thing I just want to mention, Senator von Gillern raised the part in terms of the nonresident income. I think it's important to point out that many of us do have people that might come into the state and do a seminar. If they live outside the state of Nebraska and we pay them to do that

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seminar might be for a couple of hours, technically, they owe income taxes, state income taxes on it. Technically, they got to file a return for that. Do they do that? No. Have they technically, technically broken the law by not doing that? Yes. So why don't we clean up those statutes which, which is what this bill is doing to be able to make that a lot clearer. But it's still going to say that those people that are coming in and working from outside the state on an ongoing basis are going to owe us taxes on the income that they, they generate, even though they don't live in the state, which is done across the country in other states. So I think these are all great fixes. I support them all. This is why, again, I would say let's bring these kinds of measures that have all been vetted through the Revenue Committee and now are coming on up and through General File. Let's move this on to Select and then let's go see where the property tax packages are as we bring this whole thing together and with a comprehensive tax fix. So thank you, Mr. President.

ARCH: Senator Conrad, you're recognized to speak.

CONRAD: Thank you, Mr. President. And thank you, and again, good morning, colleagues. Just wanted to note that I appreciated Senator Kauth's comments in regards to the Social Security components that are part of this tax package. And I think that this is a really important opportunity to note that even when we find ourselves at significant and serious disagreement about a host of issues that are before this body, we can and we should still strive to find common ground on something, to find something to come together to work on. And I did give a, just a quick word to Senator Kauth yesterday and appreciated her work on the Social Security piece and give credit where credit is due. I think that impacts all of our districts and is appropriate because as we were out knocking those doors, not only are low-income working families getting crunched, but people who've worked hard their whole lives, who've played by the rules, who've done the right things and who are really struggling in retirement. And that additional extra boost there, I think, can really go a long way as well for our seniors, for our retirees in providing a, a little bit of tax relief to ensure that they can live their retirement years with a bit more dignity and humanity in recognition of the hard work that they've contributed to our economy and our communities over the years. The other thing that I just wanted to continue down the path was I did double check my notes. I apologize I didn't have that statistic, statistic handy at the last time, but the last time we updated the EITC in Nebraska was in fact in 2007, 16 years ago, colleagues. We have made dramatic changes to our state tax code in regards to providing tax relief to corporations and individual tax rates, a host

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of different exemptions, a host of different incentive packages. But it's been 16 years since we updated that. And so we have the resources. The time is right to revisit that measure and to try and bring some additional equity to this tax package. I'm committed to continuing the conversation with the business community, poverty advocates, Senator Linehan and the Revenue Committee, because I do think that that is an important component to moving this package forward. The other thing that I wanted to note for, colleagues, and I'm sure many of you have already enjoyed the benefit of doing a deep dive into some of the publications provided by the Legislative Research Office. And I think perhaps they're one of the best kept secrets in this institution. They do such incredibly comprehensive and thoughtful work about a host of different issues facing the Legislature in our state. And one of the publications that I always find to be incredibly instructive as I'm reviewing legislation and preparing floor debate, getting ready for committee hearings is something called the Districts-at-a-Glance. And this is, I think, such a, a critical policy tool where it provides information and rankings about each of our districts on a host of different data points: income, age, housing components, family components. And, you know, this is something that I think sometimes people don't always remember about my district in particular. But if you look at the Districts-at-a-Glance and you look at the income components on page 16, you can see that my district, north Lincoln's Fighting 46 Legislative District--

ARCH: One minute.

CONRAD: --thank you, Mr. President-- is presently ranked 48th in-- out of 49 districts in terms of overall income with District 7 and, and District 11 right around us. And this is consistent with where we've been historically, where north Lincoln typically has one of the districts that is struggling the most from an economic perspective. Now we have a lot of pride and a lot of incredible working families in north Lincoln and always, always have, but we do have needs as well that need to be addressed from an equitable perspective. And so not only have I devoted my career to economic justice and civil rights issues, but these are top issues for my district. These are top kitchen table economic justice issues for my, my district. And it is what fires the passion and advocacy to ensure that we have equity in these tax packages--

ARCH: Time, Senator.

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CONRAD: --and advanced proven strategies like the EITC. Thank you, Mr. President.

ARCH: Senator Dungan, you're recognized to speak.

DUNGAN: Thank you, Mr. President. And colleagues, I rise today in favor of AM1064. I, I spoke quite a bit yesterday about the concerns that I had regarding the reduction in the income in the corporate tax brackets down to 3.99. We heard amendments from myself and Senator John Cavanaugh and Senator DeBoer with regards to suggestions of how that could be modified. And one of the things that I said specifically in that conversation was that AM1064, the, the other separated out part of this package is something that I think we can all get behind. I think the Revenue Committee did a really good job of the other members on the Revenue Committee putting this together and, and we all, I think, sat down and thought long and hard about what we could do to help Nebraska. And Senator Linehan spoke at great length about what this whole package does. And we heard from the other senators about their individual portions. I do think there's a number of things in this that are positive. And whether it's the, the childcare tax credit or other components of this, I just want to make very clear that despite the fact that I did talk quite a bit yesterday and rise in consistent opposition to that portion of the bill, this part of the bill is something that is, is positive. And so I just want to voice my support for this section of the divided question. I do want to speak also to the fact that I think what Senator Conrad was getting at was completely correct and that there's, there's also more that we can do to help working families. I think when I was out knocking on doors and talking to folks in the district, I heard consistently that they just needed a little help in a number of ways. And so I do believe that it's important to continue to try to help parents. I think there's a number of provisions we heard as a committee this year that were intended to do so. You know, we're talking about tax credits for diapers and things like that that are at least possibilities out there. But we are, we are trying our hardest to find ways to make things a little bit easier for folks in our neighborhoods. And so with that, I would yield the remainder of my time. Thank you, Mr. President.

ARCH: Senator Conrad, you're recognized to speak, and this is your last opportunity.

CONRAD: Oh, very good. Thank you so much, Mr. President. Just wanted to continue talking about, I think, how important certain components of this tax package can be to advancing our shared goals towards

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providing tax relief to working Nebraskans and to charting a course that is appropriate from an overall budget and, and revenue perspective. So one thing that I do think needs to be put into public dialogue for potential negotiation, consideration, food for thought as this package moves forward is a recognition if the Governor's Office and the Revenue Committee feel very bullish about the bright economic future that's in front of us and feel comfortable sustaining this level of revenue reduction without impacting education or human services or infrastructure, it would be appropriate to think about or perhaps put some guardrails in around triggers for future economic downturn or sunsets for a potential revisiting of this policy in different increments into the future, maybe the next biennium or five or ten years to kind of get a sense about where things are at, are at and to be transparent for future Legislatures and for all stakeholders that we would like to be able to provide this level of tax relief. But if the rug gets pulled out from under us in an economic downturn, we need to be really clear that these will be the impact and consequences if we don't have revenues available to meet the core functions of government. And I want to also connect the dots there. We have yet to see the preliminary budget be advanced from the Appropriations Committee thus far. The one-- well, I guess we saw they're preliminary, but we haven't seen the one that they're going to advance to, to the floor to start the budgetary debate. But when you look at the Governor's budget and you look at the preliminary budget from the Appropriations Committee, and I've mentioned it before, and it's worth mentioning again in regards to this very debate, we're seeing education and provider rates that impact every single one of our districts being treated in a preliminary fashion in a manner that perhaps is even worse than they were treated during really steep economic downturn. So if we are at a time of unprecedented economic prosperity, it just makes no sense to me that we would not be providing additional resources to healthcare providers, behavioral healthcare providers, child welfare providers, developmental disability providers all across the state that do historic and important work, and our institutions of higher ed, community colleges, state colleges, the university system. Because every dollar we pour in there, is also relief for working families. Because if we don't put those resources into institutions of higher education, they have no place to go other than increasing their tuition. And the moms and dads who write those checks or the kids that are saving for their own college, every time we put that pressure on those kids or those working families, we start to push a high-quality, public education higher, further and further out of reach, which hurts us in our shared economic prosperity now and into the future. So we have to connect the

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dots on these big picture budget pieces and these big picture revenue pieces that are, that, that are part of LB74 [SIC] in the tax cut package. So I do think that there can be components in terms of program--

ARCH: One minute.

CONRAD: --design-- thank you, Mr. President-- that provide more transparency and clarity for potential future economic uncertainty and/or downturns, which I hope do not come to fruition, but would be solid proven mechanisms to ensure good program design, whether that's sunset or trigger. Additionally, I, I want to make sure that we continue the conversation and not be too myopic in terms of some of the specific components in, in this revenue package, but also look more broadly at some of the other work support programs that we have available and need to be updated out of the Health and Human Services Committee's jurisdiction and some of the other economic development components that we will have coming through the Legislature as part of the ARPA relief plan or the budget and some of those other good ideas as well. But I'm running short of time, so I'll punch in again. Thank you, Mr. President.

ARCH: Mr. Clerk, you have a motion on the desk?

CLERK: I do, Mr. President. Pursuant to-- excuse me-- Senator Linehan would move to invoke cloture pursuant to Rule 7, Section 10.

ARCH: Senator Linehan, for what purpose do you rise?

LINEHAN: Call of the house, a roll call vote in regular order.

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

CLERK: 23 ayes, 1 nay to place the house under call.

ARCH: The house is under call. Senators, please record your presence. Those unexcused senators outside the Chamber, please return to the Chamber and record your presence. All unauthorized personnel, please leave the floor. The house is under call. Senator Slama, Senator Dover, please return to the Chamber. The house is under call. All unexcused members are now present. Members, the first vote is the motion to invoke cloture. Mr. Clerk, roll call.

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CLERK: Senator Aguilar. Senator Albrecht voting yes. Senator Arch voting yes. Senator Armendariz voting yes. Senator Ballard voting yes. Senator Blood voting yes. Senator Bostar voting yes. Senator Bostelman voting yes. Senator Brandt voting yes. Senator Brewer voting yes. Senator Briese voting yes. Senator John Cavanaugh not voting. Senator Machaela Cavanaugh not voting. Senator Clements voting yes. Senator Conrad voting yes. Senator Day voting yes. Senator DeBoer voting yes. Senator DeKay voting yes. Senator Dorn voting yes. Senator Dover voting yes. Senator Dungan not voting. Senator Erdman voting yes. Senator Fredrickson voting yes. Senator Geist voting yes. Senator Halloran voting yes. Senator Hansen voting yes. Senator Hardin voting yes. Senator Holdcroft voting yes. Senator Hughes voting yes. Senator Hunt not voting. Senator Ibach voting yes. Senator Jacobson voting yes. Senator Kauth voting yes. Senator Linehan voting yes. Senator Lippincott voting yes. Senator Lowe voting yes. Senator McDonnell voting yes. Senator McKinney not voting. Senator Moser voting yes. Senator Murman voting yes. Senator Raybould not voting. Senator Riepe voting yes. Senator Sanders voting yes. Senator Slama voting yes. Senator Vargas voting yes. Senator von Gillern voting yes. Senator Walz voting yes. Senator Wayne not voting. Senator Wishart voting yes. Vote is 41 ayes, 0 nays, Mr. President, on the motion to invoke cloture.

ARCH: The motion to invoke cloture is adopted. Members, the next vote is on the adoption of AM1064 to LB754. All those in favor vote aye; all those opposed vote nay. Members because we are on cloture, the motion before the body consideration is the adoption of AM906, the entire committee amendment. All those in favor vote aye-- roll call has been requested. Mr. Clerk.

CLERK: Senator Aguilar. Senator Albrecht voting yes. Senator Arch voting yes. Senator Armendariz voting yes. Senator Ballard voting yes. Senator Blood voting yes. Senator Bostar voting yes. Senator Bostelman voting yes. Senator Brandt voting yes. Senator Brewer voting yes. Senator Briese voting yes. Senator John Cavanaugh not voting. Senator Machaela Cavanaugh not voting. Senator Clements voting yes. Senator Conrad voting yes. Senator Day voting yes. Senator DeBoer voting yes. Senator DeKay voting yes. Senator Dorn voting yes. Senator Dover voting yes. Senator Dungan not voting. Senator Erdman voting yes. Senator Fredrickson voting yes. Senator Geist voting yes. Senator Halloran voting yes. Senator Hansen voting yes. Senator Hardin voting yes. Senator Holdcroft voting yes. Senator Hughes voting yes. Senator Hunt voting no. Senator Ibach voting yes. Senator Jacobson voting yes. Senator Kauth voting yes. Senator Linehan voting yes. Senator Lippincott voting yes. Senator Lowe voting yes. Senator McDonnell

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voting yes. Senator McKinney not voting. Senator Moser voting yes. Senator Murman voting yes. Senator Raybould not voting. Senator Riepe voting yes. Senator Sanders voting yes. Senator Slama voting yes. Senator Vargas voting yes. Senator von Gillern voting yes. Senator Walz voting yes. Senator Wayne not voting. Senator Wishart voting yes. Vote is 41 ayes, 1 nay, Mr. President, on adoption of the committee amendment.

ARCH: AM906 is adopted. Next consideration is the advancement of LB754 to E&R Initial. All those in favor vote aye; opposed, nay. A roll call has been requested. Mr. Clerk, please call the roll.

CLERK: Senator Aguilar. Senator Albrecht voting yes. Senator Arch voting yes. Senator Armendariz voting yes. Senator Ballard voting yes. Senator Blood voting yes. Senator Bostar voting yes. Senator Bostelman voting yes. Senator Brandt voting yes. Senator Brewer voting yes. Senator Briese voting yes. Senator John Cavanaugh not voting. Senator Machaela Cavanaugh not voting. Senator Clements voting yes. Senator Conrad voting yes. Senator Day voting yes. Senator DeBoer voting yes. Senator DeKay voting yes. Senator Dorn voting yes. Senator Dover voting yes. Senator Dungan not voting. Senator Erdman voting yes. Senator Fredrickson voting yes. Senator Geist voting yes. Senator Halloran voting yes. Senator Hansen voting yes. Senator Hardin voting yes. Senator Holdcroft voting yes. Senator Hughes voting yes. Senator Hunt not voting. Senator Ibach voting yes. Senator Jacobson voting yes. Senator Kauth voting yes. Senator Linehan voting yes. Senator Lippincott voting yes. Senator Lowe voting yes. Senator McDonnell voting yes. Senator McKinney not voting. Senator Moser voting yes. Senator Murman voting yes. Senator Raybould not voting. Senator Riepe voting yes. Senator Sanders voting yes. Senator Slama voting yes. Senator Vargas voting yes. Senator von Gillern voting yes. Senator Walz voting yes. Senator Wayne not voting. Senator Wishart voting yes. Vote is 41 ayes, 0 nays, Mr. President, on advancement of the bill.

ARCH: LB754 is advanced to E&R Initial. I raise the call. Senator Ibach would like to recognize some guests today, 16 from the Overton FFA. They are located in the north balcony. Please rise and, and be welcomed by your Nebraska Legislature. Senator Moser would also like to recognize 14 fourth-grade students from Immanuel Lutheran Church in Columbus, also located in the north balcony. Students, please rise and be welcomed by your Nebraska Legislature. Mr. Clerk, for items.

CLERK: Thank you, Mr. President. Motions to be printed from Senator Cavanaugh to LB90 and LB92. Motion to be printed from Senator Hunt to LB103; Senator Cavanaugh, LB116; Senator Hunt, LB138 and LB157 and

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LB165; Senator Cavanaugh to LB181. Next item, Mr. President, LB683. Senator Conrad, pursuant to Rule 6, Section 3(f) would move to indefinitely postpone LB683.

ARCH: Pursuant to the rules, Senator Geist, you're welcome to open on LB683.

GEIST: Thank you, Mr. President. LB683 proposes a number of changes related to the administration of broadband development programs in Nebraska. LB683 was introduced as a follow-up to the Executive Order 23-02 issued by Governor Pillen on January 6 of this year. The Executive Order established the Office of Broadband Coordinator. The order tasked the office to provide policy-level direction related to broadband planning and deployment in Nebraska. LB683 was introduced to place into statutory form the key elements of the Executive Order and the policy announced by the Governor. As introduced, LB683 does the following. It establishes the State Broadband Office, which will be headed by the Director of Broadband. This individual will be appointed by the Governor and confirmed by the Legislature. The Broadband Office will be housed in the Department of Transportation. All executive and administrative and budget decisions for the office will be made by the Director of Broadband. The office is to provide outreach and collaboration with interested communities and individuals. The office will develop the state's Strategic Broadband Plan. It will coordinate state agencies on policy matters affecting the use of state and federal funding for broadband. It will ensure funding is used in a cost-effective manner. It will provide state advocacy of broadband issues on the federal level, and it transfers the responsibility for the state broadband map to the Nebraska Broadband Office from the Public Service Commission. It eliminates a reference that the state broadband coordinator is to be funded from the Rural Broadband Task Force Fund. It also strikes language contained in the Broadband Bridge Act that any federal funds received shall be in addition to state General Funds, and that federal funds may not be used as a substitute for General Funds. LB683 contains the emergency clause. The Broadband Office will have the lead in the administration of the federal Broadband Equity, Access, and Deployment Program, which is called BEAD. This is a duty that is being transferred from the Nebraska Public Service Commission program. However, the Public Service Commission will continue to be the lead agency in the administration of the Nebraska Universal Service Fund High Cost program, the Nebraska Broadband Bridge Program, and the federal Capital Projects Fund program. Mr. President, if I could, I would like to now move on to the explanation of the Transportation Telecommunications Committee amendment, AM870.

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ARCH: Senator Geist, you may continue to speak about the amendment, but, but it will not go up on the board.

GEIST: OK. The committee amendment clarifies a couple of items related to the organization of the State Broadband Office. For administrative purposes, the office is to be located within the Department of Transportation. Language is incorporated that directs the DOT to provide office space, supplies, and other necessary support to allow the Broadband Office to function. Additionally, the DOT will provide administrative and budget support for the office. The installation, operation, and maintenance of projects shall not be funded by the DOT, except for those specifically designed to meet the state's needs on the state highway system. The DOT is not authorized to own, operate, manage, construct, or maintain fiber optic, broadband, or similar technologies outside of state highway property. The committee amendment adds a new section that provides that the Director of Broadband shall report to the Legislature on December 1 of each year on the status of the Broadband Office and the efforts to deploy broadband, engage in community outreach, and detail any changes to the state's Strategic Broadband Plan. The Transportation and Telecommunications Committee is directed to conduct a public hearing following the receipt of the report. Language is added that provides: If any final decision of the Nebraska Broadband Office relating to the funding for projects is appealed to the district court, the appeal shall be given precedence on the trial docket over all other cases, and shall be assigned for hearing, trial, or argument on the earliest practicable date and be expedited. Finally, the committee amendment amends Section 86-1309, which currently provides that the Public Service Commission shall administer the Nebraska Broadband Bridge Act and federal funds received for the broadband enhancement purposes. This section is amended to provide the PSC shall administer the Broadband Bridge Act and any federal broadband enhancement funds that are designated by the Governor. Again, I want to highlight that the intent of LB683 and of the committee amendment is that the, the Public Service Commission will continue to administer the Universal Service Fund, the Broadband Bridge Act, and the federal Capital Projects Fund. Only the responsibility for the Broadband Equity, Access, and Deployment Program will transfer to the Nebraska Broadband Office and the Director of Broadband upon passage. This will require the Governor to apply to the Federal Administration of the BEAD Program, the National Telecommunications and Information Administration, to seek a change in the state administrative agency from the Public Service Commission to the State Broadband Office. Mr. President, that would conclude my

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introduction of LB683 and the committee amendment. I would ask you for the adoption of the committee amendment and your support to advance the bill to E&R Initial. Thank you, Mr. President.

ARCH: Mr. Clerk, for a motion.

CLERK: Mr. President, pursuant to Rule 6, Section 3(f), Senator Conrad would move to indefinitely postpone LB683.

ARCH: Senator Conrad, you're welcome to open on your motion.

CONRAD: Thank you, Mr. President. And just to let everybody know where we are from a procedural posture, I appreciate and understand what Senator Geist and the Telecommunications and Transportation Committee is trying to do in regards to updating and advancing our state's approach to ensuring equitable access to broadband and closing the digital divide, which I know is very important to each of our districts now and moving forward. And just to let folks know after the rule change which was adopted by the body earlier, well, gosh, it seems like a long time ago, but just a couple of days ago, I guess, I worked with other senators to file protective motions on the measures that are currently pending on General File, Select File that were designated as priorities, etcetera, again, as a protective maneuver in regards and in response to the body's decision to change the rules in regards to how motions are, are offered and handled. So that is why the-- my motions are filed here. It is not necessarily to flag or indicate that I'm seeking to kill this measure, but I do have serious, significant, substantive questions about this policy change that I think will come out either through a motion strategy or amendment strategy and over the course of debate on this very important measure. So I just wanted to be clear about the procedural posture and, and why my motions are on the board there. So again, I, I think that from a North Star perspective, when it comes to the policy goals of closing the digital divide and ensuring broadband access, particularly for underserved communities, whether that's in north Lincoln or North Platte, I just see Senator Jacobson in front of me so that, that popped into my head, we, we have a lot of common ground and consensus, I think, to come together on. Because we know that access to reliable high-speed Internet is absolutely critical for ensuring success in today's public, in today's life and overall participation in the economy, whether that be conducting school work, engaging in commerce, running a small business, engaged in remote work, ordering things online, or just staying in touch with families and friends, or doing research, we-- interfacing with your government for any host of different things, from registering to vote to court filings, we have

to ensure that we have a thoughtful approach to having access to the Internet for all Nebraskans. And there have been many efforts over many years to utilize a shared approach from the federal, state, and local governments and resources shared within to try and advance a comprehensive plan to achieve those goals. So I, I just want to note again the consensus in regards to the policy goals. But I do have serious and significant questions about why we are making this change now from a regulatory structure perspective. So I've had a chance to look at some news reports about this. I've had a chance to review how some of our sister states have handled these issues and some of the top issues which I'm struggling with and looking for some clarity in the debate as it plays out today is first surrounding continuity. So as I understand it, in large part, the Public Service Commission is currently handling a lot of our broadband access in policy and has an existing regulatory framework in place to help advance our shared policy goals. So I'm concerned about making this shift and what happens in terms of continuity for that existing work product that has been established over many years and that the Public Service Commission has developed subject matter expertise around. I'm also concerned about any potential duplication of efforts by essentially creating a new state agency to do or kind of within an existing state agency, a new office within an existing state agency at the Department of Transportation. It's not entirely clear to me how we will ensure that there is not a duplication of efforts between broadband access and work happening at the PSC and then this new proposal to bring some of that work and some of those resources under the auspices and umbrella of the Department of Transportation. And I'm not entirely clear or sure if there is an existing subject matter expertise within the Department of Transportation to address and advance those same policy goals. So I'm concerned about continuity. I'm concerned about duplication of effort. And then I want to talk a little bit about public participation and engagement as well. So I have a bit of hesitation with this proposal, perhaps from a separation of powers perspective, perhaps from an independent public participation perspective. But the third component kind of reminds me of efforts that have come before the Education Committee this year where people who were dissatisfied with the course that the Department of Education was headed on sought to change our independently elected State Board of Education and bring that under the auspices of the Governor. Now, that proposal did not secure significant support at the Education Committee and I, and I don't think it will move forward. But there was robust conversation around whether or not it was sound and good policy to lessen the people's opportunity to elect independently people who work on these issues and to have that direct elected representative as

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a conduit for engagement on these critical issues. So of course, we have the Public Service Commissioners that are elected independently by their constituents and responsive to their constituents. So by moving from that framework to an office under the-- a code, I think it's a code agency under the Governor's Office, under the executive branch, I'm a bit concerned about the lack of independence and engagement shifting away from the current regulatory framework. So that was another, another issue that, that I wanted to raise. I am also trying to kind of sort through different aspects of the fiscal note and trying to ensure and get a clear understanding to make sure that any resources that are put forward in regards to funding this new agency, this new office within an existing agency, I want to make sure that any funds that are implicated from the Highway Cash Fund or roads operations, that there is fidelity to directing those funds which are meant for transportation costs, stay with roads and infrastructure. And I, I just want to make sure that there is no dilution of those critical roads funds to create this, this new office within the Department of Transportation. So those are some of the top line framework issues, concerns, questions that I have. I know members of the Telecommunications and Transportation Committee have also wrestled with some of those questions. And I'm looking forward to hearing more about their subject matter expertise in, in how we tackle these issues. And with that, I'm happy to withdraw the motion, Mr. President.

ARCH: The motion to indefinitely postpone has been withdrawn. Mr. Clerk, next motion.

CLERK: Mr. President, LB683 introduced by Senator or introduced by the Transportation and Telecommunications Committee. Its a bill for an act relating to broadband; amends Sections 86-331, 333 and 1103 and 1309; creates the Nebraska Broadband Office and provides duties; change provisions relating to the broadband access map, the State Broadband Coordinator, the Nebraska Broadband Bridge Fund; harmonizes provisions; repeals the original section; declares an emergency. The bill was read for the first time on January 18 of this year and referred to the Transportation and Telecommunications Committee. That committee placed the bill on General File with committee amendments. Mr. President, priority motion. Senator Conrad would move to bracket the bill.

ARCH: Senator Conrad, you are welcome to open on your motion to bracket.

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CONRAD: Thank you, Mr. President. I am going to yield my time to Senator Machaela Cavanaugh, who serves on the Telecommunications and Transportation Committee, to perhaps respond to some of the questions that I put forward or to share kind of more of her perspective in regards to what they heard and saw as committee members as this measure moved through the committee process and to the floor today, if she so desires.

ARCH: Senator Cavanaugh, 9:30.

M. CAVANAUGH: Thank you, Mr. President. Thank you, Senator Conrad. I, I did vote against this bill out of committee, and I oppose this bill. So what this does is takes an authority away from the PSC, which is an elected body, and moves it into the Department of Transportation. And as such, we are taking away an elected authority's power, which I just first of all disagree with doing that with really not much fanfare. I think, I think there should be significant more fanfare if we're going to take away an elected body's authority and, and consideration. There is a, what I view as a manufactured emergency. So the Governor issued an Executive Order on January 6 of this year. And it is to enhancing broadband deployment coordination. It's Executive Order 23-02 and it's the Broadband Coordinator function will operate under the guidance and direction of the Nebraska Department of Transportation and the Office of the Governor and will operate with the following purposes and charge-- charges: provide for policy-level direction related to the planning and decisions regarding development, operation, and sustainability of high-speed broadband service in the state of Nebraska; work openly and collaboratively with the relevant government agencies and other stakeholders to ensure that broadband deployment is strategic, cost effective, and that recipients of funding are accountable for the use of public funds; lead efforts to incorporate participation of and engagement with the communities with critical broadband needs and relevant stakeholders to shape program implementation and operations; work in collaboration with government agencies to create and maintain an official Nebraska location fabric broadband access map to accurately show broadband availability for all serviceable locations in the state of Nebraska; lead efforts with the government agencies and stakeholders to develop directives and strategies for best utilization of federal funds, including grants to improve broadband connectivity in Nebraska. Sounds nice. All of that is taking that away from the Public Service Commission. And in 2021, LB388, introduced by Senator Friesen and cosponsored by Senators Hilgers, Sanders, Brewer, Brandt, Briese, Albrecht, Ben Hansen, at the request of, of the Governor, was the broad-- Nebraska Broadband Bridge Act. The Broadband Bridge Program, which, if you are looking at LB388,

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page 3, lines-- Section 3, line 7, "The Broadband Bridge Program is created. The purpose of the program is to facilitate and fund the development of broadband networks in unserved and underserved areas." Twenty million dollars annually from the General Fund beginning fiscal year 2021. On page 4, line 28: The first priority is the project-- is a project in the project area that is unserved, not received public-- it needs further support but has not received public assistance for development of a broadband network. The second priority of the project is in the unserved area that has, has received federal support. The third priority of the project is in, in a project area that is an underserved area and that commission determines has a digital inclusion plan. So the fund is created and appropriated by the Legislature and federal funds. So what we are doing by shifting this is giving the Governor's Office more control over funds and taking away our own authority and taking away the authority of the PSC. That is diluting the separations of powers. It is diluting the authority of the Legislature. It is diluting the authority of the PSC, which yes, is a regulatory body, but this is a program that has sat with them and they do other programs similar to this. There are arguments that have been made to me that this is a new program, BEAD, the Broadband Equity, Access, and Deployment Program. It's a new program, so it hasn't sat with the PSC for a long time. No, it is a new program. So, yes, it has not sat with them for a long time. However, this isn't a new thing that they have done. So why are we taking it away? Why are we doing this? Why are we diluting our own power, our own authority? Why are we diluting the power and authority of another elected body and giving it to the Governor's Office? And not only are we giving it to the Governor's Office, we are giving it to a brand new Governor and a brand new Director of Transportation. This is not a tried and true tested entity. We have not seen their mantle yet. Additionally, the PSC came in this bill in neutral, as I pointed out to the member that came to testify. It felt like it was a very negative neutral, but it was neutral nonetheless. But they did come in with a timeline of this program. In November 13, 2022, BEAD initial award to the NSP and PSC planning funds received. And then November 2022, it has several items outlined of, of what happened during November. December [INAUDIBLE] first two federal employee hires, HR specialist and attorney. Then in January, there were several items again and I can have this distributed to the, the full body. On January 31, 2023, contract with mapping vendor approved by the commission. OK. So all of that that we had in that bill that we enacted in 2021, they, they started contracting with the mapping vendor. February 6, Broadband Outreach Coordinator start date. February 13, initial report due. Must detail plans-- planned use for BEAD funding, plan subgrantee selection

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process, subgrantee accountability measures, and staffing reports to fulfill all BEAD requirements. Now we jump ahead. So that was February 13 of this year, of this year. This is what the PSC has been doing. Meanwhile, the Governor has put out an Executive Order in January of this year to try and take this away from them while they are doing the work, while they are on a tight timeline with the federal government. So in June, in their timeline, the NTIA is to release the state's allocation based on the FCC map. Then in August, five-year action plan is due; must identify the state's broadband access, affordability, equity, and adoption needs and plan to adopt strategies, goals and initial measures for meeting those needs using BEAD and other funds. So it is March 30. We move through this bill, maybe sometime in April we pass this. We've got May, June, July, August. We've got four months to transition and submit a five-year action plan to the federal government. We are jeopardizing these funds. We are jeopardizing this program. And we don't have to.

ARCH: One minute.

M. CAVANAUGH: We do not have to do this. We don't have to take action on this. We can leave this as it is. We can let the PSC continue to do the work that they have been doing. We can do an interim study to see if it is more appropriate to shift the authority away from the PSC and to the Department of Transportation. January 6, the Governor put an Executive Order out to create all of this. I don't even know. I think that was day one he was in office. We don't know how this is going to look. We don't know how this is going to work. This is a rush job. And we should not take away the authority of an elected body without process and deliberation. Thank you, Mr. President.

ARCH: Senator Fredrickson would like to welcome five members from the Jewish Community Relations Council of the Jewish Federation of Omaha, and they are located in the north balcony. Members, if you would, please rise and be welcomed by your Nebraska Legislature. Senator McDonnell would also like to welcome 50 to 60 junior high students representing Jobs for America's Graduates from Nebraska. Please rise and be welcomed by your Legislature. Senator DeBoer, you are recognized to speak.

DeBOER: Thank you, Mr. President. Good morning again, colleagues. Today we are talking about the Broadband Office and the creation of the Broadband Office. When this bill was initially introduced into the committee during the committee hearing, I had several very serious concerns about this bill, reflecting similar concerns that Senator Cavanaugh had about moving from an elected group of folks who had, for

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about two or three years, been doing this work and moving instead to an appointed office. I expressed those concerns to a number of folks and had a meeting about them. And there is an amendment to this bill that will put on some of the safeguards which I sought in this case, including having an annual report from the Broadband Office, which is a public hearing that folks can speak to. That is at least something and I thought was a good concession. And then the other piece, which I think is, is very important, is to think about the challenges. Because what this-- what the PSC will do in these cases is someone will apply for putting some broadband in an area and then the folks who are already existing there will say, no, we already serve at that level because, of course, there's always these questions of whether we have an unserved and underserved or a served area. In Nebraska law a few years ago, we defined those terms to be unserved is anything below 100 by or no, sorry, 25/3; underserved is then up to 100 by 20 and served is 100 by 20. So we have definitions for those. You may think it would be very easy to determine whether or not an area was served, unserved or underserved. It is not because, as you might imagine, in a number of locations, there may be one place that has service, whereas the rest do not. Or there might be one place that has faster service than the rest of them or whatever. So we have the federal government has undertaken and many of our folks here in Nebraska, including the Public Service Commission, have worked very hard on some mapping that will allow us to determine in a particular area which of the locations in that area are served, underserved, unserved, that sort of thing. Of course, the map is always obsolete the day after it is made because things change the very next day. But it is certainly far superior than the mapping on broadband that we have had in the past. And you can see then that this will be a complicated matter to determine whether or not in some of these challenged processes, the area which is sought to be served is actually served, underserved, or unserved, which is why there has to be a process for challenging these areas, because the main idea is that you can't go in with government funds and overbuild an area that is already served by someone else. That creates the potential for this challenge between the folks who are already serving the area and the folks seeking the government funding and the grants to go serve it at a, a higher level. So you've set up a situation for a challenge. These challenges can take time because of the complications and the nuances of the mapping structure, as I have mentioned earlier. And so then you end up with this sort of time process. Well, the Public Service Commission has been doing these for the last two or three--

ARCH: One minute.

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DeBOER: --years in terms of handing out broadband grants under the Broadband Bridge Act. And they developed a methodology for doing this. The concern, of course, would be how would a new agency do that? There are other agencies in Nebraska that do handle grants, that do handle challenge processes within grants in not the same, but somewhat analogous manner. And so in order to expedite this process, because, of course, these federal funds are only available for a limited amount of time, one of the amendments which you'll be hearing later about would allow for expedited appeal of these challenges under the APA in Lancaster County Court, which hears all of our APA appeals. So the amendment would expedite those appeals to try to help get this-- these challenges figured out sooner rather than later in an attempt to--

ARCH: Time, Senator.

DeBOER: --get this broadband out. Thank you, Mr. President.

ARCH: Senator Brandt, you're recognized to speak.

BRANDT: Thank you, Speaker Arch, and thank you, Senator Geist, for bringing LB683 and the committee amendments. What this bill will do, it will help rural Nebraska with a dedicated Director of Broadband, something we have not had in the past. This is a direct report to the Governor and they will coordinate with the PSC on broadband issues. The PSC still will have control over the NUSF, USF funds, the Bridge Program; and ultimately the PSC is responsible for enforcement of any broadband actions in the state. What that means is if, if a company comes in and builds a broadband system and three or four years down the road there are difficulties with people that put that system in place or they're not operating it correctly, there can be a public hearing at the PSC and there can be consequences for that. With the new Director of Broadband, they will be responsible for the deployment of the BEAD monies. It is estimated Nebraska will have \$400 to \$500 million that will go to unserved and underserved areas of the state. This office will be responsible to vet and distribute that money. And as Senator DeBoer stated, there will be a challenge process that can be expedited quickly. But the PSC is still in charge of enforcement. Now is the time to help the unserved and underserved areas of the state, and I would encourage everybody to vote for LB683 and the committee amendment. And with that, I would yield the rest of my time to the Chair of the T&T Committee, Senator Geist.

ARCH: Senator Geist, 3:10.

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GEIST: Thank you, Mr. President. I just wanted to answer a few things. I'm trying to take notes and I'm being asked questions offline. So if I don't get to all of them, I will try to get back and answer some questions. One is that there is a, it sounded like confusion that this is going to be under the direction of DOT. It's not. I want to explain how this is going to be organized. This Broadband Coordinator is actually answering directly to the Governor. The administrative work that will be done for this coordinator is housed at DOT. DOT will not direct the budget or, or the deployment of broadband. That will be done by this coordinator. The coordinator, as I said, will answer directly to the Governor, will also coordinate with the PSC, with the Transportation Committee, and with those in the industry who are applying and deploying broadband. So it is an enormous job. The PSC being a regulatory body, it provides regulations over a myriad of functions, not just broadband, not just telecom. It has many other arenas where it regulates. So the thinking, what the state potentially could receive through this BEAD funding that's coming from the federal government is \$100 million to \$400 million, an enormous amount of money. There is an end date when this, this allocation and deployment has to be done. And so in order to expedite that, to meet all of the deadlines that come with this influx of federal funding is the reason that this was conceived of to begin with. And then the Governor's-- and then preceded the, the Governor's Executive Order. The administration of these funds is a huge job. And this coordinator's--

ARCH: One minute.

GEIST: --specific position will be to administer and deploy the funding, but also the ideology, the logic of where these funds will go, working with the-- those in the industry that will do the building of this deployment. And it's interesting, this bill does have an E clause. It is important that we get this person hired and approved as soon as possible. It's ironic to me that we're filibustering a bill that needs to pass quickly because it has been thought of. It has been conceived of quite well. But we need to get this individual in place so that we can start working towards our five-year plan, which is due in August. Thank you, Mr. President.

ARCH: Senators Hansen and Clements would like to welcome 60 homeschool students from Lincoln, Nebraska. They are seated in the north balcony. Students, please rise and be welcomed by your Nebraska Legislature. Senator Fredrickson, you're recognized to speak.

FREDRICKSON: Thank you, Mr. President. Good morning, colleagues. It is still morning. So I am rising in support of LB683. This is a bill

that-- I sit on the Transportation and Telecommunications Committee. And, you know, there's a few things I want to kind of talk about with, with this. And part of this is just kind of more conceptual to begin. I mean, so one thing I've been trying to do a quick study on is, is, is the broadband deployment in our state and the challenges we've had with that. It genuinely is a complicated process. There are challenges that are, you know, very concrete challenges, like just in terms of from an infrastructure perspective, from a geographic perspective. But it's also, I think, extraordinarily important that we do get this right. You know, one thing that everyone can agree, I think that, you know, the pandemic has shown us how crucial having broadband access throughout the state is. I certainly learned this myself in my own profession as a, as a therapist. I-- if you would have told me five or six years ago that telehealth would be a part of my-- of, of what I do for a living, I would have never believed you. But with the pandemic, we, we shifted to that in my field quite a bit. And we've actually found that that's been really effective and it's actually been a really impactful way to expand access to mental health services, particularly in the rural parts of the state. I had folks reaching out to me from the Sandhills to engage in services. And so this is something that is, you know, impactful in, in people's day-to-day lives for, for many reasons. So it's, it's, it's crucially important that we-- that we do get this right and that we are going to be competitive with that. You know, the other thing is it's not just telehealth. It's also remote learning. It's also remote work opportunities. I think that, you know, no one can say what the next five, ten years are going to look like. But I genuinely believe that if we have areas of our state where there is not a competitive broadband access, that, that, that's, that's a-- that's an opportunity-- that's an inequity or an opportunity. And we, we don't want to leave folks in different parts of our state out of opportunities just because of what their zip code is. And I think we can all agree on that. So I share some of the reservations or I did share some of the reservations that Senator Cavanaugh had mentioned regarding shifting this from the PSC to a, a separate office. I think that, you know, obviously a publicly elected board, there, there's, there's accountability with that. That is important to have and we need to sort of continue to have that. I was sort of-- I, I was made-- and Senator DeBoer spoke about this a little bit earlier, the amendment on this bill is going to require an annual report to the Transportation and Telecommunications Committee about the progress being made. And that will also be a public hearing, as Senator DeBoer highlighted. And so that is something that is going to create a bit more accountability with this measure. That gave me a bit more comfort

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with, with this and the shifting of that. So I think that's a key component. So we need to-- so that, that was actually kicked out of committee with the amendment so we don't need to-- we're not going to be voting on that. But that's something else to be important. The other thing is that, you know, people are, are continuing to have more and more flexibility in the ability to choose where they live as broadband is getting out there. And I think that-- with remote work opportunities, I should say, rather. And so this is part of I think long-term planning for our state is ensuring that we are highly competitive with, with broadband access throughout the state. So it's a complicated process. You know, it's-- there's been a lot to learn on the committee. I've learned all about the wiring, the fiber, the this, that, the other, the--

ARCH: One minute.

FREDRICKSON: --last mile. Thank you, Mr. President. And so this is not a simple task, but I appreciate the commitment of the committee to get this right. I appreciate the conversations we have-- we've had with the Governor's Office around this. I think that we are all on the same page with big picture goals here. The question just becomes how do we actually implement this and ensure that it's being done as efficiently and as effectively as possible? Thank you, Mr. President.

ARCH: Senator Bostelman, you are recognized to speak.

BOSTELMAN: Thank you, Mr. Speaker. Good morning, Nebraska. Good morning, colleagues. I sit on Transportation and Telecommunications Committee. This is something near and dear to my heart. As you all know, for six years I've been talking about broadband deployment in the states, me being myself living 32 miles from here, and I don't have it. So this is near and dear to my heart and something that we've been working on for, for a long time, for the six years. So one thing I want to talk about this morning, first off, as we'll talk more during the day I'm sure, is there was no opposition to this bill. There was no opposition to the bill. Proponents to LB683-- and I, I oppose the bracket motion. I do support LB683 and I do support the, the committee amendment as well. The proponents is Vicki Kramer, the, the Director of Department of Transportation; Sarah Meier, who was Nebraska Rural Broadband Alliance; Julie Bushell, the Ethos Connected LLC; Emily Haxby, who is from Gage County, has done amazing work that I'll probably talk about later with broadband in, in Gage County; Danny DeLong was AARP Nebraska; Lash Chaffin from the League of Municipalities; Bruce Rieker from Nebraska Farm Bureau, Nebraska State Dairy Association, Nebraska Cattlemen, Nebraska Corn Growers

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Association, Nebraska Pork Producers, Nebraska Soybean Association, Nebraska Wheat Growers Association, Renewable Fuels Nebraska. Neutral testifiers, as Senator Machaela Cavanaugh said is Dan Watermeier from the PSC, as well as Cullen Robbins from the PSC. Neutral testifiers: Andrew Vinton from ALLO Communications; Tip O'Neill from Nebraska Telecommunications Association; and Brian Thompson, Consolidated Companies, Inc. Again, no opposition to the bill. We have worked on this issue for a long time. As far as broadband goes, the Broadband Office I feel strongly about that this is the right move. Senator Machaela Cavanaugh, as talking about the clock, if you will, the things that need to be done by August. The interim director right now that sets-- Patrick Redmond is doing an awesome job. I have sat down with him several times talking specifically about the timeline, talking about what is happening, talking about how he's working with the PSC, talking about how he's working with all of the telecoms, all the providers out there. The work that's being done is significant. Nothing is going to be set aside. Nothing is sitting still, standing still. It is moving. Work is being done and will continue to be done. And that's the great part about what's happening right now is, is that we're looking to make this a successful endeavor because we're talking about hundreds of millions of dollars potentially, hundreds of millions of dollars coming into the BEAD program to help us deploy broadband across Nebraska, I believe through NUSF, through broadband support, there's probably already been nearly \$700 million that's been deployed, that's been available to providers that's been out there. What the BEAD Program will do is take that next step. And the person that's in-- the director that's in the BEAD office or in the Broadband Office has to have the drive, the tenacity, the vision, the work, along with the colleagues of people who are going to work with them to, to maybe go outside of the box a little bit, to really drive and go after it. And this is the only thing they're going to have to do. The PSC, thank you for what they're doing, but the PSC already has a whole bunch of things they're doing. And oh, by the way, the PSC has only done the Bridge Act and the Capital Projects for a little over two years. So this isn't something they've always had. This is something that just came to them within the last couple of years. They've got a whole lot of other things that they're working on that they're doing.

ARCH: One minute.

BOSTELMAN: They're very busy. What this does is focuses one office, one office of personnel to strictly focus on getting the best opportunities for the state, to the providers, to our telecoms. So those who are out there-- to the cable folks out there getting those

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opportunities out there for them to build out Nebraska, to identify those unserved areas, to make that difference for Nebraska. That's critical for what we need to do. Again, it's nothing negative on PSC. It's just that there is a lot of work that's got to get done. There's a lot of work that's already happening, good work that's moving forward. Things are happening. And I urge you to continue to support, to oppose the bracket motion, to support LB683, and support the committee amendment. With that, I'll yield the rest of my time back to the Chair. Thank you, Mr. Speaker.

ARCH: Senator DeBoer, you are recognized.

DeBOER: Thank you, Mr. President. I realized in my last opportunity I went directly into the weeds, talking about speeds and fabric mapping and all of these sort of things. And I neglected to say some of the introductory remarks which should have been said. For example, with the committee amendment, I support this bill. So just for the record, with the committee amendment, I support this bill. I did not initially support the bill. We worked on it some. I have had more conversations. I've talked to different groups, the PSC, the providers, the different folks. And I think what we would eventually have here with the committee amendment on is a workable process. Would it be my very first choice? Perhaps not, but it's a workable process that I think can get things done. I do think that having one person, the broadband-- so the Broadband Office is what we're creating here. So the Director of the Broadband Office is the Broadband Office Director, which can also be called the BOD. So I would like to say that I support the BOD, now the Broadband Office Director, and having a director who can sort of be the point person in Nebraska to correlate and, and put everything together into one larger plan who sort of is someone who we can say the buck stops here. So having one person, the BOD, who can do that is, I think, helpful for all of the efforts which are being done. As you've heard, the Capital Projects and the PSC and the NUSF and all of these different things that the PSC with the Bridge Act is going to still do. We have the Broadband Office. They're going to be in charge of these BEAD funds. There are a number of different things to coordinate, and I think it is helpful to have one person to do that coordination. I can understand that very much. My concern, of course, was always with these challenge processes. I think we have come up with a solution to make those go a little faster because we only have a certain amount of time to use these BEAD funds. And if the challenge process were to be drug out over a period of time, going to district court every time you have a, a disagreement, well, that wouldn't help us to get broadband off-- out. But since getting broadband out is the most important thing, and that is we all

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agree on that. I think Senator Machaela Cavanaugh agrees with that. I think Senator Geist agrees. In fact, Senator Machaela Cavanaugh, would you yield to a question?

M. CAVANAUGH: Yes.

ARCH: Senator Machaela Cavanaugh, will you yield?

M. CAVANAUGH: Yes.

DeBOER: Senator Machaela Cavanaugh, is your goal ultimately to get broadband out everywhere?

M. CAVANAUGH: In this particular instance, my goal is to stop taking away authority of an elected body and giving it to the Governor without much fanfare or investigation or oversight.

DeBOER: All right, fair enough. But as a general premise, as a member of the Telecommunications and Transportation Committee.

M. CAVANAUGH: Yes, the entire reason I wanted to serve on that committee and I have served on it for five years is because of my interest in broadband deployment.

DeBOER: Absolutely. I thought I knew that about you. Thank you very much.

M. CAVANAUGH: Yep.

DeBOER: Senator Geist, would you yield to a question?

ARCH: Senator Geist, will you yield?

GEIST: Yes, I will.

DeBOER: Senator Geist, with respect to broadband, what's the most important thing?

GEIST: That everyone has it.

DeBOER: Exactly right. So you can see that all of us here in the Transportation and Communication-- Telecommunications Committee, we're all interested in making sure that we get broadband out as quickly as possible. The only thing that we disagree with each other about usually, because it happens on a number of different occasions as we're working this out, is how to do that. And so we're all trying--

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ARCH: One minute.

DeBOER: --to develop the way to do this and figure out the best way to do it. I think that there is something to be said about having a director, a BOD, who can direct the Broadband Office and tell us, you know, give us some guidance, give us some coordinating between all the various groups that are involved in this. And for those reasons, I ultimately support the bill. I do very much want the committee amendment on which will expedite, expedite that process through district court as we're going through the challenges to make sure that we get advantage of all of this money as soon as possible and also because of some transparency measures that were added to that as well. Thank you, Mr. President.

ARCH: Senator Erdman, you are recognized to speak.

ERDMAN: Thank you, Mr. President. So as I been sitting here listening to the debate this morning, several questions I do have. This is a pretty significant amount of money. We're talking \$300, \$400 million. We have the PSC that is or should be responsible for the distribution and broadband. And there have been concerns about the PSC is not accomplishing what we have asked them to do. I want you to take into consideration that this last election we have three, three new members on the PSC. So what the past board did may not be reflective of what the new board may do, and we haven't given them a chance to see exactly what their strategy will be. And maybe the new ideas that came to that board may expedite things and we don't need to do this. Another issue that I'm a little concerned about is we're growing government. We're creating another agency of the government. This is all brand new. There's a new agency. Those people that have the expertise to do these things aren't cheap. They don't work for nothing. And so it's been mentioned today and this morning about the fact that we're putting an elected person, I mean, excuse me, an appointed person in charge of this kind of money, when in fact, we do have elected people that are already put in place to do what we're asking this person to do. So I need to get over that or understand that in a way that I can accept expanding government, I can also feel comfortable with having an appointed person be in charge of almost a half a billion dollars, and trying to understand how we do that and explain to our constituents that we give that authority to somebody appointed. So it very well may be that this is the right decision. But the first flush, when I look at it, it's a little concerning. So obviously, and maybe I'm wrong on this, we don't have confidence in PSC to do the job. And that may be true. I don't know that. But I'm going to have to be able to understand why we need to circumvent

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elected officials to distribute \$400 million when we think an individual that's appointed can do a better job. So I'll keep listening to see where this discussion goes and if my questions get answered. But at this point in time, it's a little peculiar to me to think that we need to start another government agency to do what we have an elected group already to accomplish. So I'll be listening to see where it goes. But it is, as I said, peculiar. Thank you.

ARCH: Mr. Clerk.

CLERK: Mr. President, some items quickly. Your Committee on Enrollment and Review reports LB77 as correctly engrossed and placed on Final Reading. Additionally, your Committee on Enrollment and Review reports LB276 and LB276A as, excuse me, is placed on Select File, LB276 having E&R amendments. New motions: Senator Hunt to LB184. Motion to be printed from Senator Cavanaugh to LB191; Senator Hunt, LB195; Senator Cavanaugh, LB198; and Senator Hunt, LB206. Additionally, amendments to be printed: Senator Hunt to LB461 and Senator Raybould to LB754 and Senator Dungan to LB683. Notice that the Appropriations Committee will hold an Executive Session in Room 1307 over the lunch hour and that the Revenue Committee will be holding Executive Session at noon in Room 1524 and that the Health and Human Services Committee will be having an Executive Session at 10:30 under the south balcony tomorrow. That's all I have at this time, Mr. President.

ARCH: Senator Briese would like to welcome six members from the Riverside Public School FFA Chapter, and they are located in the north balcony. Students, please rise and be recognized by your Nebraska Legislature. Mr. Clerk, for a motion.

CLERK: Mr. President, Senator von Gillern would move to recess the body until 1:00 p.m.

ARCH: Members, you have heard the motion. All those in favor vote-- say aye. Opposed, nay. We are in recess.

[RECESS]

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

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

KELLY: Thank you. Do you have any items for the record?

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CLERK: I do, Mr. President. Motions to be printed from Senator Hunt to LB214, Senator Cavanaugh to LB220, Senator Hunt to LB227, Senator Hunt to LB249, Senator Cavanaugh to LB254, and Senator Cavanaugh to LB256. That's all I have this time, Mr. President.

KELLY: Thank you. Thank you. Under the south balcony, a guest of Senator Geist is Bud Henderson, her father, celebrating his 90th birthday. Please stand and be recognized. Mr. Clerk, we will proceed to the first item on the afternoon's agenda.

CLERK: Mr. President, LB683. When the bill was left to recess the body, there was a bracket motion pending from Senator Conrad.

KELLY: Senator Moser, you're recognized to speak.

MOSER: Thank you, Mr. President, and good afternoon. I also serve on the Telecommunications Committee and we've discussed this bill, obviously and we voted it out. I think that the-- I have a little different perspective, maybe, than some on this. When we think of the Public Service Commission, we usually think about phones and broadband, but they have a pretty wide scope of work. From their web page, it says they regulate telecommunications carriers, natural gas, jurisdictional utilities, major oil pipelines, railroad safety, household goods movers, passenger carriers, grain warehouses and dealers, construction of manufactured and modular homes and recreational vehicles, high-voltage electric transmission lines, and private water company rates. So it's a, a very wide scope of work. And I think, to this point, that they have attempted to promulgate rules for wide access to broadband at reasonable rates. But I think it's been-- has been a complicated process. And I think having a person whose first responsibility is broadband is probably good to keep our focus on broadband. What I hear from people on broadband in my district is that broadband is mostly available and it's not-- I mean, there is competition and you have multiple people to get Internet access from, but that I think most would prefer that it was easier, less expensive, and more available. So I think that's the reason for the bill. And I have a couple of questions. I was wondering if Senator Geist might respond to some questions.

KELLY: Senator Geist, would you yield to some questions?

GEIST: Of course.

MOSER: Thank you, Senator. All right. We were just talking about this a little bit before. Why do we need ten people to have this new office

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and where are they coming from and, and what are they going to do to stay busy?

GEIST: Well, let me answer this kind of on a high level. First, the PSC has already hired three people. Those-- two of the three are, are going to migrate over to this office; one potentially may. There's also, as I said earlier, the administrative costs of this or the administrative rules of this office are going to be housed at DOT, Department of Transportation. So there's a number of FTEs in that office that will be applied to this. Plus, one of the things that the body needs to understand is there is a \$5 million administration fee that comes to the state to pay for administrating this fund. So those dollars will be reimbursed to the office by the-- that BEAD funding. And so, this will-- even though we have to pay up front, we will be reimbursed as a state from the BEAD funds, for that-- for those administrative fees.

MOSER: OK. And, and, and what are these people going to do?

GEIST: Yeah. Here, I can read some of the-- well, of course--

KELLY: One minute.

GEIST: --the director. There's an assistant director, an auditor manager, a budget and finance person, a, a senior counsel, grant auditor, program manager, outreach coordinator, a grant accountant, an administrative assistant, human resource specialist, technical assistant. So I, I can't underestimate the, the magnitude of this funding and all of the federal strings that are attached. Take a broad array of people and specialists to actually implement this, so it's not frivolous. I do-- I will speak in a few minutes-- I think I'm coming up in the queue here-- about what the Governor's intent on this is not. And that is, it's not to set up a new agency.

KELLY: That's your time, Senators.

GEIST: Thank you.

KELLY: And Senator Geist, you are next in the queue. You're recognized to speak.

GEIST: That's perfect. Thank you. I-- the Governor's intention, as I was saying, is not to set up a new agency. If he were to do that, he would have a broadband agency. Instead, he's appointing the single coordinator, housing those administrative roles within Department of Transportation, where those roles are already somewhat taking place

and then having this person have relationships with the PSC, with the, with the committee and answering directly to the Governor. So it's actually a very streamlined process. It's to administer and deploy these funds and this construction project. So the Governor's intention is not to expand government, but it is to be efficient in the deployment of this project. I also wanted to speak to one of the primary roles of the PSC that has not yet been spoken to and one that will carry on, even after all this capital construction, through BEAD has taken place and that is with the Universal Service Fund. Currently, the Universal Service Fund is given to-- it's, it's text, basically, from voice services. So it used to be just voice services over copper wire, which all of us had. Well, now with the landlines decreasing and I could ask, but I won't, how many people continue to have a landline in their home and it's very few of us. There is also a taxation of the voice part of the Internet, so voice-over IP. There is a small tax on that voice part that goes to the Universal Service Fund. Many of those dollars are given to people who have constructed broadband or telecommunications within their communities. And this goes to help supplement the hard-to-reach people in high-cost areas to make that more affordable, so people can have broadband in their community. The role of the PSC will be and is, currently, but it-- this will grow. The question is, since voice-- single-voice services are dropping and broadband is expanding, how, once we get these millions of dollars deployed, we reach some very expensive, hard-to-serve areas of the state, how as a state and as companies who deploy this broadband, how are we going to maintain it? Much of that could potentially be through the Universal Service Fund that comes from state dollars. Now, those dollars are, are taxed the way that I just outlined a few minutes ago. But the PSC is probably going to and this will be its-- this is its job is to figure out do we need to expand how we charge for the Universal Service Fund? Do we need to change that? How are we going to support this huge network going forward? Right now, that is the big question out in the future. It's one that has yet to be answered. It needs to be answered with the Universal Service Fund from the federal government. And if that's going to be taxed differently or charged differently and then, that will also dictate, in some terms, what we will do locally, though we're going to have to--

KELLY: One minute.

GEIST: --address this locally. So that is what, currently, it's a big job. It's going, going to be a contentious discussion. But going forward, we need to decide-- and this is squarely on the-- in the purview of the Universal Service Fund, we're going to need to decide

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how, how are we going to tax, what are we going to tax, and will this be sufficient to support the network that we're looking to build through this coordinator? And with that, that's all. Thank you, Mr. President.

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

DUNGAN: Thank you, Mr. President. Colleagues, I rise today with questions about this bill. I apologize. I was just running in from the back there. So I have-- I've heard a lot of questions and a lot of comments about LB683. And I, I-- I'll be honest, I've not come up with an opinion yet, about how I actually feel about it. My reservations, however, my reservations, however, come from the legal portion of this. And what I mean by that is on page 5 of what we're talking about here, there's a portion that goes into the-- essentially, the appeals decision, for any decision made by the Nebraska Broadband Office. And I want to talk about that a little bit. And if I run out of time, I'm going to punch in again. So in that it says: if any final decision of the Nebraska Broadband Office relating to funding for broadband projects is appealed to district court, the appeal shall, except as to cases the court considers of great importance-- greater importance, take precedence on the trial docket over all other cases and shall be assigned for hearing, trial, or argument at the earliest practicable date and expedited in every way. So when I look at that, that sparked about a thousand questions in my mind. And what I mean by that is this seems to, this seems to essentially create a separate cause of action, wherein if the Nebraska Broadband Office makes a decision, somebody, and it's unclear who, can then take that case to the district court. But that seems to be entirely outside the purview of the APA and the regular appeals process for administrative agencies. So there's a number of questions I have about that. And I was wondering if Senator DeBoer would yield to a few questions.

KELLY: Senator DeBoer, will you yield to some questions?

DeBOER: Yes.

DUNGAN: Thank you. And I'll try to make this as quick as possible. But you and I have had a conversation about this off the mike and we'll keep talking about this. But my first question is here, who can appeal or who can take this case to the district court? Who does this particular provision pertain to?

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DeBOER: Well, it would probably arise in those instances where there is a challenge as to whether or not a project is appropriate in an area based on its "servedness," as I talk about it. So an unserved carrier or, or a carrier in an area that is purported to be unserved, might say I'm challenging your ruling that, in fact, it was served or something like that. So these would generally be people who either were applying to grants, for grants for a, a project, or it would be the people who or the, the company that already exists in that area appealing an order that it was unserved.

DUNGAN: So could a person or-- I'm sorry, could a person or entity who's asking for a grant, who doesn't get quite as much money as they want, could they bring that case to the district court?

DeBOER: My understanding is that they usually say this is the amount that we want for the project and then the project is either approved or denied. I know there is some exception where they have an area that they-- they've discovered there are a couple of random locations served and then it would be discounted by those particular amounts. So possibly, is the answer.

DUNGAN: Possibly. OK. And that's, I think, the gist I'm trying to get at here and I'll talk more about it, too, is that there's a lot of undefined things in here that I think should be clarified. Where would the case-- what-- which district court would this be in?

DeBOER: Lancaster, Lancaster County District Court handle-- handles all of our APA appeals in Nebraska.

DUNGAN: But if this is outside of the APA, if this is just a separate cause of action, would you be able to bring this in the district court, say, of the area where the grant was being sought?

DeBOER: So my understanding is this is not a separate cause of action. I know you and I talked about it and we need to clean up the language, perhaps--

KELLY: One minute.

DeBOER: --to make that clear. But this is not a separate cause of action. This would be any, any appeal that arose out of the normal course of an APA appeal.

DUNGAN: And we have in here what the burden-- or who has the burden of proof, essentially, to show that this decision was made incorrectly?

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DeBOER: I believe it's de novo in Nebraska for APA appeals.

DUNGAN: So again, the intent of this was to make it a normal APA appeal, not to create--

DeBOER: Absolutely.

DUNGAN: --OK. The part in there-- I'll, I'll save that for the next time on the mike, Mr. President. Thank you, Senator DeBoer. I'll ask you some more questions here in a little bit.

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

M. CAVANAUGH: Thank you. Thank you, Mr. President. Good afternoon, colleagues. OK, so I, I feel like it, it remains unclear if we are creating a new agency or not. And I know we don't have the committee amendment up here, but I think that we'll be getting to that shortly. So I'm going to speak to the committee amendment, because I am running on the assumption that that's what we're going to be working with. So on the committee amendment, on page 4, lines 9-20, this is where-- I don't know if I'm reading it-- I honestly don't know if I'm reading this incorrectly or not. And I will have continued conversations with our legal counsel on the committee about this. But it says that it-- on line 13: to accomplish the intent, the Nebraska Broadband Office is created. The office shall be headed by the Director of Broadband. The director shall be appointed by and serve at the pleasure of the Governor with the approval of the majority of the Legislature. That, to me, sounds like we're creating a new agency. I know that their administrative costs are going to be absorbed by the Department of Transportation, but there isn't a, there isn't a date in here, where we sunset this office, where it ceased to exist, which is a, a pretty big concern to me that we would create a new office with-- in such a manner. I don't know when the last time was that we created a new state agency, but with one directive, which is this grant program, the BEAD program. And believe me, this is not on the merits for me of the BEAD program being in one agency or the other. It's really about what, what are we doing long term here. So this is a granting program that started with the Public Service Commission. And what this bill seeks to do is to move that specific program over to the Governor's Office and create a new department, is how I am interpreting it, is creating a new department. The granting program ends, I believe, January 2028. What then, for the Nebraska Broadband Office? What directive are we giving this office? What funding are we giving this office? What is the intention behind the work of the office? I think these are really

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substantial questions that we don't have answers to. And of a lot of things that I've opposed this year, I'm going to be honest, this is one that I'm, I'm not feeling great about opposing, because this-- I am standing up against my entire committee and I very much enjoy the Transportation Telecommunications Committee. And I very much enjoy serving on it with all of the other members. So this is not, this is not at all enjoyable for me to stand up, solely alone, in opposition to this. But I am concerned. I'm very concerned about what we are doing, because we could not do this and the granting process, the strategic plan could continue under the PSC and we could collectively work to figure out the path forward. We can let the PSC continue to run the strategic plan. They probably would continue to do it in consultation with the Department of Transportation.

KELLY: One minute.

M. CAVANAUGH: And we could have an interim study to see if it was appropriate to set up this new state agency. And frankly, it probably is necessary to create a new state agency for broadband. I don't disagree with that concept, but I do disagree with doing it under the guise of moving a specific short-term federal program from an elected body into the Governor's purview without more thought and discussion around it. So there's a lot more to unpack on this bill. And I know I'm committed to taking a lot of time on bills, but I really do have a lot to unpack on this bill. I, I truly do. And I think that others do, as well. I think that this is a significant step for us to take as a Legislature. And I hope that others will join in the conversation, because we are ultimately creating a new state agency here, not really a program.

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

M. CAVANAUGH: Thank you.

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

BOSTELMAN: Thank you, Mr. President. Good afternoon, colleagues, Nebraska. I want to read-- we're not-- this isn't unique to Nebraska. Thirty-five other states already do this. So this is from NCSL's website and I'll read this to you: With roughly nine out of ten adults-- again, I do not support the bracket motion and I do support LB683 and its amendment. So with roughly nine out of ten adults in America using the Internet, many consider it to be a necessity of modern life, because access to the Internet is unavailable or

inadequate in parts of the country. States and the federal government are focusing on deploying broadband, the technologies that allow Internet data to be transmitted at high speeds, as universally as possible. More than half the states have active commissions, counsel, task force, offices, etcetera, to help develop and promote broadband use. The advantage of creating a statewide broadband authority is that it can: one, provide input to the development of statewide broadband framework and plan; two, promote public-private sector participation; three, develop and-- a broadband map to determine unserved and underserved areas; four, to administer and assist with funding programs; and five, assist with encouraging adoption, use, and digital literacy. At least 35 states have created a governance, governance structure through statute. So this is not something new. This is something that is done by other states. In fact, a lot of the modeling that we're doing, my understanding that they're looking out of the broadband office now, that's looking at what Colorado is doing. We have been on the back burner on this issue for years. This is something I've been trying to get us to do for years-- establish a broadband office so as these funds come about, we're ready to not take what we're being told were cherry-pick this, this village, this town, this city and we're going to build out there. We're not going to do that. What we're going to do is say, no, the unserved people live over here and that's where we're going to apply the grant to. That's what we're talking about, my concern. That's why we need to get the map done. There has not been a map done by the PSC. There has not. I have tried for years to get a mapping bill done. Couldn't get it out of committee, for years. Last year, we did get a mapping bill done. PSC just, just in January, cut a contract with a company to do mapping, but that mapping is going to be done using federal information. And my concern is, is we're not going to get any better map done with them than what we have right now, then what currently exists through FCC and the 477 process. We need to have an accurate map. We need to have an address-level map. We need to have people on board within a broadband office that understand that, that will drive that, that will make that happen. This isn't something that we can wait two, three, four years on. This is something we got to-- we need to do now. There is hundreds of millions of dollars that potentially will come to this state if we get our maps done right. And we need an office that is solely focused on taking those funds, understanding the need in the state and delivering the funds into those areas, to those people that need it the most. That's what we're trying to do with this. That's what this broadband office is all about. Senator Geist talked, a few minutes ago, about the NUSF and USF funds. I've got a bill.

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KELLY: One minute.

BOSTELMAN: I've got a bill, folks. LB722, it's in the other committee priority bill. It addresses that. I have worked with national attorneys, national telecoms on this bill. It's not done anywhere else. We've got the template, I feel, to make this happen. We're putting it on the table. We want to make sure USF funding is used in the right way. We're not paying, we're not utilizing it twice in an area. We pay once. We make sure COLR responsibilities are where they're supposed to be. We expect-- we, we encourage and to look at what we need to look at in the future, which, Senator Geist is right, is what's going to happen to those areas that aren't currently covered? How do we fix that? And that's what the bill, LB722, does, is to put it on the table. Let's address this. Let's work on this over the next year, two years. We're going to learn a lot more about that. And again, this has a national input to it. It's just not something we've done locally. And it took over a month of negotiations to make it happen.

KELLY: That's your time, Senator.

BOSTELMAN: Thank you.

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

DUNGAN: Thank you, Mr. President. I, I wanted to pick up a little bit of where I left off earlier. So again, I'll, I'll admit that I'm sort of playing catch up here. I wasn't a part of the committee. I wasn't a part of the, the hearings about this. But when I was reading through this in preparation for today, just to give a little bit of background, we got to this, this Section 3, that I read on the mike earlier. And it, it-- again, it just raised questions, because rather than referencing, say, for example, any appeal to a decision made by the Nebraska Broadband Office shall be conducted under, insert relevant statute here, with regards to the APA. It instead says that it can be taken to the district court. Now, my understanding is, from speaking with folks about this, because I've just had a lot of questions-- the language on here was, I think, adopted intentionally, from the open acts statute or the public acts statute and so that's where this language comes from. But again, a number of the problems that are raised when you look at this, is when a case is appealed to the district court, first of all, just to make sure we all kind of know what we're talking about, we need to even know what we're talking about. So at the very end of this it says that it shall be assigned for hearing, trial, or argument. So those three things, a hearing, a

trial, and an argument are, obviously, very different proceedings before the court. And so what I don't understand in looking at this, is how this would even formalistically look. Is this appeal two attorneys arguing on behalf of their prospective side? Is it a trial, where an actual evidence needs to be prevented-- presented? Would somebody be eligible for a jury trial, for example, or would they only be eligible for a bench trial in front of a judge? Or is it simply a hearing, wherein they make arguments to a district court judge and that district court judge makes a decision? Are they entitled to counsel at that? Another question that really popped up here is who would be representing the Nebraska Broadband Office before the Attorney General? Is that going to be-- I'm sorry, before the district court? Would it be the Attorney General? Is that who is ultimately going to be defending the decision from the Nebraska Broadband Office? And so, even just sort of logistically, what kind of hearing we're talking about, I think, is a little bit confusing and I would love some clarification on that. In addition to that, when it says in here, except as to cases the court considers of greater importance, they're essentially saying that these appeals from a decision made by the Nebraska Broadband Office should go first, unless the court has a case of greater importance that they have to first determine. I think what I find confusing about that is, in my time working in and around the district courts, they don't rank their cases. There's not a list of higher priority and it's, essentially, always a moving target. Right? So a case that, maybe, is a lower-level criminal offense, for example, could take priority over a higher-level offense, if it's been pending for trial for six months, versus a case that's relatively new. And so the fact that there's all these moving pieces and parts to all of that, I think, makes it very hard to define what is a case of greater importance. And also, having worked in the court system, I can tell you that our courts are very backlogged right now. We have district courts that are very, very backlogged. There are civil trials that get set, that sometimes don't happen for nine to ten months after they've originally tried to set a trial. I've had criminal cases that have been continued time and time again, because they just don't have time to hear it. And so if you start taking things like these decisions and inserting them before other parts or other things the district court's going to hear, I think it just becomes somewhat problematic. And so the reason I was asking Senator DeBoer those questions is I just think that Section 3 of this needs to be fleshed out. And if we're going to have this go to the district court as--

KELLY: One minute.

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DUNGAN: --thank you, Mr. President-- as an appeal process, I think we need to know who's bringing the case. Who's eligible to bring the case? What's the standard of review? Who has the burden of proof to show that this was wrong? If it's an evidentiary hearing, I think there needs to be some discussion as to whether or not a transcript needs to be kept by the Nebraska Broadband Office in order to be reviewed at the hearing or presented as evidence. And so there's just all of these questions I have. And so, Senator Debeor, would you yield to just one more question here before we wrap up?

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

DeBOER: Yes.

DUNGAN: Are you and others in the committee willing to address these problems and have conversations moving forward to clarify some of these answers with regard to the appeal process?

DUNGAN: Absolutely. And between now and Select File, I think we can do that. Some of this is standard APA procedure. And so there are some things that I think we can reference other statutes that might help to clarify some things, in and of themselves. And the rest of it, I think we can clean up with language. I, I, I think you are articulating exactly what the intention was.

KELLY: That's your time, Senator.

DUNGAN: Thank you.

KELLY: Thank you, Senators. Senator Dorn, you're recognized to speak.

DORN: Thank you, Mr. Speaker. As best I could, I have been listening to this conversation here as we've gone on today. I guess I want to bring up this point was-- many senators talk about when they ran, what the top, top-- topic was, whether it was, you know, the university or property taxes or other things. Since I've been up here in the Legislature, there's one thing that we've continually heard about is broadband-- the lack of broadband, as we have across the state. COVID brought that out big time. We've dealt with this a lot. We've had a lot of proposals, a lot of thoughts, a lot of comments and yet, I think most people probably agree that we need some type of person to do this or to help spur along the Public Service Commission. And I'm not faulting them or whatever, but it just seems like we haven't near progressed at the rate we should or at the rate, maybe, other states have progressed in this. Broadband is one of the most important things for the economic activity in our state of Nebraska, and to make sure

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that everybody has the availability of that. I remember Senator Brandt and I came up here together. And Senator Brandt, when he came up here, one of the things he latched onto, that one of his priorities has been, has been this broadband and the fact that we have counties out there today that, because one person has broadband in that county, federally or statewide, they count the whole county as having broadband. And yet, we know that maybe only 10 percent of those people have that. Down in my county, Gage County, they took part of their ARPA money. They have developed a plan, whereby through some different things or whatever, they are going to have that whole county so that we can have adequate broadband coverage. They went through a lot of these processes. One of the board members down there, Emily Haxby, has worked nonstop, tirelessly on this thing, for the last two years. They have a half-inch thick book that they now have as kind of their guidelines or whatever. And they are still running into issues. The longer we delay this, the longer we put this off, it means we are just that much farther out there to get broadband to everybody in the state of Nebraska. And been visiting a little bit with Senator Machaela Cavanaugh and she gave a handout that the Public Service Commission had and it's the-- it's called the Broadband, Equity, Access and Deployment, BEAD program. And it's given the timeline of this. And as I read through it, most of this stuff I didn't know because I wasn't on the committee. But as you read through this, they have a process, whereby they're going to do the mapping and that type of stuff. The initial proposal is supposed to be back here December 27 of 2023. The final proposal is due February of 2025. So that means now we're putting this off almost another two years before we're going to have the final proposal come to us, so that we can maybe implement something. And yet, here we sit here today, like we argue on other things about the importance of what we mean to the state of Nebraska. And then we're arguing and slowing-- we are part of the problem of slowing the process down to get where we need to get. And I don't know why we can't continue to do what some of the programs-- Bostelman and Geist-- Senator Bostelman and Senator Geist, that worked very hard to get there. Senator Brandt has. We need to help get the federal funding. We need to help get this moving so that we can get broadband to the people of the state of Nebraska. Thank you very much.

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

M. CAVANAUGH: Thank you, Mr. President. Sorry, colleagues. I was over speaking with my fellow committee members about this very bill. And we are talking through some of the concerns I have and trying to find some, some more path forward on this. So one of the things that

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we've-- this is-- we don't get a-- Transportation Committee doesn't get a lot of floor time and-- on things. And when we do, it's-- we kind of get to nerd out a little bit on things like the USF, Universal Service Fund, and the broadband-- the BEAD program. And so, we're all over-- huddling over there, talking about all of this. So my concern is creating a new state agency. And, and if we are creating a new state agency, are we doing it with intention and purpose and intention beyond just this one granting program? I am not opposed to creating a new state agency, but I don't want to do it accidentally, because we felt like a grant program was more appropriate sitting with X instead of Y. I want it to be intentional, because that is a really big thing to do. So I think we're going to continue talking about that and the intentionality behind that. We did talk about other ways to address concerns about this not being intentional to create a new state agency. Discussing this now, this is a trigger, people, a sunset-- trigger warning-- sunset-- discussing a sunset. And I threw that idea into the mix. And Senator Bostelman made a very excellent point, that we are trying to hire high-level professionals to do this deployment of this funding, of this granting. And that's going to be a challenge if their job is on the line because of a sunset. And I take that point very seriously and I think that is an excellent point. So a sunset maybe isn't the right answer. But I do think that there is some way to move forward with purpose and intentionality in what this bill seeks to do and what this bill does. And I'm not sure that we are quite there yet. It is a complicated thing. I honestly-- I don't know. I'm like, waiting for some Unicameral historical guru to come and tell me when the last time was that we created a state agency. I'm not sure who that is. Maybe I'll just telepath it out there, Tom Brewer's legal counsel. He seems like he might be the guy for the job, to have some institutional knowledge on when we last created a state agency. But I think it would be good for us as a body to know that historical information. When was the last time that happened? What did that look like? What was the process and the steps involved in that? And what, what did the Legislature do? What intentionality was put forward and intent into the statute in creating that?

KELLY: One minute.

M. CAVANAUGH: So our, our Public Service Commission is in our constitution. And so clearly, a great deal of intentionality went into creating that. Common carrier is in our state constitution, but we have not maintained our state constitution to keep up with the technology of today. So there is a lot going on with this piece of legislation that is complicated and a little bit messy. But I'm grateful to my colleagues on the Transportation and Telecommunications

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Committee, because I think that they are dedicated to get to all of the right answers in the right way. So thank you, Mr. President, and I will yield the remainder of my time.

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

CONRAD: Thank you, Mr. President. Is this my third time? Did you keep track from this morning? I believe it is, but I just wanted to make sure.

KELLY: This, this is your second.

CONRAD: This is my second. Very good. Thank you so much, Mr. President. Appreciate it. Good afternoon, colleagues. Thank you for the opportunity to continue the dialogue on a very important issue. I think that we have clearly established that there is a great deal of consensus in terms of the overall goals when it comes to ensuring broadband access and equity for all of our communities and in particular, to ensure that we're closing those gaps in the digital divide for underserved communities, whether that's in urban areas or in rural areas, as well. And I think we all recognize the importance of ensuring access to reliable broadband services for business purposes, for educational purposes, for telehealth purposes, for precision ag, for various and sundry key for-- functions of government, like registering to vote or interfacing with the courts. And you know, one thing that really caught my eye over the past year or so in terms of some of the issues that I try to learn about more and, and focus on in preparing for the legislative debate, was the Nebraska Lawyer magazine had a-- kind of an article with an interactive map. And it's about some time in one of their publications over the past year or so, which showed kind of the current state of affairs for ensuring access to reliable inter-- Internet for courthouses across the state. And it was not a robust picture, which I think was disturbing, particularly as we're doing more and more online in the court system. So even in some of those key core functions of government, filing documents, ensuring access to the courts, etcetera, you know, we're still seeing connectivity problems in many county courthouses across the state. So that really, I think, seeks to highlight the, the gravity of, of this acute need. So the other pieces that I just wanted to continue to add some dialogue and deliberation and pose a few questions around were kind of along the lines that Senator Dungan and Senator DeBoer were talking about in some of the appeals structures and processes that have been laid out for this new regulatory framework around some of our broadband policy and funding

decisions. One thing that I did just want to note, because I think Senator DeBoer mentioned that, the component which says that these appeals will take precedent over other cases that may be on the district court's docket. You know, that really reminds me of very similar language that exists, say, for example, in our public records law or open records law, which is meant to kind of give a special priority to open records cases that, that need to be filed to ensure the public's right to know is paramount and addressed effectively and efficiently. I do know, based on handling a fair amount of public records, open records cases, over the course of my legal career, that even with that kind of priority approach, in terms of docketing, that those cases can still take months and years to sort out. So I do just want to make sure that if the body is seeking for a swifter resolution of potential appeals, that we may need to look to other models or provide perhaps even more clarity about--

KELLY: One minute.

CONRAD: --thank you, Mr. President-- our goals in regards to how those appeals are handled. The last couple pieces that I just wanted to continue the dialogue on were really surrounding, kind of, the role of the Legislature and historically, the power of the purse that belongs to the legislative body. And there is no doubt a significant, a significant amount of federal funds that are going to be flowing through these various programs that then will be allocated instead of at the PSC now through this new office or this new agency. And I, I am a bit nervous about relinquishing the power of the purse to an executive branch agency and would like to have additional dialogue and communication about maintaining the fidelity to our appropriations power and decision-making for these key issues moving forward.

KELLY: That's your time.

CONRAD: I'll wrap it up there. Thank you, Mr. President.

KELLY: Thank you, Senator Conrad. Senator Machaela Cavanaugh, you're recognized to speak. This is your last opportunity.

M. CAVANAUGH: Thank you, Mr. President. I kind of lost track of what I was talking about. So, interesting question posed to me. Difference between an agency, a department, and an office. I don't actually know. I don't know the answer to that. What is the difference between an agency, department, and an office? My understanding of this is that we're creating an office. I might have said agency or department and I think then, if I did, which I probably did, I misspoke. We're creating

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a new office outside of an agency, but within an agency. So for transcribers, I am using my hands a lot. This is really helpful for you. So, so we are creating an office that reports directly to the Governor for a specific program that already exists with another elected entity. We're moving that program from the elected entity, which is the Public Service Commission, to the newly created office that reports to the Governor, but uses or shares space with the Department of Transportation. Clear as mud, right? So the, the concern-- my big concern is what we're doing at the rate we're-- the, the, the speed with which we are doing it and whether or not we should do it, need to do it, and can do it. So I think Senator Dorn and I'm-- I apologize. I missed some of your comments. I was talking to my committee colleagues. We talked about there is a timeline. The PSC has developed a timeline for the BEAD program. And they shared it with us, the committee, at the hearing, it is a very tight timeline, as far as some very clear benchmarks that must be met for the federal government. And one of my concerns has been disrupting that timeline, I think-- and I am happy to stand for correction. I think that if we did not do this now, if we allowed the Public Service Commission to move forward with the granting timeline, as laid out in this document, that they submit the five-year plan, that they do it in consultation with the Department of Transportation, that we let things continue to move forward the way that they are, I think that we could work to have a more purposeful resolution to where this program should sit. So maybe we can do that. Maybe we can't. I appreciate that others feel that this is an urgency that needs to happen now. I have a differing view on that. I think that it is something that we could do after those benchmark things of, of the strategic plan are put forward. I think that it, it could be disrupt-- potentially disruptive to the process to make that change now, while we are in the middle of the process. I think we've already hired some of the people and that the intention appears to be to, to move the individuals who have been hired for the PSC over to--

KELLY: One minute.

M. CAVANAUGH: --the new office. But making this substantive change in where the program sits in the middle of a massive federal granting process that's only a couple of months away, feels unnecessary at the time. I would prefer to see it stay where it is. We work together to figure out where it should be and then move in that direction with intentionality. Thank you, Mr. President.

KELLY: Thank you, Senator Cavanaugh. Senator Conrad, you're recognized to close on the bracket motion.

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CONRAD: Thank you, Mr. President. I'll withdraw the motion.

KELLY: The motion is withdrawn. Mr. Clerk, for items.

CLERK: Thank you, Mr. President. Quickly, some items. Motions to be printed: Senator Hunt to LB262, LB267, LB276; Senator Machaela Cavanaugh to LB277. Additionally, your Committee on Enrollment and Review reports LB376 is correctly engrossed and placed on Final Reading. Mr. President, next item on LB683. I have an understanding that-- the next item up will be the committee amendments. Senator Geist, Chair of Transportation Committee.

KELLY: Senator Geist, you're recognized to open on AM870.

GEIST: Thank you, Mr. President. And I actually did read this earlier, but I'm going to read it again. I'll refresh your memory on what the amendment is. And if you have any questions, I'm happy to take those. I think we've, we've talked about this quite a bit, but I'm happy to take any questions should anyone decide they have some. The explanation of the amendment, AM870, is the committee amendment clarifies a couple of items related to the organization of the State Broadband Office. For administrative purposes, the Broadband Office will be located within Department of Transportation, Languages Incorporated, that directs DOT to provide office space, supplies, and other necessary support to allow the broadband office to function. Additionally, the DOT will provide administrative and budget support to the office. The installation, operation, and maintenance of projects shall not be funded by the DOT, except for those specifically designed to meet the state's needs on the state highway system. DOT is not authorized to own, operate, manage, construct or maintain fiber optic, broadband or similar technologies outside of the state highway property. The committee amendment adds a new section that provides that the Director of Broadband shall report to the Legislature on December 1 of each year on the status of the office and the efforts to deploy broadband, engage in community outreach, and detail any changes to the state's strategic plan. The Transportation and Telecommunications Committee is directed to conduct a public hearing following the receipt of the report. The language is also added that provide-- added that provides, if any final decision of the broadband office relating to the funding for projects is appealed-- and I believe this is the section that Senator DeBoer was referencing when she was talking about the appeals process. And that is the language that, that she was referencing. And finally, the committee amendment amends Section 86-1309, which currently provides that the Public Service Commission shall administer the Nebraska Broadband Bridge Act

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and federal funds received for broadband enhancement purposes. This section is amended to provide that the PSC, the PSC shall administer the Broadband Bridge Act and any federal broadband enhancement funds that are designated by the Governor. And again, I want to highlight that the intent of LB683 and the committee is that the Public Service Commission will continue to administer the Universal Service Funds, which I spoke to earlier. That will not change. And those charges against your voice portion of your phone bills, those are surcharges. I incorrectly referenced those. But you will-- those are the surcharges that go on your phone bill against the voice part of your bill. Anyway, they will continue to administer those funds, the Broadband Bridge Act and federal Capital Projects Fund program. Only the responsibility for the Broadband Equity, Access, and Deployment Program, or BEAD, will transfer to the Nebraska Broadband Office and the Director of Broadband. Upon passage, this bill will require the Governor to apply to the federal administrator of the BEAD Program, the National Telecommunications and Information Administration, to seek a change in the state administrative agency from the Public Service Commission to the state broadband office. And that includes the introduction, Mr. President. And I'm happy to answer any questions that the body may continue to have on this, on this issue. Thank you very much, Mr. President.

KELLY: Thank you, Senator Geist. Senator Fredrickson has some guests in the north balcony. They're fourth graders from Rockbook-- Rockbrook Elementary in Omaha, and their teacher, Michele Madson, is retiring at the end of the year. Please stand and be recognized by your Nebraska Legislature. Mr. Clerk, for an amendment.

CLERK: Mr. President, Senator Machaela Cavanaugh would move to amend the, the committee amendments with AM1083.

KELLY: Senator Machaela Cavanaugh, you're recognized to open on AM1083.

M. CAVANAUGH: Thank you, Mr. President. I am getting through to my-- OK. So this is on the committee amendment, so page 8, line 30. So it strikes the matter which is designated by the Governor and reinstates the stricken matter. So what this amendment would do is it currently reads-- the, the committee amendment currently reads: the Nebraska Broadband Bridge Fund is created. The fund shall consist of money appropriated by the Legislature and federal funds. The new language: designated by the Governor for broadband enhancement purposes. What it would be reinstating is appropriated by the Legislature and federal funds received for broadband enhancement purposes. This is a very

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important change. For those of you who were not here in 2020, this is going to be a little history lesson. In 2020, we took a hiatus during session, in March, when everything shut down because of the pandemic. And we adjourned for several months and we came back in the end of July-- last week of July, first week of August. During that time, we received massive amounts of federal money. Because of a stipulation that we put in our budget, the Governor had carte blanche authority over those funds. Now we could have chosen to come back and allocate those funds, which I was at-- I did advocate for with some of my colleagues at the time. But we did not. The Governor did not spend a lot of the funds. He spent some of the funds in a way that was upsetting to several members of the body. He spent broadband funds in a way that really upset members of the Telecommunications Committee at that time. And he did it with complete discretion and no oversight from the Legislature. Our job is oversight of the dollars spent in this state. So what I am attempting to do in this amendment is to strike giving the Governor complete authority over the federal funds, reinstating how it is currently done. Even if we create a new agency or department or office, whatever we create, we never create it and give the Governor complete control over how the money is spent. This would be circumventing our entire appropriations process. I don't know why we would do that. So what this amendment does is takes out giving the Governor carte blanche authority on how these dollars are spent and maintains how we currently do this process. If we are going to move this money and this program out of the Public Service Commission and under the Governor, we don't give the PSC that authority, why would we give the Governor that authority? Why would we give away our own authority? So that's what this amendment does. I hope that members of this body will give it their consideration, because I believe that this is a very bad precedence to set. Thank you, Mr. President.

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

HALLORAN: Thank you, Mr. President. Good afternoon, colleagues. There's no question in my mind that we need to have a state broadband coordinator. I believe that's necessary. I think it's evident in the fact that we don't have broad broadband coverage. My concern is, is-- and I think it's negligence on our part, that we haven't recognized that public service has inadequate staffing to do it. My suggestion would be is that we, that we appropriate some funds to public service to be able to hire a state broadband coordinator and staffing necessary to facilitate his role as spelled out in the bill. To be able to do that, but under the jurisdiction of public service. Public service is an elected position subject to the public and to a vote.

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It's not a, it's not a political office. But it's, but it's responsible to the electorate. And I have some anxiety about setting up a new department. Should be under public service. And I believe that if we hired someone, appropriated funds to public service to be able to employ or engage a state broadband coordinator to fulfill everything that's spelled out in this bill, I think that might be a better alternative than what we're looking at today. Something for consideration, not too many people are here so this is falling on not deaf ears, but not many ears. But I think it's something to consider, the goal could be the same, the results can be the same, but it would still be under the Public Service Commission. Thank you, Mr. President.

KELLY: Thank you, Senator Halloran. Senator Hunt, you're recognized to speak.

HUNT: Thank you, Mr. Lieutenant Governor. Good afternoon, colleagues. Good afternoon. Nebraskans. I, I often go to my office to listen, because when I'm on the floor, I'm-- I get a little bit distracted and I actually have a harder time hearing what people are saying, than if I'm in my office watching on the monitor. And then, you know, I not only can focus on what's being said, but I can see the Speaker very easily, too, on the screen. And I don't know if it's because of the pandemic or aging or a combination or different things, but my attention span has really become shot. And so being able to do that is one of my favorite ways to listen to debate. So I don't think we should worry too much that it's falling on deaf ears, because I do think people are listening to what we're saying and paying some attention, at least I was, for this afternoon, up until this point. I also agree with Senator Halloran, who-- in terms of what he said about maybe we need to appropriate some more funds to the PSC. I-- my heartburn that I have about the new office that's been created is I, I am concerned about wasteful spending. I'm concerned that when we see a Republican Governor do it, we trust his judgment and we think this must be judicious when, you know, a progressive wants to spend money, we think they must be wasting government funds. But I am not convinced that this isn't going to be duplicative or redundant in some way. And I'm also not convinced that it's going to end up in a cost savings for Nebraskans. The Department of Transportation will have to provide new office space, new equipment, new staff and the Public Service Commission already has the space, but could probably use more staff and could probably use more resources. And this is sort of consistent with a problem we see a lot in government, which is we see one agency or institution, whether that's a prison or a hospital or a school or-- gosh, I guess those are the three things government does, aren't they?

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Educate, medicate, incarcerate. But we see problems in, in those institutions and then we think the solution is either to privatize it or to start a new one that's going to be more efficient, instead of just kind of fixing what we have. And so that is the basis of my initial thoughts on it. And then digging more into the issue, I-- I'm also not convinced that the Department of Transportation is the correct place for this. There's a constitutional mandate that gives the Public Service Commission the jurisdiction of common carriers. So that's telephones, of course. And when the PSC was created, that was for phones and things like that. But it's also for broadband services now. And I'm also concerned that the Department of Transportation perhaps lacks the level of technical expertise that the staff of the Public Service Commission has. We're talking about people who need experience with broadband deployment, tasking them with a really, really expensive task. For the first time, in a new agency, I don't know if I believe that that's going to be the most judicious use of funds. I also look at what has happened in Nebraska in the past. Over the last several years, I've introduced bills, I've introduced bills in the Government Committee to require constitutional officers to go through--

KELLY: One minute.

HUNT: --thank you, Mr. President-- to go through a bidding process for contracts, just like agencies and departments have to. And the reason for this was several years ago, Treasurer John Murante opened an office in Omaha that seems like there was never any bids done on what the office-- where the office was going to be. There was no sign on the office. It wasn't really accessible to the public. And there were a lot of questions about why this office was even open. You know, who's working here? What are the hours? Why don't you have a sign? Why can't the public come in here and receive services from the Treasurer's Office? And what it looked like on its face was that the Treasurer used state funds to rent this office as a favor to a friend. And that's the kind of thing we want to avoid and the kind of thing that would be avoided with the oversight that goes with an elected body like the Public Service Commission. Thank you, Mr. President.

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

M. CAVANAUGH: Thank you, Mr. President. Colleagues, I have an Opinion from 1989 on the-- whether the protocol off-- the subject-- whether the protocol office would be an executive office of the state. For those who weren't listening before, this was a conversation around

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what is an office versus a department versus an agency. So this is to then-Senator Scott Moore, I think most-- a lot of people in this body know Scott Moore, serving Legislative District 24. So it says: You have inquired whether the protocol office, which LB177 proposes to create, would be an executive office pursuant to Article IV, Section 27, of the Constitution of the State of Nebraska. In-- thus-- and would thus require a two-thirds majority vote for creation. It is our determination that the proposed protocol office would not be an executive office, as intended by the above-referenced section of the state constitution. The Nebraska Supreme Court on several occasions have addressed the issue of what constitutes an executive office as intended in Article IV, Section 27, of the Constitution of the State of Nebraska, in *State v. Marsh*, 146 Neb. 750, 21 N.W. 2d 503 (1946). The Nebraska Supreme Court found the Department of Agriculture was an executive department within the meaning of the state constitution. The court determined in *Marsh*, that an executive office is, one, the duties of which are mainly to cause the laws to be executed. The court cited several laws which the Department of Agriculture had the power and duty to enforce. OK. So the court determined that Nebraska-- in the *State v. Chase*, in 1946, the court determined that the Nebraska Liquor Commission was not an executive office, since it was not charged with the actual execution and enforcement of laws. The court said, one, a very important test is that the department, if executed, has primarily to do with the political government of the state in the execution and enforcement of the law, wherein the Governor is the supreme executive head. In *Mekota v. State Board of Equalization and Assessment*, in 1945, the court held that the Department of Industrial Development had been defectively established, in that it had not received the requisite two-thirds majority required to establish a new executive department. In so holding, the court cited to *State v. Lochner* [PHONETIC], in-- in *State v. Lochner*, supra, the following appears: ministerial offices, it is said, are those which give the officer no power to judge of the matter to be done and which require him to obey some superior. An executive officer, in the proper sense of the term, is one whose duties are mainly to cause the laws to be executed, such as the President, the governor of the state, or the chief executive officer of a city. It pertains to the execution and enforcement of laws by one charged with a particular duty. Further, in *Sommerville v. Johnson*, the Supreme Court held that the agency cited by the Merit System Act was not an executive office. The reading of the Opinion--

KELLY: One minute.

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M. CAVANAUGH: --thank you-- in that case, demonstrates that the court was influenced in reaching its conclusion by the fact that the merit system organization was not vested with authority to administer or enforce any laws, other than the law by which the agency was created. The following language appears in the Opinion. I'll stop, I'll stop there. I just want to have a conversation about if we're doing, what we're doing, how we're doing it, making sure that we are doing it in the appropriate manner set forth in our own laws and constitution. Thank you, Mr. President.

KELLY: Thank you, Senator Cavanaugh. Senator Hunt, you are recognized to speak.

HUNT: Thank you, Mr. President. I have introduced some amendments to LB683 that-- a couple of them address some of the problems that I was talking about regarding the accountability that I think this office needs to have. One of the amendments I introduced is AM1073, which would require the broadband office to maintain a satellite office in each congressional district to ensure all Nebraska residents can access the office's services, especially if they don't have access to broadband in western Nebraska. This would make a lot of sense for people, especially if they don't have reliable Internet, that they should be within a reasonable drive of an office that can serve them. And talking more about just the increased oversight and accountability we need to have for-- not agencies, but-- yes, agencies, but particularly ones created by state constitutional officers. Talking more about what happened with Treasurer Murante, that I don't think was ever resolved or any-- it, it was kind of one of those news items that everyone is talking about and then it blows over. And then a couple of years later, you're like, what, what became of that. It's kind of like the caravan, right, guys? That's my, that's my touchstone on that is everybody was so worried about the caravan and then nothing happened with that. Now nobody talks about it now that the election's over. But State Treasurer John Murante opened a west Omaha office in 2019 and called it part of his public outreach efforts. But there was very little that was made publicly known about that office. It wasn't listed on the State Treasurer's website. There was no press release about it. There's no signage outside the office to indicate that there's a state office building or a state office inside. There wasn't even a mention that the State Treasurer had an office there in the little directory that was next to the elevator in the building. So no member of the public could have reasonably believed that there was a Office of the Treasurer in that building. And reporting from the Omaha World-Herald said: it's only after you take the elevator to floor 2 and wander down a quiet hallway, that you'll find a glass door with a

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copy machine printed sign taped to it, proclaiming that it's a State Treasurer's Office. The office, which has been open at that time for four months, is raising eyebrows among some who watch government spending and transparency. The office costs \$58,700 a year and was leased for ten years. So State Treasurer Murante, who, you know, is he going to be in office for ten years? He leases an office for ten years, \$58,700 a year. The people of Nebraska should ask who's benefiting from that contract of this building that has no sign, that has no indication inside the building that there's a Treasurer's Office there, that has a copy, you know, copy machine paper sign taped to the door. Who's working there and why does it cost taxpayers \$58,700 a year? It says, the discovery of the office comes as questions are being raised about a spate of recent television ads run by the first-term Treasurer that--

KELLY: One minute.

HUNT: --prominently feature Murante and his family. Those ads have cost nearly \$600,000 over the past six months and were produced by a company for which Murante had worked. That company was called Victory Enterprises. And this isn't a company that typically works on public service announcements that are meant for public consumption and public information. Victory Enterprises is a political consulting firm and it's one that Treasurer Murante had previously worked for and hired. And some documents that were found by Common Cause Nebraska had listed him as a director of Victory Enterprises in the past. And this is also the same agency that he hired to handle his campaign for his 2018 election to State Treasurer, that had just recently put him in office and presumably, working on his future campaigns, as well. And I think we can all see--

KELLY: That's your time, Senator.

HUNT: Thank you, Mr. President.

KELLY: Thank you, Senator Hunt. Senator Day, you're recognized to speak.

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

KELLY: Senator Cavanaugh, you have 4:45.

M. CAVANAUGH: Thank you, Mr. President. Thank you, Senator Day. I'm going to finish reading this part of the Attorney-- AG's Opinion from 1990-- oh, not '90, 1989. OK. And then I have conversation around it.

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So the following language appears in the Opinion. Asterix 2: It is evident that the Legislature here established an agency in the name-- in the nature of a civil service commission. It created a council to guide and direct the administration of the act...it is intended to promote efficiency, economy, and equality... in the participating agencies. It depends in part upon cooperative effort between the council, the director, and the participating agencies. It administers no law, save the law by which it was created... it executes none of the laws of the state so far as they relate to the people generally. We think it is quite clear that it does not create an executive department nor an executive state office within the meaning of the constitutional provisions herein discussed. In each of the Supreme Court decisions mentioned above, it appears that one common controlling factor upon which the court relied in reaching its conclusion was whether or not the agency in question was empowered to administer and enforce pertinent general laws of the state. It appears from reading-- from a reading of LB177 that the protocol office is intended to function in coordination or liaison capacity. The office is given no power to enforce the general laws of the state, nor even the power to promulgate rules and regulations. It is clear from the reading of LB177 as introduced that the protocol office would not be an executive office, as contemplated by Article IV, Section 27, of the state constitution. Therefore, a simple majority of the vote would be sufficient to create the office. So I share that because we do want to make sure that we-- if we are creating an executive-- let me find the right words-- a new executive department. If that's what we're doing, we need two-thirds majority. If that's not what we're doing, we need a simple majority. So I think we're still a little unclear as to if that is what we are doing or not. I think that it is not the intent of the Governor's-- of the Governor to create a new executive department, but going to his executive order-- OK. So the broadband coordinator-- OK. Governor of the state of Nebraska, pursuant to the authority vested in me, as Governor, by the constitution, hereby establish the Office of the Broadband Coordinator. The broadband coordinator function will operate under the guidance and direction of the Nebraska Department of Transportation and the Office of the Governor and will operate with the following purposes and charges: provide for policy-level direction related to planning decisions regarding development, operations, sustainability, high-speed--

KELLY: One minute.

M. CAVANAUGH: --broadband service in the state of Nebraska. It goes on. So that doesn't-- see, this is, this is when probably having a law degree would come in handy. These are the nuances of the language,

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that I'm not quite sure if this does create a new executive office or if this doesn't create a new executive office. So I'm, I'm certain that this piece of legislation has the votes that it needs to meet that two-thirds threshold. However, even if it has those votes, I think it would behoove us as a body to have an answer as to what it is we are actually doing and what it is we are creating. So we will continue on this conversation. I think that I am next in the queue, so I'd like to switch and I'm sure I'll run out of time and then start up in my next time. I would like to switch--

KELLY: Sen-- Senator, that-- just so you know, this is your third time and then you'll have your close.

M. CAVANAUGH: Thank you, Mr. President. OK. So I'm trying to figure out-- this is taking us back to the amendment at hand. AM1083 strikes the "designated by the Governor" language. The full sentence is: The funds shall consist of money appropriated by the Legislature and federal funds designated by the Governor. It reinstates and federal funds received for broadband enhancement purposes. So I'm trying to find out where this was in the original bill, the designated by the Governor, because I don't see it in the original bill. I see it in the amendment, but not in the underlying bill. And I'm very, very concerned about the layers we are taking away of transparency, oversight, good governance. And I think that this particular amendment reinstates some of that oversight and authority that we ourselves have. It's really important that we not just give away our authority. When we give it away, it makes it easier to give it away in the future, until we no longer have any authority. I appreciate Senator Steve Halloran and Senator Steve Erdman's comments on this. I think it's fun to keep the people on their toes as to when Senator Machaela Cavanaugh and Senator Halloran and Erdman will be on the same side of an issue. It happens. This is big. This is a big deal. This is a big project. This is a big undertaking so I hope we can be thoughtful about it. And I'm going to continue to look and see-- I really don't see in the original bill where we give the Governor authority over the money, as we do in the amendment. And I apologize to my committee members if I missed that change, because I think that that is a substantial change, a very substantial change. And I, I find it to be a, a concerning change, as to why we would make it that way. We didn't give the PSC that authority when we created the BEAD Program, so I do have pretty significant concerns over that. I hope when we do get to vote on AM1083 that, colleagues, you will consider supporting striking that language from the underlying committee amendment. I'm still trying-- I just-- I'm just not understanding that change. I see ensure on, on the original bill-- page 3 of the original bill, line 2:

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Ensures all government funding is utilized in a cost efficient and accountable manner for Nebraska broadband projects. That's kind of underneath what the Nebraska Broadband Office shall--

KELLY: One minute.

M. CAVANAUGH: --their duties, as prescribed. But it doesn't say anything about the funds and the Governor's discretion over the funds. So it does say on the original bill, on page 2, line 12: All administrative and budgetary decisions for the Nebraska Broadband Office shall be made by the Director of Broadband. Again-- and maybe I am missing it. There's a lot of underlined and crossed out lines here, so I could very well be missing it in the original bill. I don't see it. And it, it does cause me concern to give the Governor that authority and really abdicate our own authority, so. Thank you, Mr. President.

KELLY: Thank you, Senator Cavanaugh. Senator Hunt, you're recognized to speak and this is your third opportunity.

HUNT: Thank you, Mr. President. Finishing my thoughts about the Treasurer's Office, which I was bringing up to exemplify the concerns I have about the power we give to constitutional offices without giving them any oversight and the reason why I think that we should trust an elected board, the Public Service Commission, instead of creating a new office under the executive branch. I talked about part of the news story and part of the reporting that happened around Senator Murante's spending-- or Treasurer Murante's spending on an office in west Omaha. The office was costing-- is costing \$58,700 a year and is leased for ten years. Looks like this began in 2019. So let me see. So this lease will be up in 2029, and in that time, it will have cost taxpayers \$587,000 just in rent. Just in rent. And what are they doing in this office? Well, as the reporting says, the office is meant to be part of Treasurer Murante's public outreach efforts. But there's almost nothing public about the office. The office doesn't have a sign. There's no mention of the office in the list of tenants by the building's elevator. There's no signage outside the office to indicate that there's a state office inside at all. It's not listed on the State Treasurer's website. There had been no press release about it. So that's over half a million dollars, \$587,000, just for rent that taxpayers are on the hook for, for this strip mall office, basically, that Treasurer Murante rented. And it begs the question, who owns this strip mall? Who got this nearly \$600,000 contract, from the taxpayers, so that Treasurer Murante could basically have an empty office? Sounds like a good deal to me. I think maybe I made a mistake

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brushing off some conservative Republicans, because it sounds like they're getting the best deals out of government here in this state. And when I read news like this, you don't love it. It makes you want to change the law. It makes you want to put that accountability back into statute, to find a way to make sure that the way we steward these taxpayer dollars is done with responsibility. And that's what I did for the last three years in a row, I believe. This year, I introduced LB485, to require constitutional officers, which would include people in the executive branch of government, so the Governor, the Lieutenant Governor, Secretary of State, Auditor of Public Accounts, State Treasurer, and Attorney General-- it would require them to get bids for contracts, which probably would have prevented this problem with the Treasurer's Office. And of course the Treasurer's Office has a legitimate reason to use advertising. And that's to inform people of the services they provide, the services they manage, like the state's college savings plans, of course, the unclaimed property that the State Treasurer's Office manages. And the need for this bill, to say nothing of this empty \$600,000 office that the taxpayers are paying for, it-- the need for it came to my attention, originally, in 2019, when a constituent reached out to me regarding ads--

KELLY: One minute.

HUNT: --thank you, Mr. President-- regarding ads he was seeing on TV from the State Treasurer's Office that looked like campaign ads. They had his name really bold. It didn't say Office of the Treasurer, it said John Murante. You know, it feels like a campaign ad. It didn't have, you know, here's me at my calculator doing treasuring. Like, no. It was his family, like, a smiling picture of his family. Feels just like a campaign ad. So many people reached out to me about that ad and then this article from the Omaha World-Herald came out, which shed light on some other questionable decisions. And it just made me think there's a fix for this. And one of the things that we can do to fix this is just make sure that we are requiring state constitutional officers to get bids for their contracts, just like every other agency has to do. Thank you, Mr. President.

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

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

KELLY: 4:53.

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M. CAVANAUGH: Thank you, Mr. President. Thank you, Senator Day. OK, so-- few issues. We are creating a new entity. Unclear if it is an agency, a department, or an office. It seems to be an office. But what does that mean? In the AG's Opinion from 1989, when we establish an executive department as defined in that AG's Opinion, we must have two-thirds vote. Are we establishing an executive department with LB683? What are we establishing? What are the long-term goals of what we're establishing or are they only this, this one particular program? The program is the BEAD Program, which is the Broadband Equity, Access, and Deployment Program. This is a program that is federally funded, is short-term and currently, sits with the Public Service Commission. So we are moving the BEAD Program from the Public Service Commission and putting it into a new office, broadband office. The issue for me is not a broadband office. I think we probably need a broadband office. I don't think that we should do it without a plan and thoughtfulness, because like most things, it is very hard to undo once we do it. It is unclear if the Governor intended to create a permanent office or if he intended to just move this one singular program from one entity to a new entity. So the amendment that I am currently discussing, AM1083, strikes the language on page 8 of the committee amendment that says that the federal funds designated by the Governor and then reinstates federal funds received for broadband enhancement purposes. So what I am seeking to do with this specific amendment is to not take away our own authority, to not water down our appropriations process, to not take away our oversight ability. We are already giving the Governor--

KELLY: One minute.

M. CAVANAUGH: --in doing this, we are giving the Governor a larger purview over some of the functions of the government, because we are taking a function away from a different elected body and giving it to the Governor. That causes me a great deal of hesitation. The argument has been made that this is a new program, that the PSC isn't doing it fast enough, that the Department of Transportation can do it better and faster. Those things might be true, but we could give the PSC the funding that they need to ensure that they can do the program the way that it needs to be done, at the speed that it needs to be done. We can get the PSC and the department working closer together.

KELLY: That's your time, Senator. Thank you, Senator Cavanaugh. Senator Day, you're recognized to speak and this is your third opportunity.

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

KELLY: Senator Machaela Cavanaugh, you have 4:55.

M. CAVANAUGH: Thank you, Mr. President. Thank you, Senator Day. So we have a choice to make here on this broader bill. But right now, I am asking that we just consider how broadly we are giving power to the Governor. And if we are going to give the Governor this ability, if we are going to give the Governor this federal program, if we are going to take it away from another elected body, do we need to make it this expansive? We can always make it more expansive, if necessary. But right now, for a starting point, to make a program-- we're already expanding the Governor's authority if we enact this bill purely on the, the program basis. If we keep this language that I am trying to strike in the bill, we further expand the Governor's authority. And I am not comfortable with us, as a body, giving away our authority in the appropriations process. And it might just seem like a little thing, but these drips of water are starting to fill a bucket up. We are eroding our own authority and we are giving it to the Governor and I don't think that that is the responsible thing for us to be doing. We are giving away our appropriation power, our power over being good stewards of taxpayer dollars. Whether they are federal or state, it is still our job and our authority and I don't think we should give that away, in any instance, without some serious contemplation. AM870 adds in language that allows the Governor to designate the federal funds for broadband purposes. There are some additional concerns around giving money to the Governor for federal purposes around broadband. And these are not-- these concerns are not directed at this specific Governor, because I have no reason to think this. This is not based on anything. This is a broader issue. The PSC-- elected members of the PSC cannot have another job. They cannot have another job because of the concern of conflict of interests, undue influence, etcetera. That is purposeful, because they are dealing with some very important things. So there is some very clear guidelines around the financial propriety of the PSC. We are taking this federal program away from this elected body that has these very clear stipulations around how they are to function in this space, financially, personally--

KELLY: One minute.

M. CAVANAUGH: --and giving it to the Governor's Office that doesn't have that. That is not appropriate. We are continuing to diminish the integrity and transparency and the oversight around the program and the tax dollars. So if we are going to do this, let's do this with

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some of these guardrails in place. This wasn't in the original bill. This wasn't part of the hearing. The public didn't have the opportunity to come in and say if they support this or not. I don't think we should include it at this stage.

KELLY: That's your time, Senator, and you're recognized to close.

M. CAVANAUGH: Thank you, Mr. President. I'd like a call of the house.

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

CLERK: 6 ayes, 2 nays, to place the house under call.

KELLY: The house is under call. Senators, please record your presence. Those unexcused senators outside the Chamber, please return to the Chamber and record your presence. All unauthorized personnel please leave the floor. The house is under call. Senator Machaela Cavanaugh, you're recognized to continue your close. You have 4:42.

M. CAVANAUGH: Thank you, Mr. President. Colleagues, I'm sorry to disrupt all your conversations, but I did want people to be present while I explained the amendment that you're voting on. So AM1083 strikes, from page 8 of the amendment, line 30, "designated by the Governor" and it reinstates the original language that says: The fund shall consist of money appropriated by the Legislature and federal funds received for broadband enhancement purposes. The intention here is if we are going to take this program away from the elected PS-- Public Service Commission and move it into the Office of the Governor that we don't also add additional discretionary ability to the Governor to use the federal funds without oversight. This-- my intention here is to maintain our appropriations process, to maintain the integrity of the Legislature and our role in oversight and our role in being good stewards of the taxpayer dollars. And so I hope that the body will consider voting for AM1083 that strikes that language "designated by the Governor" and just keeps it as-- that language was added in the committee amendment. It wasn't in the original bill so I would like to keep the language out of the committee amendment. Thank you, Mr. President.

KELLY: Thank you, Senator Cavanaugh. Senators Conrad, Vargas, Dover, McDonnell, Clements, and Wayne, please return to the Chamber. The house is under call. Senators Clements, Wayne, and McDonnell, please return to the Chamber. The house is under call. All unexcused members

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are now present. The question is the adoption of AM1083. There's been a request for a roll call vote. Mr. Clerk.

CLERK: Senator Aguilar. Senator Albrecht voting no. Senator Arch voting no. Senator Armendariz voting no. Senator Ballard voting no. Senator Blood. Senator Bostar not voting. Senator Bostelman voting no. Senator Brandt voting no. Senator Brewer voting no. Senator Briese voting no. Senator John Cavanaugh not voting. Senator Machaela Cavanaugh voting yes. Senator Clements voting no. Senator Conrad voting yes. Senator Day voting yes. Senator DeBoer not voting. Senator DeKay voting no. Senator Dorn voting no. Senator Dover voting no. Senator Dungan not voting. Senator Erdman voting no. Senator Fredrickson not voting. Senator Geist voting no. Senator Halloran voting no. Senator Hansen voting no. Senator Hardin voting no. Senator Holdcroft voting no. Senator Hughes voting no. Senator Hunt voting yes. Senator Ibach voting no. Senator Jacobson voting no. Senator Kauth voting no. Senator Linehan voting no. Senator Lippincott voting no. Senator Lowe voting no. Senator McDonnell voting no. Senator McKinney. Senator Moser voting no. Senator Murman voting no. Senator Raybould voting yes. Senator Riepe voting no. Senator Sanders voting no. Senator Slama. Senator Vargas voting no. Senator von Gillern voting no. Senator Walz not voting. Senator Wayne voting yes. Senator Wishart. Vote is 6 ayes, 32 nays, Mr. President, on adoption of the amendment.

KELLY: The amendment is not adopted. I raise the call. Mr. Clerk.

CLERK: Mr. President, some items. Motions to be printed: Senator Hunt to LB286, Senator Machaela Cavanaugh to LB294, Senator Hunt to LB290-- excuse me, LB286, Senator Machaela Cavanaugh to LB294, Senator Hunt to LB296, LB297, Senator Hunt, Senator Hunt, LB298, Senator Machaela Cavanaugh, LB307 and LB308 and LB314. Additionally, new LR, LR78 from Senator McDonnell. That will be laid over. Mr. President, the next item on LB683 and the committee amendments. Senator Machaela Cavanaugh would move to amend the committee amendments with AM1094.

KELLY: Senator Machaela Cavanaugh, you're recognized to open on AM1094.

M. CAVANAUGH: Thank you, Mr. President. Colleagues, I'm actually genuinely disappointed in that last vote. I really thought more of you would have not given away \$240 million, with no discretion, to the Governor. That was-- that actually-- that stung. That stung a lot. I didn't-- I wouldn't have done a call of the house if I thought that the vote was going to be that lopsided, because I genuinely thought

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people would want to vote to maintain our own power and authority. I especially thought that the senators that were in opposition to expansion of government, that stood up and spoke on that, would have supported that. That didn't have a hearing. That wasn't part of the hearing where literally all of the Appropriations Committee members voted against that. Why are you on the Appropriations Committee? If you're just willing to give away \$240 million, you don't need to do your job. I get it. I get it. It's me. I understand. I understand the irritation and the inclination to not listen to me. But you should still do your job. And that vote, to me, was a failure of this body. Thank you to the handful of people that voted for it. I appreciate that. This bill is a really big deal. This is a really big deal, and people are not engaging in the conversation, people are not listening to the conversation. And then you're just hitting your red button because it's me. You are giving away our own authority to oversee \$240 million. That is what you just did. Why? Because I introduced the amendment? I love public policy. I love good, strong public policy. I love working on public policy. I love working to make things better. I believe in process. I believe in transparency. I believe in oversight. I don't like government waste. I don't like overspending. I don't like bloated government. I have a lot in common with a lot of you, if you ever stop to listen to the things that I say. I do not believe that it is appropriate for our Legislature to abdicate our authority. This isn't a state of emergency. We just abdicated our authority over \$240 million. It didn't have a hearing, it wasn't part of the underlying bill. It was put in the amendment. I spent over an hour talking about it. OK, so now we're on to the next, AM1094. My papers have gotten a little out of order here. Let's see here, AM1094. OK, page 4, line 15 of the amendment. Get to that page 4, line 15, strikes "serve at the pleasure of." The director shall be appointed and serve at the pleasure of the Governor. This one I understand why you would vote against it. This one is a filibuster delay tactic. This one I'll spend my times talking on, and we'll go to the next, and we'll go to the next. And depending on just trying to take more time, and not have to talk as much, I might do a call of the house on it. But I certainly have lost a lot of, a lot of respect. I've lost a lot of respect on that last vote. A lot. A lot. So AM1094 strikes "at the pleasure of." The Nebraska-- so the amendment says, "It is the intent of the Legislature to ensure that all federal, state, and local government funding for broadband infrastructure and services in Nebraska be leveraged strategically to ensure that all Nebraskans have access to affordable, reliable broadband services before January 1, 2028. To accomplish this intent, the Nebraska Broadband Office is created. The office shall be headed by the Director of Broadband. The director

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shall be appointed and serve at the pleasure of the Governor with the approval of the majority of the Legislature. For administrative and budgetary purposes, the Nebraska Broadband Office shall be located in the Department of Transportation. All administrative and budgetary decisions for the Nebraska Broadband Office shall be made by the Director of Broadband." So this strikes "at the pleasure of the Governor," which I think goes back to the broader question of what are we creating? How many votes do we need to create it? Is it constitutional, is it not constitutional? Constitutionality is a whole 'nother question. Pretty sure I'm-- just keep-- I keep getting a little cough. So we'll just work our way through these amendments. So looking at-- how much time do I have?

ARCH: 2:15.

M. CAVANAUGH: Thank you. Looking at the Nebraska Constitution, IV-20, Public Service Commission; membership; terms; powers. It's probably what I'm going to be discussing next, talking about what their power and authority is. Maybe the kids that are coming here for their school trips are learning something, certainly my colleagues are not today. So it says on this document: absent a supermajority concurrence, the Nebraska Supreme Court could not invalidate a statute giving the Governor authority to approve an interstate oil pipeline carrier's proposed route through the state and bestow upon the carrier the power to exercise eminent domain despite the majority's conclusion that the legislation is face-- factually-- facially unconstitutional-- I am definitely mispronouncing that, because it transfers the pow-- transfers the Public Service Commission's constitutional powers--

ARCH: One minute.

M. CAVANAUGH: --over common carriers to the Governor. This is *Thompson v. Heineman*, 289 Neb. 798, 857 N.W.2d 731 in 2015. So their conversation moving forward is going to be around the constitutionality of divesting the Public Service Commission of jurisdiction-- juris-- jurisdiction over the BEAD Program and giving it to the Governor's Office. Not that that's really going to matter to anyone in the body, but still going to talk about it. Thank you.

ARCH: Senator Hunt, you're recognized to speak.

HUNT: Thank you, Mr. President. First, colleagues, and foremost, Nebraskans, I have to cop to something really embarrassing that happened on my last time on the mike. I got out my calculator to multiply a large number by ten and my staff was roasting me for that,

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and going, Megan, you just put a zero on the end. So I was like, yeah, I obviously know that. And I always say when I talk to groups of young kids in school or out in the Rotunda or when I go visit different groups who ask me questions, the number one question I get, always, always, always is what do you say to people to encourage them who are thinking about running for office? And I always say, you do not have to be a genius to get elected. It is not Jefferson and Lincoln down here. All you have to do is watch the Nebraska Legislature for half an hour and your imposter syndrome will melt away. You'll see your-- you know, you might say to yourself, well, I can at least do that. And that's-- that was a big part of my decision to run in 2017, was watching what we do down here. It was listening to a debate about licensure for horse massage. And I thought, girl, you can at least do that. You are not dumber than that. So that's all for someone who had to get the calculator out to multiply something by ten. So not great. You do not have to be a genius, and I encourage you to pursue your dreams. Because once you reach your goals, you're going to find out you are not going to be the dumbest one. So I was talking about these ads on TV that were paid for by taxpayer dollars. They cost nearly \$600,000 of taxpayer money. These ads that Treasurer Murante had been running on TV to promote the office of the Treasurer. And these ads, the problem with them was that they looked a lot like campaign ads, and not public service announcements that they were meant to be about the types of services that the Treasurer's Office provides, like college savings accounts in the state or unclaimed property. And not only that, not only did these ads cost \$600,000 that had, you know, the splashy John Murante, State Treasurer, pictures of him with his smiling family, not really feeling like it's about the services and the office, but more about him as a candidate cost \$600,000 that we all paid for as taxpayers. And not only that, but the company which he hired to produce and place the ads, Victory Enterprises, was one that he used to work for. And it's a company that did his campaign ads when he was running. There was no competitive bidding process that was followed in the selection of this vendor, of Victory Enterprises. And in a bill that I introduced this year, LB485, and I think this is the third year that I've introduced this type of idea, we're dealing with this competitive bidding problem, and that's what I think is at the heart of some of my-- related to some of my opposition to LB683. So on these advertisements in this agency, Victory Enterprises is not a company that typically works on public service announcements. It's a political consulting firm. It's one that Treasurer Murante previously worked for, and it's one that he was formerly listed as a director on in the past, and it's the same one he hired to manage his own campaign in 2018 that had just recently put him into office when these ads were

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running. So we can see how this is really messy from a lot of different angles.

ARCH: One minute.

HUNT: Thank you, Mr. President. The bill that I introduced would prevent these types of unethical practices by people in constitutional state officers, by requiring that constitutional officers follow the same competitive bidding requirements that state agencies already have to follow. So existing statute requires agencies to go through a public competitive bidding process to contract for any state services that would total more than \$50,000. These ads that Treasurer Murante was running were \$600,000. So this definitely would have been encompassed under this bill. And the law, as it exists now, it doesn't apply to any state constitutional officers or the executive branch agencies that they lead. And in the case of the Murante ads, the Treasurer budgeted \$600,000 of state funds for an alleged--

ARCH: Time, Senator.

HUNT: --public service campaign. Thank you, Mr. President.

ARCH: Senator Machaela Cavanaugh, you're recognized.

M. CAVANAUGH: Thank you, Mr. President. I'm fascinated by this conversation. I'm now on the NADC website. I, I was genuinely trying to keep my comments germane to the bill. But based on that last vote, I don't think it matters. So I'm just going to riff about whatever it is I want to talk about. I have this mug on my desk, and it's been here for-- I don't know, a couple of years. It's a white mug. It's got black font on it. It's got a lot of words on it. I, I don't know what the font is. But it's-- I always forget serif versus sans serif, which is the one that has like a little bit of a flare on it. Serif. It is serif font, and it's big enough that I can read it from here, and it's very amusing. And it was a gift from my staff my first year, and I've never, I've never utilized this mug in floor debate. And people are probably like, why would you utilize your mug in floor debate? It's a mug with just a lot of words on it. So on one side, it starts out with, wow, all that text on a mug and it's probably saying something important. Wait. No, it's just some meta commentary on the text itself. What a waste of time. This is a bad mug. Hold on. Got to turn it around again. On the other side. Wow, even more text. Is it anything new or the same as the other side? Nope, it's still this self-- Nope, it's still this, this self-aware nonsense. So why did I get this mug? This is not a good mug. This is a bad mug. So it's this

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white mug with just black serif font on it. I find it amusing. So I just have it sitting on my desk. It actually is not a bad mug. It is, if you are a connoisseur of mugs, I like this mug because it's not narrow, but narrow enough that it will fit in most cup holders in a car. I mean it doesn't have a lid, so, whatever. But if you're in a pinch and you don't have, like, a thermos with a lid, this mug will fit in the cup holder in the car. And it's-- so it's narrow enough, but it's not so narrow that it's like, why do I have this mug? Because there's nothing in it, because it's too narrow. And so it's wide enough for that. And it's tall enough that, like, you can have it filled pretty well but still have a lot of space. So that's not splashing all over your car. And what I find is if you have-- if you have it filled too much, your coffee mug filled too much, that it will start to cool down faster. This is a problem I have with those coffee mugs that are like a big saucer type coffee mug is that I feel like, first of all, it's more surface area being exposed to the air. And so as such, it cool-- it cools down faster. So you got to have this, like, nice balance of is your coffee going to cool down? You want it to cool down fast enough for you to drink your hot coffee, but not so fast that then you're drinking lukewarm--

KELLY: One minute.

M. CAVANAUGH: --or room temperature coffee. It's a real conundrum, the coffee mug conundrum. So whenever I find a good mug, I get real excited about it because, you know, a good mug. I do like big mugs, however, because I like to drink an obscene amount of coffee. So again, it is the mug conundrum. What size of mug is the right size? Also, shape. These are important factors that go into a mug selection. At home, I have a variety of mugs. We have the mugs that are like a set that we got when we got married. And then we have another set of mugs that maybe one of us had before we got married, I don't know. And then we have the random mugs that you get over time. And I have one really big mug, but it's also tall, that is just like my absolute favorite. And if you-- it's always in the dishwasher.

KELLY: That's your time, Senator.

M. CAVANAUGH: Thank you.

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

HUNT: Thank you, Mr. President. Machaela, Senator Cavanaugh, you're out of your mind for that one. Not the mug conundrum. I'm, I'm 70

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percent disappointed and 30 percent impressed. Really good. OK. I do have a point to make about-- I was really trying not to crack up. I do have a point to make about government oversight. And Senator Cavanaugh, you got to be bluffing. I can't believe that what you said earlier was serious, that you're surprised people didn't support your amendment. First of all, no one in here is supporting anything you're introducing all year. Whether that's a bill to give Senator Kathleen Kauth \$1 million a day, or a-- an amendment to provide government oversight, that's not happening. And so the surprise is not plausible to me. But talking about my bill, LB485, which would improve government oversight for people in constitutional offices. It would prevent these types of unethical practices, such as what happened in the State Treasurer's Office in 2019, by requiring that they follow the exact same competitive bidding requirements that state agencies already have to follow. And these statutes, as they exist right now, they don't apply to state constitutional officers, and they don't apply to the executive branch agencies that they lead. So in the case of the Treasurer Murante ads, he budgeted \$600,000 of taxpayer dollars for what was meant to be a public service campaign for unclaimed property awareness. But he didn't seek any bids for that contract. So then who got the contract? The company that did all his campaign ads. The company where he was listed as a director of that company, a company he had previously worked for. How is that ethical? And it's the same question I have about how he rented for a ten-year lease in this strip mall, a new office for the State Treasurer that didn't even have a sign on it. How is there any public accountability for that? When is it open? It's not listed on their website. Who's there staffing it? What services do they provide? If I, as a taxpayer, wanted to go to that office to have a question about unclaimed property, or have a question about a child college savings account, would I even be able to do that or are we just throwing away \$57,000 a year for nothing on that deal? And who's benefiting from the deal? We know that Victory Enterprises benefited from his deal with the commercials. We cannot call them public service announcements. They were commercials, campaign ads at worst, commercials at best. We know that a friend of his benefited from those, and that he may have directly benefited from that as well. I'd like to know. And I have the same question about the office. Without this bill that I introduced, without LB485, the door continues to be wide open for constitutional officers like Treasurer John Murante to give huge taxpayer-funded handouts to their friends, to their former employers or employees, to future campaign consultants. And they can do that without any legal repercussions. I think we can all see that this is an issue of fairness--

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KELLY: One minute.

HUNT: --it's an issue of government transparency. And without this, we're really leaving the door open for abuse within the system. So the last time this bill was heard before this year was 2020. And there were no opponents. There was no neutral testimony. This year when I introduced it, there were no opponents and there was no neutral testimony, and it never got a priority. But it's one of those things that's just a good governance issue. I'll also note that after the last time these bills were heard, Treasurer Murante said he would be happy to comply with whatever rules the Legislature imposes on constitutional officers. So it's not my intention to put a whole bunch of criticism on him as an individual. It's just that the choices he made in his position shed light on the fact that our statutes have some glaring holes in them that allow for some unethical practices. Thank you, Mr. President.

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

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

KELLY: Senator Machaela Cavanaugh, you have 4:51.

M. CAVANAUGH: Thank you, Mr. President. Senator Hunt, that was all for you. I knew you were dying to know my feelings on coffee mugs' shape, form. I haven't even gotten to color palette. Whether it's serif font or sans serif font. There's a lot to unpack. I, today have two different thermoses. I've got my water thermos, and I've got my coffee thermos. I usually have both, I try to have-- I haven't-- at the start of session, I wasn't great about having a water thermos, and so I was using the paper cups in back, and I, I like to avoid that as much as possible. You know, be more ecologically minded. So I appreciate Senator Hunt's comments that obviously I was naive. And I was, I was naive. I got wrapped up in the whole, like, interesting, substantive conversation of it all, having substantive conversation off the mike with colleagues about what was going on and what's in the bill. I got caught up in it thinking, we're doing our jobs, we're governing. This is terrific. I got caught up in that. So that is on me, colleagues, I apologize. I should not be disappointed in you continuing to act against your own political interests. I should have known that that is exactly what would have happened. So apologies for that naivete. I am looking over Nebraska Accountability and Disclosure filings, because that's a fun thing to do. It's fun to see, like, who gave to who? Who gave what? How much did they give to this person, or this entity, or this political party, etcetera, etcetera. And I agree with what

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Senator Hunt is talking about with-- we do have a lot of holes. And for days, I've been reading from a transcript from a deposition in regards to the lawsuit that was when Saint Francis Ministries, the child welfare contract that was transferred from PromiseShip in 2019 to Saint Francis Ministries for the Eastern Service Area. There was a lawsuit trying to seek an injunction to make that not happen. So I've been reading from the transcript of the deposition of one of the people that worked for the state agency at that time. And it really-- the reason behind all of that is because I want to continue to shine a light on, and I've introduced legislation around this, but I want to continue to shine a light on the complete lack of process, integrity, and transparency in our procurement in the state of Nebraska. Which goes to exactly what Senator Hunt is talking about when it comes to just leasing-- a ten-year lease on a building when you're in an elected position. I mean, it must be nice to know that you don't have to worry about getting reelected, I guess.

KELLY: One minute.

M. CAVANAUGH: You don't have to worry about it. Of course you'll be there ten years. Why wouldn't you? You run unopposed anyways. So, yeah, there's a lot of money flowing. There's a lot of money flowing, like tax dollars flowing. And then there's a lot of money flowing. There's a lot of contracts being awarded. There's a lot of campaign donations coming in. There's a lot of money flowing in and out. And we haven't really made an effort as a governing body to have as much oversight on that, or even just transparency on that, as we could. We could be doing a lot more as a governing body. And, you know, we've got campaign finance--

KELLY: That's your time, Senator. You're next in the queue and that's your final time before your close.

M. CAVANAUGH: Thank you, Mr. President. We've got campaign finance law, bill introduc-- bills introduced that probably won't see the light of day. We've got procurement bills introduced that probably won't see the light of day. We've got lots of government integrity things that keep being introduced, but won't see the light of day. We vote to take away our own authority and give it to the Governor, to the executive branch. I mean, I don't even think we should bother with the budget debate. The Appropriations Committee just spoke, unified, that they were fine with giving the Governor authority over \$240 million. So why even go through the budget debate? We can just go to the Governor's budget. We don't have to debate it. If we do nothing, it's automatic. I don't know why you all are spinning your wheels

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doing so much work. You don't seem interested in having your own power and authority. You do seem interested in giving it away to a person down the hall in a different branch of government. It's not their job. Without a hearing, mind you. Without a hearing. You all voted to give the Governor \$240 million, with no govern-- with no legislative oversight, without a hearing. OK. So, yeah, I'm going to talk about coffee mugs because coffee brings me joy. So why not talk about coffee mugs? Government oversight also, you know, is something I'm interested, and brings me joy. But I spent an hour talking about that and didn't really mean anything. So my coffee mugs. I like to have two, one for water, one for coffee. And I oftentimes-- people keep giving me stickers and they're, you know, fun stickers that you can, like, put on a, a, a coffee thermos and it doesn't get ruined in the dishwasher. So I've been adding some of my, some of my coffee thermoses have, like, so many stickers on them. And the one I have today doesn't have any, which I'm kind of surprised that it doesn't have any. This is not a call for people to give me stickers. I have more stickers than I know what to do with. You do not need to give me more stickers. Just want that said for the record, I got a lot of stickers. I just haven't had a chance to apparently put them on my coffee mug today. I do have one that is one of my personal favorites and it is a, a bee with its wings expanded and it says mind your own beeswax. I think that one's pretty funny. And I think that one's pretty apropos when it comes to, like, Government overreach, like, mind your own beeswax. Get out of my house. Get out of my kitchen. So-- oh, but so what I was talking about was my favorite coffee mug. It's this really big one, and it says, I'm not going to get it exactly right. Something like-- a friend gave it to me, like the best man for a job is a woman. And my husband keeps using it. And I'm like, this is, first of all, stylistically, my favorite coffee mug. It's big, but it's also tall. You cannot take this one in the car. It will not fit in the car cup holder. It won't. I'm talking to the pages now. Just as a pro tip. This particular mug is really big. I've actually taken it in the car because I drive a minivan and there's a console in the middle with two coffee cup holders. But then like a flat--

KELLY: One minute.

M. CAVANAUGH: --spot, and, and sometimes I'll take it and I'll set it on the flat spot. Not a good idea. It splashes everywhere. So this is not a car coffee mug. But it is my favorite and it's always in the dishwasher, not because my husband's always using it, but it is a favorite, I think of him, as well. And so, so then there's the next-tier-down coffee mug, which is one that has this like, extra like lip fat bot-- flat bottom. And I like that one because then, like, on

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the weekends, if I'm sitting in the living room, we have a sliding door, like to watch the squirrels outside. If I'm sitting in the living room with the kids drinking my coffee, I can actually set it next to me on the couch. And it's like it's got its own little table because it's so flat. So that's another one that I really enjoy and appreciate, but not stylistically, like as far as the shape goes. But my favorite is this one that I had made for my husband--

KELLY: That's your time, Senator.

M. CAVANAUGH: All right, I'll come--

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

J. CAVANAUGH: Thank you, Mr. President. Well, I just wanted to get in part of the conversation. I haven't talked today. So we're on AM1094. This-- I always look at that one, even though this one's probably easier for me to see. AM1094 to AM870 to LB683, and this says strike "and serve at the pleasure of." So I'm going to go out on a limb and assume that this is striking that the individual appointed is serving at the pleasure of the Governor, because I don't know how I feel about that. I've been listening to this debate, and this is an interesting one for me. I don't-- usually I, you know, have my opinion, you know, about where I'm at, but I'm still listening, trying to decide what I'm-- how I'm going to vote on the underlying bill. And I continue listening to the conversation about this amendment. And I would yield my time to Senator Hunt if she would like it.

KELLY: Senator Hunt, that's 4:00.

HUNT: Thank you, Mr. President. Thank you, Senator John Cavanaugh. I, I don't-- I have some more things to say on this track that I was on, and I thought I could probably get this done in about ten minutes and it took me longer to read it. And I do this thing where I read, and then I go off, and then I look back and I've only read like one line. So I've got to get back to this. But Senator Machaela Cavanaugh had me thinking about my favorite mug. And I don't like mugs. I don't like the word mug. I think it's ugly. I think the cups themselves are very ugly esthetically. I don't like having that around me. But I have one that I like, and it's by this artist, David Shrigley. And if you've ever seen online, there's this really famous tea house in London called Sketch, and they have this room inside of it that's all pink velvet. So if you're ever looking at, like, Instagram or esthetic things, maybe you've seen this room because it's kind of famous. And he's done all the art inside that restaurant, David Shrigley. But he

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designed a mug that says, opening hours: Sunday, closed. Monday, closed. Tuesday, closed. Wednesday, Thursday, Friday, Saturday, closed. And that's my favorite mug as a retail girl who's been a shop girl for about 20 years. So with the report about the Treasurer's Office's decisions that raised red flags in 2019, two separate statutory oversight issues emerged. One, which I addressed in my bill, LB485 this year, and I've also introduced in previous years, one had to do with requiring constitutional offices to follow a competitive bidding process for state services that would exceed \$50,000. So if the service is going to be more than \$50,000, you got to get bids. That's how we know we're being judicious with taxpayer money. And it would make it so that state constitutional offices had to do that too, just like other agencies. It's literally such a good idea. Why is it that just because something is under the executive branch, they can give out these contracts without getting any bids? Don't you see that that's almost tailor made for corruption, for people to give out favors to their friends? I think-- I mean, I have to think at this point, after all these years of trying to change that, the reason we don't have the law is because that's what they want to do on purpose. They want to give these contracts to their friends. They don't want to have to stop doing it. Of course, if we pass this law, they could still get bids, and then give the contract to their friend anyway. I mean, it's like, you know, Swiss cheese, you-- there's always another way to--

KELLY: One minute.

HUNT: --thank you, Mr. President-- there's always another way to get around the law. In that case, Treasurer Murante's office paid all of the state money to Victory Enterprises, a company that Murante had previously been employed by in a leadership role, which was already also responsible for his own personal campaign ads. So the other part of this that I think that we need to address is something to say that no state constitutional officer should be allowed to use state funds for campaigning or self-promotion at any time. Right now, as the law exists, you can't use state funds for campaigning or self-promotion during election years. I think we should change that to be all the time, not just election years. And I'm getting notifications on my screen here from people who heard me mention Sketch in London. Yes, it's gorgeous and you should look up the work of artist David Shrigley. Thank you, Mr. President.

KELLY: Thank you, Senator Hunt. Senator Conrad, you're recognized to speak. Senator Hunt, you're recognized to speak, and this is your last time.

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HUNT: Thank you, Mr. President. The other part of this issue that I addressed in another bill this year, LB486, is to say that no state constitutional officer should be allowed to use state funds for campaigning or self-promotion at any time. And this would have solved the problem with the ads that were running on television that were produced by Victory Enterprises. I remember hearing from a lot of people when those ads that were ostensibly for the State Treasurer's Office, but seemed more like campaign ads for Treasurer Murante, I heard from a lot of people when those aired, and it very much had the feeling of a campaign ad. It featured Treasurer Murante smiling and waving, his family members, his name really bold. It might have been his campaign logo, I don't really know. So it's all kind of fishy. And while it's definitely reasonable that the Treasurer would need to spread public awareness about the services they offer, there's a difference between a public service announcement that's just talking about the services of an agency, the services of an institution, what the Treasurer literally does, spending some money to make sure the public knows about that, what kind of, you know, help they can get from this person who they elected and who is accountable to them. So it's reasonable that they would want to spread awareness about something like that. But there's a difference between a public service announcement and a blatant campaign ad. So with this bill that I introduced, we make a change to the existing statute that prohibits those types of ads for constitutional officers during election years. And we change it to prohibit those kinds of ads at any time. So not just election years, but all of the time, they would not be able to use those funds for that kind of thing. The Legislature passed the original ban that said you can't use it during election years in 2002, because of what they perceived as an increase in incumbents spending money on ads about their offices, particularly during campaign years. And these ads would typically include the name of the incumbent, pictures of their family, things that basically made them indistinguishable from campaign ads. So in 2002, the Legislature passed this original ban because they could see that incumbents were spending more and more money on these types of campaign ads during, you know, election years. And honestly, it's kind of smart. I mean, if it's legal for you to use taxpayer money to run an ad that will help you get reelected, I can see why a conservative Republican would do that. So when these ads feature the name of the officeholder in a way that makes them indistinguishable from campaign ads, though, that's a problem. And in 2002, senators thought that the increase in these types of ads warranted a ban on them during election years, but only if the ad referred to the officeholder by name, since the self-promotional aspect is what gave incumbents an unfair advantage.

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So one of the bills I introduced this year, LB486, which had no opponents, no neutral testimony. Everyone thought it was their favorite bill ever, to hear them tell it. This bill, LB486, would simply extend that ban to every year, which would effectively make officeholders unable to use state funds for this purpose ever. I think it would be great to turn on the TV and see an ad for the State Treasurer's Office--

KELLY: One minute.

HUNT: --thank you, Mr. President-- that doesn't even mention who the State Treasurer is. Given that it's an elected position that, year to year, it can change who that person is, we're really not advertising that person. We're advertising and promoting and spreading awareness and education about the function of that office as a constitutional office in Nebraska, the role that that office plays in oversight, but also services for taxpayers that fund that office, and just giving them information about what kinds of things are available to them if they were to access that office. It doesn't have to be about the Treasurer's name or what his family looks like, or even like the different things that he's accomplished since he was elected. It could be strictly informational and I think that would be better for us politically. Any time, you know, since I was--

KELLY: That's your time, Senator.

HUNT: Thank you, Mr. President.

KELLY: Thank you, Senator Hunt. Senator Day, you're recognized to speak.

DAY: Thank you, Mr. President. I yield my time to Senator Hunt.

KELLY: Senator Hunt, that's 4:58.

HUNT: Thank you, Mr. President, and thank you, Senator Day. Since I was young, and I bet a lot of you agree, I-- it seems like every election is the most important election of our life, and the people have never been more divided than they are today. And I tell you, as a liberal Democrat, as a leftist, I, like, wish Mitt Romney was president over Donald Trump. I remember thinking Mitt Romney could be the worst thing that ever happened to this country, and like really believing that. And I look back now and I think how, how crazy that sounds, and that's not true at all, and I don't think that today. It just shows, like, what a backslide we've really had in terms of division, division in this country. And as political campaigns get

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hotter and hotter and hotter, you know, there's someone in this body who accused their opponent of being a groomer. You know what-- since when have we seen that kind of language in politics, like basically accusing your opponent of pedophilia? That's insane. There's no place for that in a campaign. But now it's common practice. You hear the way stuff goes in here. I mean, I wish we were doing nothing but talking about property tax relief. We'll do that tomorrow. I wish we could get through more than 21 bills this session, but we can't. Why not? Is it because Megan and Machaela are doing something? No. It's because all of you want to take away the right to healthcare for trans and LGBTQ youth, which-- is that a hot button issue in this country right now? Yes. Is Tucker Carlson talking about it every day? Yes. Is that how we run things in Nebraska? No. No, and we never have. So when people from national media outlets contact us and they'll go, you know, they think that this filibuster is extreme or an overreaction or something radical, because, I mean, maybe it's because they're used to people rolling over and taking it. Maybe it's because, state to state, what we typically see is a lot of lip service, a lot of words, a lot of threats, a lot of verbal fight for the rights of the people of that state. But they don't see it backed up with action. And we're backing it up with action, because enough is enough. We're on the hierarchy of needs here. We're on the pyramid. The baseline of the hierarchy of needs, food, shelter, safety. When you take the safety away from people in this state who are so vulnerable, we're not going to be able to move on to the other stuff. This is such a divisive and toxic topic, that in previous years it would have been gate kept in committee, wouldn't have let it out of committee to come out here, because this isn't what we stand for. This isn't what we actually do. All of you who say that, you know, trans parents are grooming, and that you don't understand why a child would be trans, and you don't support it, I got to tell you, I might be wrong, but you might feel different if this was someone you loved and knew. Just like how a lot of you changed your minds about same-sex relationships and civil unions in the '90s, and gay marriage because it became more and more prevalent. And it's not because more people were gay. It's because culture and society was finally more affirming and accepting of people with those identities, so they actually felt safe coming out and saying what they really are.

KELLY: One minute.

HUNT: So I would submit to all of you that if you don't know any gay people or if you don't know any trans people, you probably do. They just don't feel safe telling you that. And I think we can measure the success of our society by how safe we make people feel. We can measure

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the success of Nebraska by how safe people feel in our presence. Do you think that people felt safe when they waited seven-plus hours, Senator Ben Hansen, to come testify in your committee, to find out they had to leave and they weren't going to get an opportunity to speak, and it was only 8 p.m.? Four hours left in the day, man. Do you think that made people feel safe? Do you think it makes people feel safe to hear the kinds of things that you folks say on the microphone about these kids who have nothing wrong with them? As my child said, no one bullies him except my coworkers.

KELLY: That's your time, Senator.

HUNT: Thank you, Mr. President.

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

DUNGAN: Thank you, Mr. President. Colleagues, we're debating this amendment here, AM1094, which, my reading of it when I was listening strikes the language "at the pleasure of." And I think it's, it's interesting. I did just a quick little bit of research here while we've been listening and this is just kind of an aside and a brief history lesson, even though the amendment sounds kind of goofy on the face of it to take out the language "at the pleasure of," it's really interesting how there's actually a long and storied history that I won't bore you with of what the words "at the pleasure of" mean with regard to the law. For example, the first time it appeared in English law was back in about the 12th or 13th century. And what it essentially meant in their law at that point in time was that you couldn't do anything without the king's permission. The first time we started to see it in a more modern era was-- or the time we saw it change, it was in the early 1700s. They actually modified it from "the pleasure of the king" to "during good behavior" with regard to judges and whether they would serve indefinitely or if they were serving at the pleasure of the king. Then there was a big debate about whether or not it should be "at the pleasure of the president" in the constitution or "for good behavior" with regard to judges on the Supreme Court. Ultimately, "during good behavior" won out. And then there's been a, a longer conversation into a much more modern era about cabinet members and whether they serve at the pleasure of the president and what counts as serving at the pleasure of the president. And I think that is part of the thing that led to Andrew Jackson's impeachment. So the reason I point that out is when we look at this amendment and talk about the language "at the pleasure of," it really does substantively change the legislation. And so I think Senator

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Machaela Cavanaugh's point of removing that does really, I think, have bearing on a discussion of the amount of authority given to the Governor. So I just wanted to point out that this language does have significant historical precedents, and it does carry with it significant weight. And with that, I'd yield the rest of my time to Senator Hunt.

KELLY: Senator Hunt, that's 3:10.

HUNT: Thank you, Mr. President. Any senators who are at home watching right now, who've, who've left early and decided to take off early today, you're doing the right thing. Nothing is going to happen here today, and none of you really need to be here for the rest of the day either. I own a stationery store in my district, and I do a lot of importing of, of stationery and product, mostly from Japan, and also from Korea, because those are countries that have really, really interesting stationery. And there's shops like Crane or like Paper Source that are chains that have a lot of really well-known stationery brands and stuff like that. If you're trying to get wedding invitations or something, you're probably going to go to Crane. If you're trying to get birthday invitations, you're probably going to go to Paper Source. And if you come to me, you're going to get interesting papers from other countries and things, maybe, you haven't seen before. And so that's kind of my niche. But I think if I was a conservative Republican, Treasurer John Murante might give me \$57,000 to get some envelopes for his office. So I wish sometimes that I had made different choices, and I could be reaping these benefits that other conservative Republicans are getting who are local business owners. You know, whether it's in the form of a, a tax break, or a tax incentive, or a tax credit, or what have you, you know, those aren't really things that I'm benefiting from. But in 2002, the Nebraska Legislature passed a law saying that constitutional officers, so that's the Governor, Lieutenant Governor, Auditor, Secretary of State, State Treasurer, I think that's it, I'm probably forgetting some-- if I'm forgetting something, it's probably really obvious, and it's like me calculating something times ten on my calculator. But in 2002, the Legislature made it illegal for state officers to use public funds to run ads during election years, because they were running ads that felt too much like campaign ads.

KELLY: One minute.

HUNT: Thank you, Mr. President. And senators thought that a ban on these ads was warranted because there was such a huge increase in the number of them during campaign years. And a bill I introduced this

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year in Government Committee, LB486, it extends this existing ban to every year, which would effectively make state constitutional officeholders totally unable to use state funds to promote themselves. I'll point out one reason I think this is a good policy change is because this wouldn't prevent officeholders from running ads or distributing promotional materials completely. Instead, it would limit the medium and the source of funding for this purpose only if the material had the officeholder's name on it. So it would really encourage offices like the Treasurer's Office to promote the work they do without promoting who necessarily won the last election to be State Treasurer, because that's not the point of the office. That's not the purpose of the job.

KELLY: That's your time, Senator.

HUNT: Thank you, Mr. President.

KELLY: Thank you, Senator Hunt. Mr. Clerk, for items.

CLERK: Mr. President, some items. Motions to be printed: Legislative Bill-- excuse me, motion to be printed from Senator Hunt to LB327, LB335, Senator Machaela Cavanaugh to LB341, Senator Hunt to LB343, Senator Machaela Cavanaugh to LB348 and LB385, LB387. Additionally, amendments to be printed: Senator Erdman to LB243 and Senator Hunt to LB243. That's all I have at this time, Mr. President.

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

J. CAVANAUGH: Thank you, Mr. President. I appreciated Senator Dungan's history lesson on the last round speaking. That was-- I always enjoy fun facts, and I just appreciated Senator Hunt talking about her shop. I did-- I-- I've been there. I enjoyed it. And I did a lot of my Christmas shopping there. And one particular item that was a big hit was these very small colored pencils that come in like a pack, little colored pencils. And it was so popular with the kids, with the-- it was so popular with the kids that it became a subject of fighting. I was glad I bought two of them. But my kids and their cousins fought over the miniature colored pencils. But there was-- I did-- I got a number of items there for many members of my family. You also have jewelry there, which I got some jewelry for my wife that she enjoyed and wears all the time, a set of earrings. So I, I-- again, I'm still trying to decide where I'm at on this bill. I was reading the committee statement and I just thought I'd, you know, focus some of the conversation on that. So this is a summary of the proposed

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changes. The Legislature's intent is that the State Broadband Coordinator duties-- the section is amended by striking the current intent and the language creating this position of State Broadband Coordinator, which was to be located in the office of Chief-- office of Chief Information Officer. Section is revised to establish the Nebraska Broadband Office, headed by the Director of Broadband. The Director of Broadband is to be appointed by the Governor and is subject to legislative confirmation. The office is to be located within the Nebraska Department of Transportation for administrative and budget purposes. All administrative and budget decisions for the office shall be made by the Director of Broadband. So I think the conversation we're having here is about that appointment and retention of that Director of Broadband. And so I think Senator Dungan's conversation about that was very apt, about what it means to serve at the pleasure. So the duties of the broadband office are to engage in outreach and collaboration with all interested parties, develop a broadband strategic plan for the state, which I think is-- I've heard people talking about is one of the important issues we have going here. And I ha-- I generally don't engage on broadband issues. I'm not on the Transportation Committee and there are a lot of technical aspects to these bills, and there's a lot of, I guess, interests, being the telecom industries and regulated businesses all over the state of Nebraska who are interested in this. And then, of course, I always like to hear about-- from Senator Bostelman about the, you know, the specific concerns of Nebraskans and their ability to watch television, which I'm, I, I ser-- is a genuine seriousness. I just like to give Senator Bostelman a hard time about it. But I-- you know, we've discovered, specifically in the pandemic, how important access to Internet is for everybody. Broadband-- my interpretation of broadband, I guess, is Internet. It's a type of Internet. And, you know, when everybody went to remote work and remote school, it became an equity issue, and clear that there-- if people don't have access to reliable broadband Internet services, they wouldn't be able to participate in school, they wouldn't be able to work remotely. And then it would have to be, you know, their, their employer or their school would have to find some workaround or people would have to put themselves in jeopardy or miss work because of that. So that became-- put a fine point on the fact that we are not up-to-date and meeting our obligation to serve everyone in the state of Nebraska, so--

KELLY: One minute.

J. CAVANAUGH: Thank you, Mr. President. And so I think it's, it is really important that this conversation comes from, I think, a desire to more quickly build out our broadband system in the state. And

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that's why people are really interested and that's why the Governor, I think, has proposed this change. That's why people have kind of rallied around this change and are just desperate for a faster implementation of this broadband service to everybody, particularly around the strategic plan. And I guess the one reason I, I agree with that concern, but the one reason I have hesitation about this bill is ultimately the taking away of power from an elected board and putting it into an appointee under the Governor's Office. I just have real concerns about that as a matter of policy. I understand the reason people want to find a more efficient way to do this, but sometimes efficiency is not going to be the best policy. So thank you, Mr. President.

KELLY: That's your time, Senator. Senator Day, you're recognized to speak and this your last opportunity on this amendment.

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

KELLY: Senator Machaela Cavanaugh, you have 4:55.

M. CAVANAUGH: Thank you, Mr. President. Thank you, Senator Day. So I just took a mental break from talking about the bill for a little bit to talk about coffee mugs. I needed to shake off that vote. But this is a really important bill. It does something really big, really drastic. Not drastic in a bad way, necessarily, but it is drastic. It is a drastic change, a drastic shift. We are creating a new office and we should not enter into that lightly. We don't have a sunset on this, for some very valid reasons. One being we need to hire a high-level professional to execute the BEAD Program, the broadband program. It is very difficult to hire somebody of that caliber when there is an end date to their job. And so having the sunset doesn't really make sense. I get that. But we also aren't establishing a long-term plan for the office. So this office is being established to take an existing program from an existing elected body and move it from that existing elected body to a new entity, newly created, newly forged, with not really a long-term plan, or even an understanding of if we are doing this, are we creating a new department, a new agency, a permanent office, a temporary office? So it's a big deal, and it is not something that we should do without conversation. Unfortunately, people have disengaged from the conversation, and have stopped listening, and I, I fear we'll vote for something without understanding what it is, or what it does. I hope that's not the case. Maybe you all are studying up, learning what this is, learning what LB683 is and does. But I am concerned. So just going to outline some

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of the concerns that have been expressed to me by people outside of this Chamber. The Department of-- the Department of Correc-- of Corrections. Well, certainly not the Department of Corrections. The Department of Transportation is not the correct place for this. There's a constitutional mandate that gives the PSC jurisdiction of common carriers, which includes telephone carrier companies providing voice and broadband services. This is a big question. A big, big question. Is this constitutional? We have not defined, in Nebraska or federally, broadband as a common carrier or not a common carrier. It is not defined. The Public Service Commission has been given authority over common carriers, but we have also had-- given them authority over broadband. We are taking part of that broadband authority away from them and putting it into a new office--

KELLY: One minute.

M. CAVANAUGH: --in the Governor's administration, which I'm still very unclear into how that works. If it's not a new agency, but it's in an agency, but it's not in the agency, I'm very unclear on that. I think this is uncharted waters. So we have that piece of it. But we're doing this, and we, we don't know yet if what we're doing is clearly constitutional or not, because we cannot, we cannot give common carrier duties, take them away from the PSC and give them to the Governor. We clearly cannot do that. And it seems like we are getting adjacent to those waters, if we are not fully in them. That is concerning.

KELLY: That's your time, Senator. Senator Brieese has some guests in the north balcony, high school students from a boarding school in Solling, Germany. Please stand and be recognized by the Nebraska Legislature. Senator Ibach has guests in the north balcony, high school students from Wauneta-Paliside-- Palisade High School. Please stand and be recognized. Senator Dungan, you're recognized to speak.

DUNGAN: Thank you, Mr. President. We, we recognize people in the balcony on a pretty regular basis. But when they said you were from Germany, there was an audible gasp down here. Everyone was like, ooh. So thank you for that. I appreciate having you here. It's really, really cool. I would yield the remainder of my time to Senator Hunt.

KELLY: Senator Hunt, 4:45.

HUNT: Thank you so much. You all are from Germany? Willkommen, es freut mich. OK. We got a, a phone call from the State Penitentiary from somebody who was very encouraging and telling us to keep it up

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with the filibuster. So that meant a lot to me. Let me see here. I was wondering if Senator Cavanaugh would yield to a question, Machaela Cavanaugh.

KELLY: Senator Machaela Cavanaugh, will you yield to a question?

M. CAVANAUGH: Yes.

HUNT: You're on Transportation?

M. CAVANAUGH: Yes.

HUNT: In this hearing for LB683, was there any opposition testimony?

M. CAVANAUGH: There was not.

HUNT: Was there neutral?

M. CAVANAUGH: There was.

HUNT: How did that neutral testimony feel?

M. CAVANAUGH: Well, it felt like it was negative. But also I, I discussed that with one of the members of the PSC that came and testified in neutral, and I said your neutral testimony feels like you're actually in opposition. And they said they weren't in support.

HUNT: OK. Do you think that-- so I agree with Senator McKinney and Senator Wayne who have kind of a-- crusade is too strong of a word, but who have a mission to make it so that state agencies come in neutral on bills instead of as proponents or opponents. What are your thoughts on that type of policy?

M. CAVANAUGH: I think that is absolutely what state agencies should be. The PSC is not a state agency, but yes.

HUNT: Right. Right.

M. CAVANAUGH: Yeah. I agree. I agree with that wholeheartedly.

HUNT: Why-- why do you think the PSC came in neutral?

M. CAVANAUGH: I think that this is something that was done at the behest of the Governor, and it is difficult for anyone to come in opposition to anything that is done at the behest of the Governor.

HUNT: Thank you, Senator Cavanaugh.

M. CAVANAUGH: Yes.

HUNT: I, I think that when we talk about the tribalism and the division that we have in our country, this is part and parcel of that entire problem, that we have elected offices that only wealthy people can afford to hold. And this Legislature is not real different. I mean, making \$12,000 a year, you can really only afford to have this job unless if you have a wealthy spouse or partner that can support you or if you're retired and you don't need the income or if you're young and you're used to being broke or if you hold down another job. And this cuts out a lot of people from the opportunity to serve. I drive back and forth every day. My son is at track practice right now, and then he has band practice, and then he'll be home, and I think I'm likely to see him for dinner today. But a lot of days I don't. And if I was living in Kearney or, honestly, anything more than an hour's drive away, there's no way I would be able to have this kind of position. And it has nothing to do with, you know, to say nothing about the money, to say nothing about the pay, just the demands that this has and in the way you're compensated so little for it. If somebody needed to pay for childcare or pay for an apartment here in order to--

KELLY: One minute.

HUNT: --be able to live here while we're in session, that really cuts out a huge portion of Nebraskans from the opportunity to serve. And that's a big problem. So what that does is, it concentrates wealth into the elected class, the class of people in Nebraska who are able to be elected and able to serve are more likely to be wealthy than the rest of the state. But at the same time, they don't express power. They don't express independent judgment or purpose with the work that they do. They reflect the power that they see as above them, whether that's a Governor or whether that's a U.S. senator, as in Pete Ricketts, who funded a lot of your campaigns to a degree that you may not be here without him. And we know that he doesn't let you forget that. So what good is having the power when--

KELLY: That's your time, Senator.

HUNT: Thank you, Mr. President.

KELLY: Senator Machaela Cavanaugh, you're recognized to close on the amendment.

M. CAVANAUGH: Thank you, Mr. President. Colleagues, this amendment just states-- strikes the language that the director of the office serves at the pleasure of the Governor. So again, LB683 is creating a new Office of Broadband, the BEAD Program, taking it away from the PSC. So I was talking about a constitutional question around it. I also would question the appropriate level of technical expertise that the Department of Transportation would have in overseeing this. They have no experience with deploying broadband. And part of the conversation around this bill was that they were the right place because of efficiencies, alternative project delivery. That-- not entirely clear what that's going to mean. There's a strategic plan that was already developed by the previous administration. Conducting advocacy on a federal level for broadband deployment. PSC already is doing that and has been for decades through the National Association of Regulatory Utility Commissioners. I understand aggravation with things moving slowly. I feel like a lot of the hearings that I have had-- this year, particularly, the fifth year I've been on Transportation, the hearings around broadband felt like, how many times have I heard this? I know what the arguments are. I know what the conversation is. Nothing changes. Nothing changes. I get the frustration around it. I'm not sure how creating a new office and taking away authority from an elected body is going to fix that. It feels like it is creating additional government, and I don't know that that's what we want to do, intend to do. But that's what we will do with LB683. We will create more government, and we will create a new office. That office will come with expenses. That office will come with additional needs and infrastructure. It currently is a program within the purview of the Public Service Commission. Being a program within the purview of the PSC means it does not need to have a new office set up. It does not need to have a sunset date. Just like any other program that the PSC runs, and they do run other programs--

KELLY: One minute.

M. CAVANAUGH: --when there's no more funding, there's no more program. I don't know that that's the right answer, but I don't think that bloating our gover--- our state government further is necessarily the right answer either. And I'd like us to find the right answer before we make this drastic step. I'd like to see us look into this further and have a strategic plan and vision for the Office of Broadband, not just quickly moving a program from one, one jurisdiction to another. And that's really what we're doing. We're just moving this from one jurisdiction to another, which is ultimately going to result in bigger government. So there we have it. I'd like a call of the house and a roll call vote. Thank you, Mr, President.

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KELLY: Thank you, Senator. That's your time. There's been a request to place the house under call. The question is, shall the house go under call? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 11 ayes, 5 nays to place the house under call.

KELLY: The house is under call. Senators, please record your presence. Those unexcused senators outside the Chamber, please return to the Chamber and record your presence. All unauthorized personnel, please leave the floor. The house is under call. Senators Wishart, Kauth, Fredrickson, Varg-- Varg-- Clements, McDonnell, and John Cavanaugh, please return to the Chamber. The house is under call. All unexcused members are now present. The question is the adoption of AM1094. There's been a request for a roll call vote. Mr. Clerk.

CLERK: Senator Aguilar. Senator Albrecht voting no. Senator Arch voting no. Senator Armendariz voting no. Senator Ballard voting no. Senator Blood. Senator Bostar not voting. Senator Bostelman voting no. Senator Brandt voting no. Senator Brewer voting no. Senator Briese voting no. Senator John Cavanaugh voting yes. Senator Machaela Cavanaugh voting yes. Senator Clements voting no. Senator Conrad voting yes. Senator Day voting yes. Senator DeBoer voting no. Senator DeKay voting no. Senator Dorn voting no. Senator Dover voting no. Senator Dungan voting yes. Senator Erdman voting no. Senator Fredrickson voting yes. Senator Geist voting no. Senator Halloran voting no. Senator Hansen voting no. Senator Hardin voting no. Senator Holdcroft voting no. Senator Hughes voting no. Senator Hunt voting yes. Senator Ibach voting no. Senator Jacobson voting no. Senator Kauth voting no. Senator Linehan voting no. Senator Lippincott voting no. Senator Lowe voting no. Senator McDonnell voting no. Senator McKinney. Senator Moser voting no. Senator Murman voting no. Senator Raybould. Senator Riepe voting no. Senator Sanders voting no. Senator Slama. Senator Vargas voting no. Senator von Gillern voting no. Senator Walz not voting. Senator Wayne voting yes. Senator Wishart voting no. Vote is 8 ayes, 34 nays, Mr. President, on adoption of the amendment.

KELLY: AM1094 is not adopted. I raise the call. Mr. Clerk, for items.

CLERK: Mr. President, some items quickly. New motions-- motions to be printed: Senator Machaela Cavanaugh to LB388, Senator Hunt to LB412, Senator Machaela Cavanaugh to LB425 and LB426, LB447, LB461, LB462, LB465, Senator Hunt to LB474, Senator Cavanaugh to LB514, Senator Hunt to LB516, LB535, LB552. Next amendment, Mr. President, to LB680

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[SIC--LB683] and the committee amendments. Senator Machaela Cavanaugh would offer AM1095.

KELLY: Senator Machaela Cavanaugh, you're recognized to open on AM1095.

M. CAVANAUGH: Thank you, Mr. President, colleagues. AM1095, let me just pull that up. The Nebraska Broadband Office shall be subject to Open Meetings Act. Pretty self-explanatory. The Public Service Commission is subject to Open Meetings Act. We are taking this away from the Public Service Commission. I would like that stipulation of government transparency and oversight to follow the program to the broadband office. Again, this is a very large federal program that's hundreds of millions of dollars that we are taking away from an elected body that is required to have many layers of government transparency, oversight, including being subject to the Open Meetings Act. So I think it would be prudent if in creating this new, possibly temporary, office within the Governor's administration that it too be subject to the Open Meetings Act. Currently, there is a stipulation in the committee amendment that there should be an annual report, briefing, I'm not sure what the exact terminology is, to the Committee on Transportation and Telecommunications. That's great. I appreciate that. However, that does circumvent a lot of the public's engagement in the process because they'll already have done things. They'll come and tell us things that they've done. That's great, but they'll have done them without the transparency that currently has to happen, which is open meetings. I think a great example of a lack of transparency when we don't have open meetings is the Omaha Library Board. The Omaha Library Board did a lot of things that the public did not get to have input in. Did a lot of work that the public was not a part of that resulted in some pretty substantive changes. So, colleagues, as this broadband deployment is happening in communities across our state, in your communities, primarily rural and western Nebraska communities, not my community, this gives your constituents and the communities impacted the opportunity to participate in the process, to have their voices be heard. So this would go to page 6, line 9 and on page 6, after line 9, insert the following-- the following new subsection. OK. After-- well, it doesn't quite line up. I think-- oh, subsection-- AM1095. This might-- no, that's-- well, I'm sure this can be fixed on E&R. I think that it might be line 10 and not line 9-- no, page 6. Oh, geez. I'm looking at the wrong page. Sorry. It's-- I'm-- it's a long day. My eyes are tired. I apologize. Page 6, not page-- I was looking at page 9, page 6, line 9, insert after that. OK, so it's starts on line 7, "Upon receipt of such report, the Transportation and Telecommunications Committee of the Legislature shall hold a public

hearing to allow an opportunity for public comment on the report." Then we would be inserting "The Nebraska Broadband Office shall be subject to the Open Meetings Act." So, see, there is language in here that they shall hold a public hearing, a public hearing, to allow an opportunity for public comment on the report. So we're already put in here that they have to have a public hearing. But this would just add that extra layer-- not only that extra layer, but it also would clarify for everyone involved. It would clarify for the new office. It would clarify for the public. It would clarify for us. It would clarify for the Public Service Commission, for everyone that what we mean by a public hearing is that they must abide by the Open Meetings Act. Not just a public hearing, but it must be posted, it must have advance notice. There's other stipulations, quorum, etcetera. That is important clarification. So we already are requiring the public hearing. When they have this public hearing, they must abide by Open Meetings Act, and any other meetings that they have, they must abide by the Open Meetings Act. This is important clarification. So how much time do I have left?

KELLY: 2:40.

M. CAVANAUGH: Thank you. Sorry. Apologies. OK, so we've got an issue of the timeline. Short timeline, disruptive to the timeline. We're creating a new office. We don't know what the long-term implications are of that. Nobody's really discussed what the long-term impli-- impli-- implications are of that. We don't have a great deal of transparency. We're shifting from a-- from transparency to a lack of transparency. We are also potentially bloating government and the administration. So, you know, a few things that maybe we should be talking about as a collective body. I really think for those smaller communities, it's going to be important to have that transparency. To know what the plans are when they're coming into your community to do this deployment, how the funds are being spent, how they're being awarded, all those fun, sexy government oversight things.

KELLY: One minute.

M. CAVANAUGH: Thank you, Mr. President. There was some conversation earlier around the courts' issue. I'm not sure that we've thought those through in a appropriate way, but I believe that Senator Dungan is working on some fixes for that. I think-- I could be wrong. I could have misheard, but I think he's working on some fixes for that. The court piece of it. So we have the funds need to be used in a cost-effective and accountable manner. So I'm not sure how it's

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effective and accountable if we are diminishing the accountability by removing the authority from--

KELLY: That's your time, Senator.

M. CAVANAUGH: Thank you.

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

CONRAD: Thank you, Mr. President, and good afternoon, colleagues. I did want to just continue to weigh in in terms of the conversation. I think it has been substantive and important to tease out kind of how we not only establish a regulatory framework to ensure that we have a comprehensive policy when it comes to ensuring a good plan and facilitation of that plan to address the digital divide and broadband access for all of our citizens. I do have reservations about diluting the power of the purse in terms of appropriations, and delegating that to an executive branch office or agency. I think that is potentially problematic and something that we need to have additional discussion on in between General and Select File. And I'd be happy to be helpful from a legal technical perspective if I can be in that regard, because it does implicate constitutional provisions around appropriations, of course. The other thing that I do want to note is that in relation to the present amendment that's pending on the board, it will be no surprise to anyone to hear me take a moment to reflect upon Nebraska's proud and strong tradition of open government, whether that's through our public meetings laws, our open meetings laws, or our open records laws, our public records laws. The terminology for those, of course, is used interchangeably in, in many instances. I did want to highlight and note that in regards to open government, Senator Albrecht has a great bill that has-- she's introduced many years that has been advanced with strong support from the Government Committee that also strengthens our legal framework and our strong tradition for open government and open meetings. And I'm proud to be a cosponsor of that measure, and I hope at some point we will find a vehicle to move that forward, because I think it is critical to ensuring the public's right to weigh in on the business before various levels of government, and various government entities and agencies. So considering the extraordinary interest, the high public interest, in the provision of broadband services, and the significant amount of appropriations that we have to manage in order to develop, to carry out, and implement our plan, I do think that at the very least we should have clarity around the fact that this new office, these new-- this new agency should be subject to the strongest possible provisions in our public records laws and our open meetings laws. And I think that will help to ensure

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stronger community engagement, better transparency, participation by members of the media who will be reporting on these matters. And I appreciate Senator Cavanaugh bringing forward this amendment. Thank you, Mr. President.

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

ERDMAN: Thank you, Mr. President. I appreciate that. We've been sitting here for a long time today on a very, very well-debated motion or bill, LB683. I have come to a conclusion, after having my questions answered, visited with Senator Bostelman who's on the committee. He explained exactly what we're trying to do, and why we're trying to do it. He answered the questions that I had earlier when I spoke, and I had said that I was listening to see where we would go with this bill and what it meant. I did figure that out. I have concluded that I will be in support of LB870, and-- excuse me, AM870 and LB683 and I would encourage you to do the same. And I hope we get to it very soon. Thank you.

KELLY: Thank you, Senator Erdman. Senator Hunt, you're recognized to speak.

HUNT: Thank you, Mr. President. Thank you, Senator Erdman, for the update that he's gotten enough information to move on from this matter. This amendment actually hasn't been well-debated, because it was just introduced by Senator Cavanaugh. I understand the fatigue of maybe, oh, Senator Erdman's back in the queue. Good. Tell me-- teach me a lesson here. But, you know, you've heard her voice a lot this session. But this is a great amendment and it's an important amendment. What it would do is it would make the Nebraska Broadband Office subject to the Open Meetings Act. And if we're going to let this office have and spend money, then we should make sure that it comes with the accountability for that, and that they apply-- they comply with the Open Meetings Act. If broadband is so important and worthy of state investment, which I believe it is, I think all of us believe that it is, then the public ought to know how their investment is being administered. And in the state of Nebraska, the way that we have to do that is through the public meetings act-- Open Meetings Act, I'm sorry. This is another example of an amendment that is a great idea. If it had been introduced by someone like Senator Brewer, we would all be voting for it and supporting it. And it's something that he actually ought to support himself as a supporter of the Open Meetings Act, as well as my colleagues on the Government, Military and Veterans Affairs Committee. But because of the introducer, you're

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going to probably, predictably not vote for this. There will probably be six or seven votes for it, if that, and the rest of you will come back in when we call the house, vote against it, because you see all the other freshmen are voting against it, and so you're going to definitely do that, too. And it's, it's that every single day. It's Groundhog Day, every single day banging our heads against the wall. And why are we here? One bill. An article in The New York Times was just published, and it actually quoted our Clerk who said he has never seen a session in the Legislature hang on one bill. And it sounds like this article is going to be front page New York Times tomorrow, but because of the Trump indictment, they might actually be pushing that to Saturday's paper instead. But that's exciting for our state. It's exciting that there are so many people in this country watching what our state is doing. And a big reason that they have focus on Nebraska is because of the structure of our Legislature that allows us to use this time, to take this time, to make these procedural motions to reflect the will and conversations being had by the second house. Especially, Senator Ben Hansen, when Chairmen like you don't allow them to come in and share their views during a public hearing. It's-- it should be against the rules. I mean, I, I would support a rules change, Senator Erdman, if you want to draft that, to say that committee hearings have to go until midnight or until all testifiers have been heard. It doesn't mean that you will have to stay. There's nothing in the rules that say any of you have to stay in a hearing until midnight. People often leave early for different reasons. But the function of our committee hearings is to make sure that people get their voices heard, and to cut off testimony at 8 p.m, knowing how many people were snaked around the halls, lined up--

KELLY: One minute.

HUNT: --for seven-plus hours to have their voices heard about this issue that matters to them. In this five, four minutes I've been talking, I haven't even said what bill it is. Don't have to. Haven't described it, haven't said a thing about that. Don't have to. This is what this session is about now. I wish it wasn't. It's really your choice. It was your choice when you chose to pack and crack the committees so that this trash bill wasn't gate kept in where it belongs. Your cracked and packed committee voted this bill out, and now we have to take it seriously, even though most of you don't. So all you have to do is be not voting on that bill. We can get off the front page of The New York Times and get back to the work for the people of Nebraska. Thank you, Mr. President.

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KELLY: Thank you, Senator, Hunt. Senator Erdman, you're recognized to speak. Senator Erdman waives. Senator Machaela, Machaela Cavanaugh, you're recognized to speak.

M. CAVANAUGH: OK. I misspoke. I always say I stand for correction, and I am going to correct myself. OK. So this does-- I didn't misspeak about what this does. It does the Open Meetings Act. I misspoke about the public hearing. And thank you to Senator Walz for her questions. She's been coming to me with questions throughout the day, and I appreciate her interest and curiosity around this important issue. So I misspoke because I was-- I'm tired. I'm sorry. It's been a long week already. And it's-- I don't know what day it is. I was going to say it's Wednesday, but then I realized I think it's not Wednesday, it's Thursday, maybe. So I misspoke because I was thinking that the office was going to have a public hearing. That was incorrect. Upon receipt of the report by the Legislature, the Transportation and Telecommunications Committee shall hold a public hearing to allow for opportunity for public comment on the report. So that's great. We've done that with a lot of different things. And we, you know, requiring a, a public hearing when a report is, is issued. A piece of legislation that I passed my first or my second year, kind of blurs together now, on campus sexual assault required a public hearing. And it's all the postsecondary entities, state colleges, universities, community colleges have to submit a report and then the, the Education Committee must have a public hearing on that report. The reason I did that and the reason I think this is important is that we do get a lot of reports in the Legislature. They are put on the website, they are publicly available, and I think that they are underread and underappreciated. Now, first of all, if we are going to go through the process of requiring and codifying in state statute that a report must be given to us, I think the least we can do is read the report. But one way to sort of elevate the report is to require a public hearing. So I was asked once if we could get rid of the public hearing on the report that-- for campus sexual assault and violence. And I said no, because then nobody will read the report. That's the whole point, is to elevate what's in the report with the public hearing. So the committee amendment requires a public hearing. I think it requires a report and a public hearing on the report. This amendment requires that the office be accountable to public hearing-- the Open Meetings Act, which the Public Service Commission must do. So if we are going to move this program away from the elected body of the Public Service Commission to a newly created office where we have also given the Governor carte blanche over the money, the least we can maybe do,

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possibly for the public, for your constituents, is to require that they be transparent in their work.

KELLY: One minute.

M. CAVANAUGH: That is the intention of this amendment. So it does not do anything to hinder the bill. I would assume that if it did that somebody else on the committee would stand up in opposition to it. They are not. But of course, that does not matter. Everyone will vote against it anyways. But there you go. Thank you, Mr. President.

KELLY: Thank you, Senator. You're next in the queue, and that's your last opportunity before your close.

M. CAVANAUGH: Fantastic. I didn't even realize I was in the queue. Did I put myself in the queue? Wow, I'm real tired. OK.

KELLY: This is not your close. You have this opportunity--

M. CAVANAUGH: Right.

KELLY: --and then your close.

M. CAVANAUGH: Right. Yes. I just didn't-- I honestly didn't realize-- was I just in-- I have lost track. OK, so I think we're just about done with the day. Clearly, I am ready for a nap, and we can do this all over again tomorrow. Those that testified in the neutral capacity were Dan Watermeier with the Public Service Commission, Andrew Vinton with ALLO Communications, Tip O'Neill with the Nebraska Telecommunications Association, Brian Thompson, Consolidated Companies, Inc, and Cullen Robbins, Nebraska Public Service Commission. Those that testified in support were Vicki Kramer, the-- she's the director of the Department of Transportation, Sarah Meier, Nebraska Rural Broadband Alliance, Julie Bushell, Ethos Connected, LLC, Emily Haxby on behalf of herself, Danny DeLong for AARP, Lash Chaffin for the Nebraska League of Municipalities, and Bruce Rieker for the Nebraska Farm Bureau, the Nebraska State Dairy Association, Nebraska Cattlemen, Nebraska Corn Growers Association, Nebraska Pork Producers, Nebraska Soybean Association, Nebraska Wheat Growers Association, Renewable Fuels Nebraska. I honestly do not remember what his testimony in favor was about, but I am intrigued by all of those entities. I, I look forward to trying to spark my memory on that one. Bruce Rieker. So when people hand us their printed testimony, it is extremely helpful. Especially, I mean, when we have hundreds, 800-plus bills, when we have the printed testimony, it sticks with the file of the bill. And it is very helpful to recall what was said at the

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committee hearing, even more helpful when you have a bill where there are hundreds of testifiers and there's pretty much no way that I'll have total recall on all of those testify-- testimonies, having written testimony that I can go back later and reference is a really big help. So that's just a tip for anyone who wants to be more engaged in your Nebraska Legislature. Submit your written testimony when you come and testify, at least if you're in my committee. I really appreciate it personally. I did see Mr. Rieker from the Farm Bureau, Bureau does have his testimony submitted, so I am going to look it over in the next five minutes before I have to do my closing or maybe we won't get to my closing because I think we're adjourning for the day, so. How much time do I have left?

KELLY: 1:20.

M. CAVANAUGH: I will yield the remainder my time.

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

HUNT: Thank you, Mr. President. We will do a refresher on this amendment tomorrow and try to talk to some people-- some people. That's so vague. We'll talk to as many of you as we can between now and tomorrow about what this amendment does. What it does is, it makes the-- oh, Megan. Well, it makes the Department of Broadband subject to the Open Meetings Act is what it does. And the Open Meetings Act, which sometimes is called the "Sunshine Law," it's been a really good thing for taxpayers in Nebraska for several reasons. It has increased government transparency. It has provided citizens with access to decision-making process. And it's also helped prevent corruption and the abuse of power. One of the primary benefits of the Open Meetings Act is increased government transparency. And what the law does in Nebraska is it requires all government agencies to conduct their meetings in public, and that allows taxpayers, which the broadband-- the Department of Broadband would be responsible for stewarding the money of taxpayers. The law requires all government agencies to conduct their meetings in public, allowing taxpayers and citizens to observe and participate in the decision-making process. This transparency helps to ensure that government officials are accountable to the public and that their actions are in the best interest of the taxpayers whose money they use. By requiring government agencies to provide advance notice of their meetings and to make audio recordings of their meetings available to the public and the minutes available to the public, the Open Meetings Act has also made it easier for citizens to participate in the decision-making process. Citizens can review meeting agendas and materials in advance of meetings. Nebraskans can

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prepare comments or questions to ask during the meetings, and they can access recordings and minutes of meetings that they may have missed. Without the Open Meetings Act in place for this board, we will be missing a significant chunk of the accountability that Nebraskans deserve for this new unelected board. Another benefit of the Open Meetings Act is that it has helped to prevent corruption and abuse of power. By requiring government agencies to conduct their meetings in public, the law helps to discourage backroom deals and secret arrangements and agreements that might not be in the best interest of taxpayers. Public scrutiny of government actions also helps to ensure that government officials are held accountable for their actions and are not engaging in corrupt or unethical behavior. The Open Meetings Act has been particularly important in Nebraska, where our state's unique system of government has created a large number of public bodies and agencies that are responsible for a wide range of functions. These agencies, besides the broadband department, they include school boards, city councils, county boards, different state government agencies, among others. The Open Meetings Act basically just ensures that all of these meetings are conducted in public, and that they provide taxpayers with insight and access to the entire decision-making process. The Open Meetings Act has also been important in helping to promote civic engagement and participation in Nebraska, because when we provide Nebraskans with access to the decision-making process, the law has helped to increase awareness and understanding--

KELLY: One minute.

HUNT: --of government actions and policies. Thank you, Mr. President. This has allowed people to become more engaged in their communities, and to take an active role in shaping the policies that affect their lives. In 2015, I became engaged with government for the very first time by testifying at a school board meeting. Today with all of the, you know, different, very fiery issues that are being handled by school boards, I think that we probably have a lot of future elected officials in Nebraska over the next generation who got their start because of the Open Meetings Act, because they were able to testify in meetings. Because they were able to go to their city councils, and their school boards and make their voices heard about something that mattered to them. And without that type of access and ability to engage with government and engage with the civic process, these are people who may not have otherwise ever done that, honestly.

KELLY: That's your--

HUNT: Thank you, Mr. President

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KELLY: That's your time, Senator. You're next in the queue, and that's your final time on this amendment.

HUNT: Thank you, Mr. President. I'd be happy to take anybody's time if they're-- if they're willing to give me a little more time as well, because I have some more points to make about the Open Meetings Act. Because of the decision of Nebraska to make sure that citizens and Nebraskans-- I-- I'm careful with citizens because, of course, we also want noncitizens and people who-- anyone who's a resident of Nebraska, or who has a stake in the policies that are passed by these bodies that are subject to the Open Meetings Act. We want everybody to be able to come in and testify, share their views, record their position on an issue. And because of this law that we have, people in Nebraska are able to do that. Overall, the Open Meetings Act has been a really good thing for taxpayers in Nebraska. It has increased government transparency. It has provided citizens and Nebraskans and people who are affected by policies in decision-making in our state to have access to the decision-making process. It has helped to prevent corruption and abuse of power. It has promoted civic engagement and participation, and it has promoted public trust and confidence in government. And that's why the Open Meetings Act is such an important cornerstone of government and why we need to make sure that this "Sunshine Law," as it might be called, is applied to any new agency or any new board that is created, particularly under the executive branch. Because we know that the executive branch has a well-documented, in the press, in the courts, etcetera, history of abuse of taxpayer dollars. I don't know if I've heard hardly a bill go by in this Legislature without somebody making a point about fiscal responsibility, without somebody making a very important, very conservative argument that when we are stewards of taxpayer dollars, we need to make sure that those dollars are used wisely. But when we give one member of the executive branch the authority to pick their friends, to decide who is going to be in charge or in power on an unelected board, we really give up a lot of that control and oversight, and that is also given up on behalf of the taxpayers who voted for us, who put us here, whose interests we are called to represent as members of a separate body of government, as members of a separate branch of government. So when the Legislature, you know, whether you want to support the creation of this kind of thing or not, you want to support having a director of this kind of thing or not. Without this amendment introduced by Senator Cavanaugh-- and again, I would almost challenge her to withdraw this amendment and ask Senator Brewer to introduce it, or Senator Geist to introduce it, she can be running for mayor and say, look at how much sunshine I brought to this

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new board, and now we have all this accountability. That would be great for her. That's probably the only way we would get something like this adopted. By not doing it, what we're doing in this Legislature is giving away unaccountable power, unaccountable responsibility to another branch of government that frankly doesn't need it. Before the Open Meetings Act was enacted, there were no legal requirements for government agencies to hold their meetings in public, and this lack of transparency led to a lot of concerns about backroom deals and corrupt practices, people giving special deals to their friends and family members. And before the passage of this law, citizens had very little access to the decision-making process and couldn't hold government officials accountable for their actions. In the early 1900s, the Nebraska Legislature began to address these concerns by passing laws--

KELLY: One minute.

HUNT: --that required certain government agencies-- thank you, Mr. President. In the early 1900s, we began to pass laws that required certain government agencies to hold their meetings in public. However, these laws were limited in scope at the time. And at the time, they also didn't apply to all government agencies. In the 1960s and '70s, there was a growing national movement to increase government transparency and accountability. And actually a big reason for that was the increasing diversity in government. It was in the '60s and '70s that we started to see black people elected for the first time, that we started to see women elected for the first time, that we saw our first out gay elected official, Harvey Milk in San Francisco. And because of the diversity of experiences and opinions and beliefs that actually started to reflect the identities of the people they represented, we also saw an increased public interest in transparency, openness--

KELLY: That's your time, Senator.

HUNT: --and access. Thank you, Mr. President.

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

CONRAD: Thank you, Mr. President. I'd yield my time to Senator Hunt, if she so desires.

KELLY: Senator Hunt, that's 4:50.

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HUNT: Thank you, Mr. President. As elected bodies and boards and places where decisions are made that affect, you know, all of the people in a city, or a municipality, or a state, or even our nation, as these bodies became more diverse, the public started demanding a lot more accountability as well, because the people who were representing them finally wanted to give that to them, basically. And in the '60s and '70s, there was a growing national movement to increase government transparency and accountability. This movement led to the passage of the federal Freedom of Information Act, which we use here. It's used in Nebraska. And in 1975, the Nebraska Legislature enacted the Open Meetings Act. So it was in the middle of the decade in the '70s that that finally came to pass in this state. And what that law did at the time it was passed, and it's been amended since then several times. But at the time, in 1975, it said that government agencies are required to provide advance notice of meetings, including the time, date, and location of the meeting, as well as the agenda for the meeting. And the law also required that all of these meetings be open to the public, with certain exceptions for matters that were confidential or exempt from disclosure under other federal laws. And we have the same process in the Nebraska Legislature. We have our hearings open to the public, even though Chairpeople like Senator Ben Hansen cuts off debate in an unwarranted way before people have the chance to speak. But in theory, when the system works as it's supposed to, Chairpeople like Senator Ben Hansen would allow all testifiers the opportunity to speak, and it would only be in something like an Executive Session where the public then would not be allowed to participate in that. And one thing I like about Executive Sessions is that it's a chance for us to really speak frankly to each other as colleagues. It's a chance to kind of let down the facade of respectability, I suppose, and talk frankly in regular terms about what we think about a bill. That is exactly what should have happened in the Executive Session for LB574, which is the reason this entire session has been held up. The reason why we're not moving on to other bills is because of things that happened in Senator Ben Hansen's committee from the time that he didn't allow everybody to testify on the bill, to the time he rammed this bill through in Executive Session where, of course, there was no public oversight at that time. Typically, what I think would happen is a good Chair, if Senator Ben Hansen had, had risen to that kind of capacity, in my opinion, would probably keep that bill in committee, knowing what a firestorm it would set off on the floor of the Legislature, knowing how controversial that would be. But not controversial like what should the marginal tax rate be. Not controversial like LB574 [SIC] introduced by Senator Linehan at the request of the Governor to reduce

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individual and corporate income tax rates. Reducing corporate income tax rates is certainly controversial. People certainly have very different views about that. We even have different views about whether corporations are people.

KELLY: One minute.

HUNT: Thank you, Mr. President. What I-- my view on that is that if corporations were people, they would have to have a heartbeat and then all of you would pass laws deciding what we can do with corporations. But what we're going to do for sure, probably in this body is reduce taxes for corporations, because that's not as controversial as some other things that we discuss. What Senator Ben Hansen did after he prohibited testimony on the most controversial, the most oxygen-sucking, the most, you know, honestly terrible bill that I think we've seen in the Nebraska Legislature in my time, is we really lost an opportunity to use our judgment, to use our experience, and to think about what we share as the goals of this Legislature for the people of our state. Blueprint Nebraska has been mentioned several times. There are all kinds of experts and research and money that's been put into figuring out--

KELLY: That's your time, Senator.

HUNT: Thank you, Mr. President.

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

J. CAVANAUGH: Thank you, Mr. President. I would yield my time to Senator Hunt, if she would like it.

KELLY: Senator Hunt, you have 4:55.

HUNT: Thank you, Mr. President. And, colleagues, if anybody else would like to yield me time, I, I do have some other points to make about the Open Meetings Act. When Senator Ben Hansen allowed testimony to be cut off before everybody in the public had the opportunity to speak on LB574, and of course he also did the same thing on LB626, which was the abortion ban that was introduced by Senator Albrecht, many of us thought that that would actually be the bill that took up the most oxygen and the most time this session. I prepared all interim to be focused on that bill. When I came in, in the very beginning of the session, one of the first things I said was, if you are cosponsoring or voting for the abortion ban, I'm not voting for your bills, because for me that was a line in the sand that I had made clear for many years. But I knew that this year would probably be our last stand in

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Nebraska to protect abortion access for, for anybody who needs it in our state. There's kind of a, an attitude or belief that many people have, which is that wealthy people will always be able to get abortions, that wealthy people will always be able to, you know, fly their mistress out of state to New York or California or Colorado, in our case, so that they can terminate a pregnancy if they need to. But what they don't think about are, you know, the folks who have complicated pregnancies, the folks who end up getting terminal fetal diagnosis, different reasons that people need to access healthcare without being under the watchful eye of the farmers and bankers and small business owners and teachers and whatever other occupations we have in this Legislature. We are not healthcare experts. We don't know what's best for Nebraskans and their families. And I think that if we want to be "Nebraska nice" as we say we are, we should just trust families to do what's best for them. These are the people who you go to church with. These are the same people who you trust to babysit your children and grandchildren. These are the same people who you bake cookies for as a room parent in your kid's school. These are the people you say excuse me to in the grocery store. And you want to do every kind of thing to be good stewards of their taxpayer dollars. You want to do every kind of thing to give them as much money back on their property taxes as we can. You want to do every kind of thing to reduce the corporate income tax rate, corporate tax rate in Nebraska so that we can attract more businesses here that will make our communities more vibrant and thriving, that will bring more workers to our state, which will improve the culture for the people and neighbors that we care about here. But you won't trust them to make their own healthcare decisions. And nowhere is that laid more bare than in that committee hearing where people were waiting outside for seven-plus hours throughout the day, crying, commiserating, supporting each other, afraid, excited, highly prepared, highly unprepared. A huge variety of folks, but all of whom had made the choice that day to come to their State Capitol in Nebraska, many of them from the Panhandle, honestly. These aren't all Nebraska-- or these aren't all Omaha people. These are all people who made the choice that day to come prepare testimony, which is not easy and address--

KELLY: One minute.

HUNT: --thank you, Mr. President-- and address their state senators, which, trust me, is not necessarily a relaxing thing to do. It took me a really long time to get comfortable speaking on a microphone, you know, not even just this, to say nothing of this, but even testifying at a school board meeting or, you know, I remember up till I was like 30 coming to testify on bills in the State Capitol here and physically

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shaking as I gave testimony to the committee. There's a photo of me from before I was elected when I was just a "regular degular" gal, and I was testifying in Health and Human Services-- I don't know what the bill was. It might have been a paid family leave thing, or it might have been something-- it might have been the Title X funding. That was a big fight one year. And Senator, at the time, Sara Howard was on the committee. And I was testifying, and the whole time I was just speaking to her--

KELLY: That's your time, Senator.

HUNT: Thank you, Mr. President.

KELLY: Thank you, Senator Hunt. Mr. Clerk, for items.

CLERK: Mr. President, your Committee on Education, chaired by Senator Murman, reports LB583 to General File with committee amendments. Additionally, motions to be printed: Senator Hunt to LB562 and LB565, LB570, LB574, LB575; Senator Machaela Cavanaugh to LB580. Amendments to be printed: Senator Cavanaugh to LB683, and Senator Hunt to LB683, and Senator Cavanaugh again to be LB683. Name adds: Senator Ballard, name added to LB243; Senator Clements to LB254; Senator Fredrickson, LB276; Senator McDonnell, LB419; Senator Ballard to LB754. Notice that the Revenue Committee will be having a briefing on LB243, the committee property tax package, tomorrow morning at 8:00 a.m. in Room 1524. Finally, Mr. President, priority motion. Senator Ben Hansen would move to adjourn the body until Friday, March 13, [SIC] 2023, at 9:00 a.m.

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