

ARCH: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the eighty-fifth day of the One Hundred Eighth Legislature, First Session. Our chaplain for today is Pastor Bryan Bartels from LaPlatte Community Church in Bellevue, Nebraska, Senator Rita Sanders' district. Pastor Bartels is a decorated combat veteran, a B-52 pilot and retired colonel from the Air Force. Please rise.

PASTOR BRYAN BARTELS: Please play-- pray with me. Lord God Almighty, we welcome you here. We lift you up as our King and Lord and give you the glory you deserve in this place and in our state and nation. We thank you for the many blessings you give: our crops and our economy are growing and our people are excelling under your blessing and protection. We are forgiven and loved by you. We thank you for men and-- for the men and women who have sacrificed all, including their lives, so that we can have the freedoms we have today to serve you and the people of Nebraska in our capacity, today. We ask for your protection for those who serve us in our military, our police forces and our first responders. Bless them and their families. For our nation's appointed leaders, our elected representatives, I pray for your wisdom, your strength, your protection, and your courage to do the right thing always and for wise, timely decisions when, when needed. Bless them and their families. For our Governor and our executive branch and our state senators and justices, I pray for your continued presence and for your wisdom and peace over them and their families as they serve the people of Nebraska with their many talents and sacrifices. Thank you for them and those who support them. In the name of Jesus. Amen.

ARCH: I recognize Senator Rita Sanders for the Pledge of Allegiance.

SANDERS: Please join me for the Pledge of Allegiance. 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 eighty-fifth day of the One Hundred Eighth Legislature, First Session. Senators, please record your presence. Roll call.

DeBOER: Mr. Clerk, please record.

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

DeBOER: Thank you, Mr. Clerk. Are in the-- are there any corrections for the Journal?

CLERK: I have no corrections at this time.

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

CLERK: There are, Madam President. Agency reports electronic file with the Legislature can be found on the Nebraska Legislature's website. Additionally, communication from the Governor, engrossed LB276e, LB276Ae were received in my office on May 19, 2023. This bill was signed-- these bills were signed and delivered to the Secretary of State on May 25, 2023. Signed Jim Pillen, Governor. That's all I have at this time, Madam President.

DeBOER: Thank you, Mr. Clerk. Mr. Speaker Arch, you are recognized for an announcement.

ARCH: Thank you, Madam President. Colleagues, as a result of getting the vetoes last night at close of business, the Appropriations Committee started meeting this morning at 8:00, and they're still in meeting, discussing those vetoes. And so, I would like to proceed to the confirmation reports to give them a little more time to continue their deliberations. And then we will return to the top of the agenda after we complete our confirmation reports. Thank you.

DeBOER: Thank you, Speaker Arch. Mr. Clerk, we'll proceed to the confirmation reports.

CLERK: Madam President, first confirmation report from the Transportation Telecommunications Committee. They would report favorably on the confirma-- on the report of Vicki Kramer to-- as director of the Nebraska Department of Transportation.

DeBOER: Senator Moser to open on the confirmation report.

MOSER: Good morning. Thank you, Madam President. Good morning, colleagues. The Transportation and Telecommunications Committee

conducted a confirmation hearing on Tuesday, January 31, of the appointment of Vicki Kramer to serve as director of the Department of Transportation. She returns to state service after two years of working at Kiewit Infrastructure Engineering. And prior to that, she was the department's communications and public policy director. She was employed by the Nebraska National Guard and served as a government relations officer. She's still a member of the Guard and holds the rank of Major. She appeared before the committee, responded to all questions, and responded with her priorities for the department as to maintaining a focus on safety, workforce development, and preservation of state highway assets. Timely delivery of projects is also a focus. There was no opposition to her appointment, and the vote to forward her nomination was 8-0. I would be glad to take questions. Otherwise, I appreciate your support for the nomination of Vicki Kramer. Thank you.

DeBOER: Thank you, Senator Moser. Senator Machaela Cavanaugh, you are recognized.

M. CAVANAUGH: Thank you, Madam President. I rise in support of Vicki Kramer's nomination. I thought she has done an impressive job and did an impressive job at her confirmation hearing. One of the things that was a concern was I think she's the first director that does not have an engineering background, but she does have a great deal of experience with project management. And I think that those skills will lend themselves very nicely to the work of the department. So I just wanted to add my support for Director Kramer's nomination. Thank you.

DeBOER: Thank you, Senator Cavanaugh. Senator Bostelman, you're recognized.

BOSTELMAN: Thank you, Madam President. Good morning, Nebraska. Good morning, colleagues. I rise in lukewarm support of this nomination. I think what we'll have to watch, over the next few years, is to how things progress. As you know, I've stood on the floor and-- and talked about the county bridge match program, how that support may or may not be there. Concerns a little bit that we set policy, not DOT set policy on how that goes forward. So I will stand in-- in lukewarm support of this nomination just in the fact I think this is a very critical and important part for rural Nebraska, our bridges and our roads and how that's projected to be handled, how that might be handled. And the

conversations I've had thus far are cop-- are cautiously optimistic, and I think we need to see some significant improvement in that area. Thank you, Madam President.

DeBOER: Thank you, Senator Bostelman. Senator Brandt, you're recognized.

BRANDT: Thank-- thank you, Madam President. To echo Senator Bostelman, I guess I'm a little lukewarm too. I represent a very rural district, and in rural Nebraska we don't have convention centers. We don't have turnback taxes. We don't have a lot of the things that the urban areas enjoy. One thing we do have are miles and miles of paved roads. Roads are the lifeblood of rural Nebraska. And where we have a new director and a committee, I think we're still finding our way together. But it is vitally important that we support those efforts out in rural Nebraska on the roads. And I will be voting in favor of Director Kramer this morning and look forward to working with her and the T&T Committee in joint efforts to move the state forward. Thank you.

DeBOER: Thank you, Senator Brandt. Senator DeKay, you're recognized.

DeKAY: Thank you, Madam President. I will also stand in support of Vicki Kramer for the new director. She's been very easy to engage with, to have conversations with. She's very open-minded, and I think she will take into consideration all the needs for the infrastructure of the state of Nebraska. I appreciate it. Thank you.

DeBOER: Thank you, Senator DeKay. Senator Fredrickson, you're recognized.

FREDRICKSON: Thank you, Madam Chair, Madam President, I will also stand in support of Director Kramer. She was very impressive in her confirmation hearing. She answered all the questions we had. I know Senator Machaela Cavanaugh had mentioned some concern about her background without engineering, but she was very happy to answer any questions. And I've been impressed with her work so far. She showed up to a lot of hearings in T&T, and so I rise in full support of Director Kramer. Thank you.

DeBOER: Thank you, Senator Fredrickson. Seeing no one else in the queue, the question is the adoption of the-- Senator Moser to close on the report.

MOSER: Thank you, Madam President. I appreciate the support for the potential new director of transport-- of Department of Roads and I, in defense of a couple of the lukewarm comments of support, every bill I've ever-- on roads that I ever brought was opposed by the Department of Transportation, except for this year. And so in her new duties, she's worked with the committee and she worked with me to-- and, of course, it was a bill that Senator Walz brought. And so she helped steer us through the construction of that bill so that it could be approved. And she's been very responsive. I think she's going to do a great job. You know, I think we just need to give her a chance. She's already talked to me more times than all the directors in prior years. So I appreciate her open communication style and I think she'll do a great job. I would appreciate your vote for Vicki Kramer for head of Department of Transportation. Thank you.

DeBOER: Colleagues, the question is the adoption of the report offered by the Transportation and Telecommunications Committee. All those in favor vote aye; all those opposed vote nay. Have you all voted?
Record, Mr. Clerk.

CLERK: 31 ayes, 0 nays on adoption of the report.

DeBOER: The report is adopted. Mr. Clerk, for the next confirmation report.

CLERK: Madam President, the Health and Human Services Committee would report favorably, favorably on the gubernatorial appointment of Charity Merritt Menefee as director of the Division of Public Health for the Department of Health and Human Services.

DeBOER: Senator Hansen, you're welcome to open on the confirmation report.

HANSEN: Thank you, Madam President. Charity Menefee is the director of the Division of Public Health for the Department of Health and Human Services. As director, she oversees the day-to-day operations of the division and is responsible for preventative and community health

programs, including epidemiology, informatics and vital statistics, regulation and licensure of health-related professions and occupations and the regulation and licensure of healthcare facilities and services. Before joining DHHS as the Division of Public Health's director of operations in July of 2021, Charity served as the Knox County Health Department in Knoxville, Tennessee, for more than 21 years in various roles of increasing responsibility, including director of Communicable and Environmental Disease and Emergency Preparedness, disease investigator, public information officer and regional hospital coordinator. She was also a lieutenant colonel in the Tennessee Air National Guard, where she has served for 22 years and is currently a public health officer for 134th Medical Group. Menefee holds a master's degree in security studies from the Naval Postgraduate School Center for Homeland Defense and Security. We did have an extensive hearing for Ms. Menefee, Menefee. And she went through the wringer, especially when it came to public health concerns concerning COVID and some of her thoughts and opinions and maybe how she might approach something like that. And so I do have confidence in Director Menefee in her position as director of the Department of Health and Human Services Public Health. So with that, I would encourage your green vote for the nomination of Director Menefee. Thank you.

DeBOER: Thank you, Senator Hansen. Senator Macheala Cavanaugh, you're recognized.

M. CAVANAUGH: Thank you, Madam President. Would Senator Hansen yield to a question?

DeBOER: Senator Hansen, would you yield?

HANSEN: Yes.

M. CAVANAUGH: Thank you, Senator Hansen. I apologize. I am on the committee, but I missed this confirmation hearing and I was wondering if you could share a little bit more details about some of the questions around public health concerns and how she answered them.

HANSEN: If I remember right, a lot-- we were asking her like [INAUDIBLE] say, what would her approach be maybe different than what we did currently, when it, when it came to COVID, when it came to

mandates, when it came to other kinds of things. And she was pretty much in line with a lot of the stuff that we did previously, and about, kind of, handling like, disease prevention control such as COVID from like a responsible manner, but also a public responsibility manner. And so I think she had a good kind of marriage between those two concerns that I had and other people on the committee did, but also making sure that we're doing our due diligence as a state government, making sure we can do our best to protect the, the, the public.

M. CAVANAUGH: Did she say that she would have responded similarly to how we did at a state level or was she talking about local levels or did she talk about how they responded at the next county level?

HANSEN: It was-- a lot of it seemed in line with what we did previously, like doing what we did as a state, but also relying on our local public health sectors and what we can do to support them, when it came to disease prevention and control, making sure it's-- a lot of it's community driven, make sure the state can kind of help locally to support them, whether financially or just from a state government role.

M. CAVANAUGH: Did--

HANSEN: But it seemed, from my understanding, from the questions we asked her, it seemed similar to what we did previously. So I was pretty confident in that, at least.

M. CAVANAUGH: Did she describe what they did at-- in Knox County?

HANSEN: To some extent. We asked her a couple of questions about it and I think she said they, they approached it a little bit differently. But like, when it came to--

M. CAVANAUGH: Did they have any public health measures enacted in that county?

HANSEN: I think they did. Maybe mask mandates for a little bit of a time, from my-- I, I, I have to remember. I don't have the transcripts in front of me.

M. CAVANAUGH: OK. All right. Thank you.

HANSEN: Yep.

M. CAVANAUGH: Thank you, Madam President.

DeBOER: Thank you, Senator Machaela Cavanaugh and Senator Hansen. Seeing no one else in the queue, Senator, you're recognized close on the report. Senator Hansen waives closing. The question is the, the adoption of the report offered by the Health and Human Services Committee. All those in favor of vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk.

CLERK: 30 ayes, 0 nays on adoption of the committee report.

DeBOER: The report is adopted. Next committee report.

CLERK: Madam President, the Transportation and Telecommunications Committee would report favorably on the appointment of Rhonda Lahm as director of the Department of Motor Vehicles.

DeBOER: Senator Moser, you're recog-- recognized to open on the confirmation report.

MOSER: Thank you, Madam President. The Transportation and Telecommunications Committee conducted a confirmation hearing on Monday, January 30, on the reappointment of Rhonda Lahm as the director of the Nebraska Department of Motor Vehicles. She served as the director of the department since 2013 and upon confirmation, will serve her third term at a-- administrator of or director of Motor Vehicles. She previously served at the Department of Corrections and the Nebraska State Patrol and retired from the State Patrol holding the rank of major. Rhonda appeared before the committee, responded to the committee's questions and her appointment was forwarded to the floor on an 8-0 vote of the members of Transportation and Telecommunications. I would be happy to take any questions. And I would ask for your support in the appointment of Rhonda Lahm. Thank you.

DeBOER: Thank you, Senator Moser. Senator Fredrickson, you're recognized.

FREDRICKSON: Thank you, Madam President. I rise in support of Director Lahm. I'll just speak really quickly about this. One thing that--

well, first and foremost, I think she's done a great job in her role as the director of the DMV over the last few years. But more specifically, I just want to kind of give a little anecdote of something that happened with Director Lahm that I was really impressed with. So during her hearing, one thing that had been brought up by the Omaha-based senators, so Senator DeBoer, Senator Machaela Cavanaugh and myself, was the locations of DMV sites in the city of Omaha, in particular, the lack of locations in the eastern part of the city and how that can impact access. So Director Lahm took that very seriously. And within a few weeks, she had come back to report that she is looking into ways to improve access to Omahans who are living in areas that might have difficulty accessing in the location out west. So I just want to highlight that this is a very responsive person, very impressed with her work and so, full support of Director Lahm. Thank you.

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

M. CAVANAUGH: Thank you, Mr. President. I, I, too, want to stand in support of Director Lahm. She has done an amazing job over the time that I've worked with her, which has been five years now. She's even been nationally noticed for her work. And most recently, this year, she worked with our committee and Senator Brewer on his driver's license bill to help Ukrainian refugees have a pathway forward to obtaining a driver's license once they are resettled here in Nebraska. And initially, there was a, a massive stumbling block. And she worked diligently with her team to address that, so that we can hopefully get them on the path to having access to driving and being a part of our workforce here, in Nebraska, as quickly as possible. So she's really done an amazing job. She has an impressive track record here in Nebraska and I value her willingness to continue to serve. So I hope everyone will vote green for Director Lahm's reappointment.

ARCH: Senator Bostelman, you are recognized to speak.

BOSTELMAN: Thank you, Mr. Speaker. I strongly stand in support of Director Lahm. For seven years on the committee, she has been there every time. Her staff has been there every time. They have answered questions. They had been there to work with me. They have helped us work through legislation and issues that we have within-- complaints or issues we've had within the department. She is one of the strongest

directors I think we-- that we have. I strongly support her, unlike we've seen in some of the other directors. Thank you, Mr. President or Mr. Speaker.

ARCH: Seeing no one left in the queue, Senator Moser, you're recognized to close. Senator Moser waives close. The question is the adoption of the report offered by the Transportation and Telecommunications Committee. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 34 ayes, 0 nays on adoption of the committee report.

ARCH: The report is adopted. We will now proceed to the Government Committee. Senator Sanders, as Vice Chair-- Mr. Clerk, for the next item.

CLERK: Mr. President, the Government, Military and Veterans Affairs Committee report favorably on the appointment of Scott Cordes as State Fire Marshal.

ARCH: Senator Sanders, as Vice Chair, you are recognized to speak.

SANDERS: Thank you, Mr. Speaker. Scott Cordes for Fire Marshal, the Government Committee held our hearing on Mr. Cordes on March 23. A number of people testified at the hearing in support of his appointment. He has a length-- a lengthy history of public service to the city of Norfolk and to the state of Nebraska. The Government Committee recommends his confirmation. I, I ask you for a green vote on Scott Cordes.

ARCH: Seeing no one in the queue, Senator Sanders, you're welcome to close.

SANDERS: Ask for a green vote on Scott Cordes for U.S. Fire-- for Nebraska Fire Marshal.

ARCH: The question is the adoption of the report from the Government Committee. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

CLERK: 33 ayes, 0 nays on adoption of the committee report.

ARCH: Next item, Mr. Clerk.

CLERK: Mr. President, the Government, Military and Veterans Affairs Committee report favorably on the confirmation of Kenny Zoeller as director of the Policy Research.

ARCH: Senator Sanders, you are recognized to open.

SANDERS: Thank you, Mr. Speaker. Kenny Zoeller, Governor Policy Research Office. The Government Committee held Mr. Zoeller's confirmation hearing on March 23rd. We asked him some tough questions about his political career, but we were satisfied, satisfied with his answers. We believe he is qualified to serve in this appointment role. The Government Committee recommends his confirmation.

ARCH: Senator Linehan, you are recognized to speak.

LINEHAN: Thank you, Mr. President. I rise in support of this nomination. I greatly appreciate how I think Mr. Zoeller has fit into the job. I had a leg affairs job for a while, back in the early 2000. It's a very tough job. You have to remember, Mr. Zoeller gets up every morning and he is at the beck and call of 49 state senators and a Governor and a Lieutenant Governor and anybody else who might have interest in what's going on on the floor of the Legislature. It is a job where you have to get up at 6:00 in the morning, read all the press before you get to work, and stay here until we close down at night. So I greatly appreciate his efforts and I'm very strongly supportive of his confirmation. Thank you, Mr. President.

ARCH: Senator Slama, you're recognized.

SLAMA: Thank you, Mr. President. I echo Senator Linehan and Senator Sanders' remarks. Sen-- Mr. Zoeller got into politics when my predecessor, predecessor introduced him, former Lieutenant Governor and former State Senator Lavon Heidemann. I've known Mr. Zoeller for years. He is a thoughtful individual and has taken that same thoughtful, meticulous approach to his work as PRO director. So I encourage everybody to green vote Mr. Zoeller. Thank you, Mr. President.

ARCH: Senator Machaela Cavanaugh, you are recognized.

M. CAVANAUGH: Thank you, Mr. President. I do not know Mr. Zoeller as well as previous colleagues. I have appreciated working with Mr. Zoeller over the last couple of months. I think that he has entered into conversations with me, very much in good faith. I will probably remain present not voting on his nomination, because I do have concerns about the politicizing of the work within the institution. I don't-- and that is not a reflection on the work that Mr. Zoeller has done since he has been in the position. But I do think that there has been an increase of hyper-partisan hires within this institution. And I, I don't think that it is healthy. I think there's an exception to every rule and Mr. Zoeller may, in fact, be the exception to that rule. But I do have a concern about how we have more and more politicized the day-to-day work within this body. And so, I am not rising in opposition to Mr. Zoeller because I do very much appreciate the work that he and I have collaborated on over the last several months and his willingness and openness to talking to me. But it is more a commentary on, on my concerns about how we are hiring positions within this building and I just wanted to state that for the record. But again, I do believe that Mr. Zoeller has entered into good faith conversations with me at every turn. And I am grateful for that. Thank you, Mr. President.

ARCH: Senator Bostar, you are recognized.

BOSTAR: Thank you, Mr. President. I rise in support of Mr. Zoeller's confirmation. I believe that he has done a, a very good job leading the PRO team. And from my experience, he's been very direct and clear about the administration's positions. And he has worked in good faith on negotiations where those positions diverge from, say, my own or from the work of a committee on particular legislation. I also, as, as the, the father of a young child, I guess-- I have a four year old. Mr. Zoeller had his first child at the beginning of the session. And so, I, I know how challenging of a time that is. And I am impressed with how he has been able to also perform to the high standards that he has in this job. Because, you know, working here is, is a-- can be, can be challenging. It can be taxing. And so, I, I appreciate his dedication to the state of Nebraska and to being that bridge between the executive branch, the Governor's Office and all of us here in the Legislature. And I think he's done an exceptional, exceptional job doing that so far. And also, I believe that yesterday was his

birthday. So if Kenny is standing out in the Rotunda, happy belated birthday. Thank you, Mr. President.

ARCH: Senator Briese, you are recognized to speak.

BRIESE: Thank you, Mr. President. Good morning, colleagues. I also rise in wholehearted support of the nomination of Mr. Zoeller for this position. I've been nothing but impressed by his leadership of the Policy Research Office and he truly has helped us to navigate through some difficult issues during his time there. And I appreciate his leadership there. And I would encourage your support of Mr. Zoeller. Thank you, Mr. President.

ARCH: Senator Conrad, you are recognized to speak.

CONRAD: Thank you, Mr. President. And good morning, colleagues. I rise in support of the nomination and wanted to share a, a little bit of an overview, in terms of how I see the importance of the confirmation process as part and parcel with our legislative duty and to talk additionally, a little bit about the lens that I bring to gubernatorial appointments and then kind of how that-- how I utilize that to make a decision in regards to Mr. Zoeller. So of course, everybody is familiar with the fact that gubernatorial appointment-- appointments have a confirmation hearing and, and vote in the legislative arena and that's tied directly to our separation of powers and our checks and balances. It's part of legislative oversight, just like appropriations or performance audit or investigative hearings. Confirmation appointments and hearings and votes fall within that, that same sort of umbrella to ensure that, among the different branches of government, we have oversight on, on some of these particularly key positions in state government that are funded by the taxpayers, in terms of their salary and benefits and that are meant to serve the public interest and all of the citizenry of Nebraska, not just one singular political party or one singular geographic area. That being said, a, a significant benefit of being elected to a significant executive branch position, like being elected Governor by the people of the state of Nebraska, you have a, I believe, very broad authority and discretion to choose who you would like to place in key cabinet positions, in, in key areas of government and recognizing that significant authority and discretion that the chief executive has vested in them to put together their team as they see fit. From there,

I usually try and look a little bit more deeply at whether or not I think the nominee is qualified, whether or not they have the education or professional experiences to ensure that they can be successful in that role. If they have prior, prior service in government- some are reappointments or renominations, of course, it's good for us to take a moment and do a deep dive into their track record to see any questions or concerns that may have arisen under their leadership and of course, any successes that their leadership was able to bring forward on behalf of, of the state. And I don't think any of us would expect people in very, very high-ranking, important positions, charged with a, a multitude of responsibilities to be perfect. Right. That-- that's not the metric for, for them or for any of us and not attainable as mere, as mere humans. But I do think that these confirmation activities provide an opportunity to assess what worked, what didn't work, if they do have a track record and to make sure that there is learning emanating from potential failures or missteps, so that we don't carry those forward into the future. So after looking at qualifications and track record, I also try to get an assessment just generally, about personal style.

ARCH: One minute.

CONRAD: And thank you, Mr. President-- whether or not the nominee is going to be accessible, is going to be candid, is going to ensure that we can work together collaboratively when our interests align and stay in relationship when we have a different point of view. So I do have-- I did have reservations about Mr. Zoeller based on his past partisan activities, but I have been satisfied and impressed with how he has conducted himself in this role during our short time of working, working together. And, and I will be supporting his nomination. Thank you, Mr. President.

ARCH: Senator Hansen, you are recognized.

HANSEN: Thank you, Mr. President. I won't berate the subject and I'll be quick here. But I, too, want to-- accolades to Mr. Zeller when I've been working with him throughout the years, especially this year, I think he's done a great job at looking at all facets of policy from all angles and giving us good advice and working with us. And yes, staying here late a lot of times. And just like Senator Bostar said, yeah, he did-- I have a six-year-old at home, as well, and so I don't

envy him having a, a new child right now. And so, Mr. Zoeller, it does not get any better. I have a daughter and I still have all my hair, so that's good. But I already get nervous about the day when she hits 10 or 11 and finds out that I don't know everything. And so he's got a baby at home and it will be coming. And so, I think it's only going to make it a little bit tougher to do his job here. But I encourage everyone to push the green button for the nomination of Mr. Zoeller. Thank you.

ARCH: Seeing no one left in the queue, Senator Sanders, you are welcome to close on the report.

SANDERS: Thank you, Mr. Speaker. And happy birthday, Kenny Zoeller. Colleagues, I ask for your green vote for Policy Research Office Director Kenny Zoeller. Thank you, Mr. Speaker.

ARCH: The question is the adoption of the report offered by the Government Committee. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 31 ayes, 0 nays on adoption of the committee report.

ARCH: The report is adopted. Next item.

CLERK: Mr. President, the Judiciary Committee would report favorably, favorably on the gubernatorial appointment of Robey L. Jeffreys as director of the Department of Correctional Services.

ARCH: Senator DeBoer, as Vice Chair, you are recognized to open on the report.

DeBOER: Thank you, Mr. President. On April 19, the judiciary hearing held the confirmation hearing-- Judiciary Committee held the confirmation hearing of Dr.-- or of Director Jeffreys. And we found him to be an enthusiastic participant in the hearing. He answered, you might be shocked to know, a lot of questions from me. And he answered them well. Mr. Jeffreys is coming to us, most recently, from Illinois, before that, from Ohio. He has done good work in both places, especially specializing in reentry and programming, which are two areas that I'm very excited to see him use his skills to help us out with, here in Nebraska. So I strongly ask for your green vote for the

confirmation report of Director Jeffreys, who I think is going to do a great job in this position for Nebraska. Thank you, Mr. President.

ARCH: Senator Holdcroft, you are recognized.

HOLDCROFT: Thank you, Mr. President. I just wanted to echo Senator DeBoer's comments. I was very, very impressed with Mr. Jeffreys, a lot of, a lot of experience coming from, from Illinois. And he, as she mentioned, is very interested in the reentry programs, which I think would be very beneficial to the state of Nebraska. So I strongly support his approval. Thank you.

ARCH: Senator Conrad, you are recognized.

CONRAD: Thank you, Mr. President. Good morning, colleagues. I do rise in support of Mr. Jeffrey's confirmation this morning. And I have appreciated the outreach from the administration and from Mr. Jeffreys when he was first named. And we've had a very, very brief opportunity to touch base, but I think that his energy and knowledge is undeniably positive. And I look forward to getting to know him better and working through a lot of incredibly serious issues that are before our Department of Corrections. In doing my due diligence in regards to the confirmation, I did have a chance to touch base with some colleagues who had worked with Mr. Jeffreys in his other state appointments. And they found him to be reform-minded, knowledgeable, experienced and candid. I think those are very, very important qualities, particularly for this position. I had the opportunity to be in conversation with Director Scott Frakes on many occasions, in regards to many issues when I was working as the director of the ACLU and as a civil rights attorney. And I always appreciated when we did have an opportunity to connect, to talk about important issues under the Department of Corrections, especially early on in Director Frakes's tenure. I think that the communication definitely was restricted and harder to, to glean information as Mr. Frakes' tenure continued on for a host of different reasons. But one thing that I would say to Director Jeffreys, Director Frakes, or anyone who's leading a correctional organization, they, of course, do not create the system of mass incarceration. That is created by policy decisions in, in legislative bodies like this and enforced by independent judges and prosecute-- prosecutors, as well and law enforcement. But those who do lead our correctional institutions, while they do not create a system of mass

incarceration, they must administer it. And there are critical decisions that they have before them, within their authority, within their discretionary powers, that can help to mitigate the impacts of racial injustice in mass incarceration. And we need to have a strong partner and a strong leader to help lead our crisis-riddled Department of Corrections forward. We need to ensure that we have clear lines of communication. We need to ensure that we are working together where we can, to have accountability, to have transparency, to advance our shared public safety goals. And we need to have information to do our job as legislators, in oversight of that department and in regards to the correlated criminal justice policy decisions that we need to make. So I am grateful there will be a, perhaps, breath of fresh air emanating from this crisis-riddled department. And I hope that we do not collectively squander the opportunity to have a stronger relationship between the Department of Corrections and the Legislature moving forward. We need to heed the information and the data that our watchdog in the Office of the Inspector General for Corrections brings forward, highlighting deficiencies in policies or procedures, raising critical issues in regards to human rights violations and being a voice as well for important issues facing frontline staff in our correctional facilities. So we all know that we have significant challenges when it comes to addressing mass incarceration and racial injustice in Nebraska. We've started to take some initial steps together on the path to smart justice reform. But the reforms, thus far, have been anemic in comparison to how muscular this system of incarceration has become. So we must stay in relationship. We must have strong leadership. And I'm hopeful that with Mr. Jeff-- Jeffreys at the helm, we'll be able to continue down a smart path that advances our shared public safety goals. Thank you, Mr. President.

ARCH: Seeing no one left in the queue, Senator DeBoer, you're welcome to close on the report. Senator DeBoer waived close. The question is the adoption of the report offered by the Judiciary Committee. All those in favor vote aye; all those opposed vote nay. Mr. Clerk.

CLERK: 29 ayes, 0 nays on adoption of the committee report, Mr. President.

ARCH: The report is adopted. Mr. Clerk, next item.

CLERK: Mr. President, the Health and Human Services Committee would report favorably on the gubernatorial appointment of Anthony R. Green as director of the Developmental Disabilities under the Department of Health and Human Services.

ARCH: Senator Hansen, you are welcome to open.

HANSEN: Thank you, Mr. President. Well, if my colleagues have not-- as-- have not heard of Tony Green by now, you're going to hear about them in a little bit here. He's been with the-- working for the state of Nebraska for a long time and has always had a, a, a good reputation and has done well in every aspect of government that he's been in here. So-- but a little bit on Anthony "Tony" Green. He is the director of Division of Developmental Disabilities for the Nebraska Department of Health and Human Services. He was appointed by the Governor, effective August 24, 2020. Mr. Green has been interim director of the division since March, 2020. Prior to that, he was the division's deputy director. He began his career as a services coordinator for the division in 1990. Green has also worked with DHHS's Division of Child-- Children and Family Services, where he served as a deputy director from March 2013 to January 2015 and as interim director from January 2015 to August of 2015. Tony began as a DD services coordinator in September of 1990, which gave him a great understanding about the issues services coordinators deal with in the field. He holds a Bachelor of Science degree from Wayne State College, where he majored in human service counseling, psychology and criminal justice and minored in sociology. So with that, I would encourage everyone to-- for their green vote for Mr. Green. Thank you very much.

ARCH: Senator Machaela Cavanaugh, you're recognized.

M. CAVANAUGH: Thank you, Mr. President. I have very much enjoyed working with Director Green over the years, and I don't know. We don't always agree, but he is always more than willing to work with myself and the committee and other senators, as well. He is so well-versed in the area of developmental disabilities and he has dedicated his career to this work. And I am grateful to him for his willingness to continue to serve our state in this capacity. I think to not have him would be a great loss. So I, I hope that everyone will support his confirma-- his reconfirmation, so that he can continue to do the good work on

behalf of our most vulnerable populations in the state. Thank you, Mr. President.

ARCH: Seeing no one left than the queue, Senator Hansen, you're welcome to close on the report.

HANSEN: Thank you, Mr. President. I think Senator Cavanaugh hit it on the head. I think if, if we didn't have him here, it would be a great loss. He's done, he's done a great job and always has good-- rave reviews. We believe the department has and will continue to benefit greatly from his years of service, his expertise. On February 14, 2023, the Health and Human Services Committee voted to approve his confirmation unanimously. And again, just ask for your green vote for Mr. Green. Thank you very much.

ARCH: The question is the adoption of the report offered by the Health and Human Services Committee. All those in favor vote aye; all those opposed vote nay. Mr. Clerk.

CLERK: 27 ayes, 0 nays on adoption of the committee report.

ARCH: The report is adopted. Next item.

CLERK: Mr. President, next item, the Health and Human Services Committee would report favorably on the gubernatorial appointment of Kevin Bagley as director of the Medicaid and Long-Term Care under the Department of Health and Human Services.

ARCH: Senator Hansen, you are welcome to open on the report.

HANSEN: Again, thank you, Mr. President. The Health and Human Services Committee is reporting Dr. Kevin Bagley for confirmation by the Legislature for the position of the director of the Division of Medicaid and Long-Term Care Division within Department of Health Human Services. Mr. Bagley earned a BA in economics from Brigham Young University and a masters of business administration from Utah State University. Last fall, he graduated with a doctorate in healthcare administration from Central Michigan University. Dr. Bagley has worked in the field of Medicaid for the past 12 years in Utah, as well as Nebraska. He worked with the Utah Division of Medicaid from 2011-2020. Dr. Bagley was appointed as the Nebraska director of Medicaid and Long-Term Care Division within the Department of Health Human Services

in 2020 and was confirmed by the Nebraska Legislature in 2021. Since starting in his current role in Nebraska, he has built relationships with stakeholders and has procured new managed care contracts. We believe the department has and will continue to benefit greatly from his years of expertise and commitment to service. On February 14, 2023, the, the Health and Human Services Committee voted to approve his confirmation. And we would ask for your green vote to approve Director Bagley on the floor here today. Thank you.

ARCH: Senator Riepe, you are recognized to speak.

RIEPE: Thank you, Mr. President. As a former chairman of the HHS committee, I stand in opposition to the confirmation of Dr. Bagley. In 2018, with a state referendum to expand Medicaid, the HHS committee embraced the philosophy of expanding Medicaid to its maximum. We expanded significantly into government healthcare. Nebraska now has a very generous Medicaid benefit plan. Under Dr. Bagley's leadership, we have expanded Medicaid to include dental, hearing aids and other benefits found in gold health plans and not in basic plans. We have a rich program as described by the leadership of the DHHS. We have individuals with families who require Medicaid welfare. What we need is a support system of basic services, not necessarily to spend less money, but to cover more people that are eligible. I have constituents who pay and have expressed this to me that they pay taxes to support Medicaid, but cannot afford a health plan that's equal to Medicaid. Dr. Bagley has failed to promote the stability of current Medicaid providers' reimbursement and payment for nursing homes, hospitals and other providers. The rule of good leadership is to first take care of your basic needs before you pursue every federal dollar and every federal program. These are not free money. Dr. Bagley's adoption of embracing every Medicaid expansion has failed Nebraska and Nebraskans. Thank you, Mr. President.

ARCH: Senator Machaela Cavanaugh, you are recognized to speak.

M. CAVANAUGH: Thank you, Mr. President. Well, I have said it before. I am the yin to Senator Riepe's yang. I stand in support of Mr. Bagley's confirmation. I think that I have definitely disagreed with him on numerous occasions about numerous things pertaining to Medicaid. But I do believe that he has, has a willingness to work through a lot of issues with myself and the committee. And I think this body knows that

I oftentimes present complications, we'll say and obstacles. And sen-- and Dr. Bagley, he recently became a doctor, Dr. Bagley has always been willing to engage in conversation with me and to the best of both of our abilities, work through to find a greater understanding of the task at hand and the needs of the people of Nebraska. I-- he came on in the middle of the implementation of Medicaid expansion, something that was put to a vote of the people and it was at times, attempted to stifle the will of the people in the implementation of the expansion. And when Mr. Bagley-- Dr. Bagley came on in the middle of the pandemic and was taking-- was tasked with taking over that transition, he worked very well with the federal government in ensuring that our Medicaid expansion program was implemented and ultimately, it was implemented with the intention of the vote of the people and whether he agreed with it or not, I don't actually know. But he did the work that needed to be done. And I am grateful to him for that work and the work that he continues to do. So I will be supporting sen-- Mr. Bagley-- Dr. Bagley's reconfirmation. Thank you, Mr. President.

ARCH: Senator Raybould, you are recognized.

RAYBOULD: Thank you, Mr. President. Good morning, colleagues. I stand in support of Dr. Bagley. I found the conversations that I've had with him just invigorating. He is a curious mind, open to coming and looking at solutions in a different way that I find I look at solutions and, and in a different way than from a lot of my colleagues here. I found him to be refreshing, dedicated, honest and I hold other past legislative bodies responsible for not implementing Medicaid expansion and costing Nebraskans millions and millions and millions of dollars, dollars in federal assistance. And as I blame, you know, previous Governors for not implementing Medicaid expansion, I think some of these directives start at the top. And I have found Dr. Bagley very easy to work with, approachable, willing to look at the numbers in a different way. And I encourage you all to vote in support of his reconfirmation. Thank you.

ARCH: Seeing no one left in the queue, Senator Hansen, you are welcome to close on the report.

HANSEN: Thank you, Mr. President. I think Senator Cavanaugh is right. At times she can be what was it-- what was the word you used, disagreeable sometimes, in committee. And I think there's one thing

sen-- Dr. Bagley has learned is the best that he can, is when he comes as a position, in front of HHS, and do his best to be neutral and be in a neutral capacity and never mention TANF. Otherwise, Senator Cavanaugh will, will have her opinion. And so-- which I respect. And it's actually good. And I do respect Senator Riepe's opinion, as well. Being a fiscal conservative myself, I think we should do the best that we can to make sure that we are doing everything-- anything we can to control costs, especially in health and human services, which has a lot of costs. But I still would encourage all my colleagues to vote in confirmation of Dr. Bagley. I think he's done a great job so far and I think he has got good insight and, and the road ahead. So thank you, Mr. President.

ARCH: The question is the adoption of the report offered by the Health and Human Services Committee. All those in favor vote aye; all those opposed vote nay. Mr. Clerk.

CLERK: 28 ayes, 4 nays on adoption of the report, Mr. President.

ARCH: The report is adopted. Next item.

CLERK: Mr. President, next item, the Health Human Services Committee would report favorably on the gubernatorial appointment of Dannette R. Smith as chief executive officer of the Department of Health and Human Services.

ARCH: Senator Hansen, you are welcome to open on the report.

HANSEN: Thank you, Mr. President. The Health and Human Services Committee is reporting Dannette Smith for confirmation by the Legislature for the position of the chief executive officer of the Department of Health and Human Services. She was originally appointed as CEO in February of 2019 and brings more than 25 years of executive leadership and experience to the state. Some of that experience includes director of the Virginia Beach Department of Human Services, as well as leadership positions within the governments of Seattle, Atlanta, Charlotte and Cook County, Illinois. While in Nebraska, CEO Smith spearheaded the development of the department's fourth annual business plan, which outlined her four-pronged approach to one, create an integrated service delivery system; two, establish and enhance collaborative relationships; three, align DHHS teammates under the

mission of helping people live better lives; and four, enhance the department's internal infrastructure to provide more effective, efficient, customer-focused services to Nebraskans. CEO Smith holds a Bachelor of Science in psychology from Eastern Michigan University and a master's of social work from the University of Illinois at Chicago. She also serves on the boards of the Healing Place of Hampton Roads, Norfolk, Virginia, and the Association for Training on Trauma and Attachment in Children in Minneapolis. We believe the department has and will continue to benefit greatly from her years of expertise and commitment on-- commitment to service. On February 14, 2023, the Health and Human Services Committee voted to approve reconfirmation. And we would ask for your green vote to approve CEO Smith on the floor here today. Thank you, Mr. President.

ARCH: Senator Jacobson, you are recognized.

JACOBSON: Thank you, Mr. President. First, let me say that I, I do plan to vote in favor of this confirmation. But I also want to caveat that I'm voting in favor with the understanding that there will be improvements made. I did have a conversation with Director Smith earlier this year, but I also wrote a letter to her last September, with regard to the failures that were occurring at DHHS, with regard to the behavioral health regions. Region 2 Behavioral Health, which is 17-county area that encompasses Lincoln County and the surrounding counties, ended up losing \$1.2 million of their budget because there was inflexibility on the part of the Department of Health and Human Services. They made a request to move those dollars around where it could better be used and that request was denied. I wrote a letter to Director Smith at the time, asking for reconsideration and that fell on deaf ears. I have met with her since that time. Of course, I did bring a bill this year that would, that would require that DHHS would allow for 20 percent of those budgets to be moved around as needed. I might add, that's down from the 25 percent that had been practiced, back in the earlier budgets. But oh, a couple of years ago, they made a change and said there was zero flexibility. Fortunately, in the budget and DHHS or HHS Committee did allow language in the budget this year, that will direct that this would not happen in the future. And I'm comfortable with that language, as are the behavioral health units. But my concern is understanding that this is a huge organization, very, very difficult to manage. But I do have the commitment from senator-- from Director Smith to do a strategic plan,

reorganize what they're doing and make certain that we are meeting the needs of all of the health districts across the state. And it's not a one-size-fits-all. What happens in the western part of the state, in the 3rd Congressional District is not the same and our needs are not the same because our providers are not the same as they are in District 1 and District 2. So it's with that caveat that I'm going to vote in favor of, of the confirmation of Director Smith, but I'm also expecting that she's going to carry out the changes that she's indicated would happen. I would also say that Director Tony Green has been very cooperative in this process and he's running double duty right now, because the individual who request-- who denied the request for Region 2 is no longer with the department, but they've obviously got some hiring needs that need to get taken care of. And they've got to really make certain that these things don't happen again. So with that, I'm going to vote in favor, but it's with that caveat. Thank you, Mr. President.

ARCH: Senator Machaela Cavanaugh, you're recognized.

M. CAVANAUGH: Thank you, Mr. President. I rise in opposition to this appointment. I plan to take my three times or, or less, if it takes me less time to talk about it. But I feel that this is not an appropriate fit-- a good fit for the state of Nebraska. CEO Smith was first appointed in 2019, my first year and she entered onto the job in a very tumultuous time. We were in the middle of doing contract procurement for our child welfare system and there was also significant physical damage to the youth rehabilitation treatment centers. Both of these are things that CEO Smith was not directly in charge of. She came into these situations. And I believe it is important to have grace when that is the situation. That is not why I rise in opposition. Why I rise in opposition is for what happened after those things and how those situations were handled carrying forward and how it is a clear pattern of behavior. In 2019, we redid our managed care or not our managed care, our child welfare contracts. It was after-- there had been a bid, which we all know we have massive procurement issues in this state. We had a bid for a contract. There was a contention. The state decided to pull back the contract, enter into an emergency contract with PromiseShip to extend, to redo the bid process. They went through that and in 2019-- in June of 2019, they awarded the bid to St. Francis Ministries. And from that moment forward, there was a series of events that were absolutely decisions

made, at the top, that impacted the children of this state, the child welfare of children of this state, their safety and security, their families, the financial well-being of this state riddled with malfeasance at every level. It resulted in an investigation by this legislative body. Extraordinarily problematic. At the same time, we had a crisis at the Geneva campus of the Youth Rehabilitation and Treatment Center. This is where the girls who are system-involved would be placed. The facilities there had become in such disrepair that the young women that were at that facility had to revolt from going back into a mold-infested, ceiling-on-the-floor housing. And the only reason the Legislature found out is that two of them were detained by the sheriffs. And the county officials there knew that they couldn't be detained in that way. And they contacted us so that we wouldn't find out that they were doing something wrong. And that is how this body found out, not because there were proactive stakes taken by the leadership of the Department of Health and Human Services. At every step of every crisis, it has been attempted to hide it, to cover it. We have had to dig and dig and dig. And thank goodness we have an Ombudsman's that has a child welfare inspector general, because if we didn't, I can't even imagine how much worse it all would be, because it would be easier to hide these mistakes. Now, after everything that we went through, everything that happened--

ARCH: One minute.

M. CAVANAUGH: --with both the YRTC Geneva and the child welfare contract in the St. Francis Ministries, we then, just last year, went through a new procurement process with our managed care organizations. And we awarded one of the contracts from the three bidders from-- there were five bidders-- three of them, we changed one of the bids and gave it to somebody else. Why did we give it to somebody else? Again, scoring. It came down to scoring. And when I asked for documentation around that entire process, I was given a \$64,000 bill. How is that appropriate? How is that transparent? How is that collaborative? Where is the trust? Why would we reappoint someone to a position who has actively sought to thwart access and information by this body?

ARCH: Time, Senator. And you are next in the queue.

M. CAVANAUGH: Thank you, Mr. President. Going back to the YRTC timeline. We had Geneva. There was the crisis at Geneva. This was in August of 2019. I apologize because I have lots of documentation here on various things, but I'm doing a timeline off the top of my head, as best in my memory. So August 2019, we had Geneva. The girls were transported to Kearney. They were shackled and put in vans and got transported to Kearney. They were shackled. Teenage girls were shackled to transport them to Kearney. They had been mistreated in Geneva. They were mistreated in the transportation and then they were put in Kearney. And do you know what Kearney is? Kearney is the boy's campus. Kearney is the boy's campus. PRTF. Sorry, that's the wrong acronym. The PREA, the prison rape statutes. They put the girls in the boys campus where they had to follow specific guidelines, where the girls had to shower behind a glass wall, where there were male employees on the other side of the glass wall. There was zero thoughtfulness in anything that was done to these kids. Then you go upstairs to their room, the big open room, with just metal beds screwed to the ground and fluorescent lights and then a staffing station in the middle. Glass walls. Guess what's on the other side of that glass wall? The boys, on the other side. So what did they do then? They covered up the glass. So then, the employees would have to open the door into an open room, without knowing if somebody was waiting there to harm them. There was never any thoughtfulness in any stage of any process. Then what did they do? Well, they entered into an illegal contract with the county of Lancaster, to take part of the detention center for youth here in Lancaster and turn it into a YRTC, which is not allowed in statute. Do I think that it ended up being a good idea? Yeah, I actually, I do. I think it was a good idea. But it goes to the lack of judgment of never going through the process, never working for the Legislature, never working to do things the right way. We could have changed statute. We could have helped them. We could have worked with them. We could have collaborated with them. But they didn't want to do that. They wanted to do things their way all of the time, without any oversight. Then what happened? Geneva, they started rehabilitating the campus. Then what happened? They never moved anybody back there. Then what happened? They sold it online for less than it cost to rehabilitate the buildings. So they lost money with their poor decision-making, all under her watch, all under her direction. TANF. The entire time I have been here, we have been asking about TANF. We have been asking about a TANF plan. We have been told

there will be a plan over and over and over again. And meanwhile, the rainy day fund has grown from \$54 million to \$130-plus million. Yes. And every time this Legislature brings legislation to expand the utilization of TANF, they come in opposed. They block us from helping our most vulnerable citizens every single time. Why? No transparency. It's a slush fund and they are using it as such. Now--

ARCH: One minute.

M. CAVANAUGH: --today, our managed care organization contracts, we are in another lawsuit. Another lawsuit, because there are severe and significant questions about the process that they went through with the new managed care organization contracts. So much so, that even though they couldn't get an injunction on child welfare contracts, they got an injunction on this. And the department could have said, OK, we'll pull back the contracts, we'll redo the process, we'll extend it for a year. But they dug in instead. And we're in a lawsuit again. And guess who is the recommendation person on the managed care organization that got the new contract? CEO Smith, who also oversees the process for refuting the contract. And she said the contract holds. Of course she did. Her name is on as the recommending officer. Where is the lack of judgment enough for this body to decide this is not an appropriate appointment?

ARCH: Time, Senator. And you're next in the queue.

M. CAVANAUGH: This is my last time on the microphone. And honestly, there's so much more to go through, I probably could have spent the entire day on this. But I will round it out with a lawsuit for child welfare, a lawsuit for managed care organizations and a lawsuit from her own employees over wearing blue jeans that went to the State Supreme Court. This is a pattern of judgment and it is a poor judgment, repeatedly. And it repeatedly costs this state money. And I do not believe that we, as a governing body, can in good conscience vote to confirm this individual again. I voted for the confirmation previously. I will not be voting for it again. This is not what is good for Nebraska. Thank you, Mr. President.

ARCH: Senator Lowe, you're recognized.

LOWE: Thank you, Mr. President. I have worked with Director Smith over the last oh, gosh, five years, six years, maybe, however long she's been in office. On the YRTC in Kearney. And it has done nothing but continually to get better. The YRTC in Kearney is a much better place now than when Director Smith came into office. We were able to secure YRTC Kearney with a fence put up around it that nobody is really in favor of, if we could just get the kids to stay on campus. That was a problem. They decided to run away and steal people's cars. Director Smith found the money. We didn't have to bring it out of general funds. Also, programming on YRTC Kearney has improved immensely with education for the kids. And besides that, they used to live in dormitories or they still live in dormitories, I guess, where there might be 20 or 30 kids on a single floor with cots next to each other. Those cots you were able to tear apart, throw, use them as tools and everything else. And the beds have gotten much better. Besides that, she is going to build two new complexes there that have private bedrooms so the kids no longer have to sleep next to each other. They have their own rooms. They don't have to go to Dixon [PHONETIC] to cool down. They can go back to their own room, to their room to cool down, someplace that they are comfortable with. So I am standing in favor of Director Smith and I will be voting positive, a green light for her today. Thank you.

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

J. CAVANAUGH: Thank you, Mr. President. I just was listening to the other Senator Cavanaugh talk and I heard something that kind of-- I, I knew a lot of those other facts. But the one-- I don't know if Senator Cavanaugh-- Machaela Cavanaugh would yield to a question.

ARCH: Senator Cavanaugh, will you yield to a question?

M. CAVANAUGH: Yes.

J. CAVANAUGH: Did I hear right that some property owned by DHHS was sold on the Internet?

M. CAVANAUGH: Yeah, like govdeals.com or something like that. Senator Brandt and I both looked at it.

J. CAVANAUGH: Is that a--

M. CAVANAUGH: It's in his district.

J. CAVANAUGH: --normal way for?

M. CAVANAUGH: I don't believe it's normal. No.

J. CAVANAUGH: Oh, OK. That was just shocking to me that we--
It is.

--and this was the Geneva campus?

M. CAVANAUGH: Yeah. It was sold for like \$300,000. It has, like,
farmland.

J. CAVANAUGH: OK.

M. CAVANAUGH: It's a very large campus with enormous, enormous--
innumerable cottages and a chapel and a cafeteria and a school.

J. CAVANAUGH: Oh, all right. Do we have any idea what the, like,
assessed value of that would have been if it were?

M. CAVANAUGH: Oh, I don't know. Maybe Senator Brandt knows off the top
of his head, but I do not. I apologize.

J. CAVANAUGH: All right. Well, thank you. I learned something during
this conversation. Thank you, Mr. President.

ARCH: Senator Blood, you are recognized.

BLOOD: Thank you, Mr. President. Fellow senators, friends all,
briefly, I just want to say that I really want you to think about what
you're going to vote for here shortly. I look at so many of you in
this body that have been in positions of power. And I want you to
think back about your employees. How many mistakes-- how many huge
mistakes does it take before you let an employee go? Is it one time?
Two times? Ten times? I can think of one incident in Nebraska, which
I'm not going to bring up again, that was 13 times. And we still
appointed that person. Make sure that you're able to stand behind
whomever you decide to confirm today, should there be more mistakes in
the future that hurt children that are in a position where they cannot

help themselves and have to depend on the adults in the room? We had a big discussion on this the last two months, about how important it is to protect children when adults, you felt, we're not making good decisions for them. So, please, before you decide to vote, think about the harm that's been done. And think about how many opportunities we allow here in the state of Nebraska, when we're dealing with taxpayer dollars and we're dealing with Nebraska's most vulnerable, do we allow mistakes to be made at the expense of those most vulnerable? Thank you, Mr. President.

ARCH: Senator Conrad, you are recognized.

CONRAD: Thank you, Mr. President. I yield my time to Senator Machaela Cavanaugh, if she so desires.

ARCH: Senator Cavanaugh, 4:50.

M. CAVANAUGH: Thank you, Senator Con-- Conrad. Thank you, Mr. President. I did want to talk about director Beasley. Stephanie Beasley was brought on as the director of Child and Family Services. And she started really, at the start of the pandemic in 2020 and did an amazing job considering the circumstances, when we had to shut everything down and kids were in their homes and we were getting a decline in calls into the hotlines because kids weren't in school. So there weren't other adults seeing them that need it that could address their harm. She got her staff to start doing wellness calls. She pivoted when pivoting was needed. She reallocated resources. She worked very hard on the transition to St. Francis Ministries and back from St. Francis Ministries. And in December of last year, she was not retained. And when I asked about it at the confirmation hearing, I was told that she took them to a certain level and they needed an opportunity to look at what other skills and levels of the leadership are needed to move us forward. I have never heard a single complaint about Director Beasley and I hear a lot of complaints from a lot of people. I hear from the department, I hear from families, I hear from staff members, I hear from everybody. And I never heard an unkind word of Director Beasley, except that she stood up to CEO Smith. That was it. The same person who took her own employees to the Supreme Court in a lawsuit over wearing jeans. Now we are in the midst of a massive transition of our child welfare system and it is not going well. And we knew it wouldn't go well. And we've let go of the person who has

been at the brunt of all of it, who was the only one who was even slightly competent enough to handle it. And we have let them go and the reason is an opportunity to look for other skill sets. It is a pattern of behavior and it is not a good pattern. The best thing we have going for us has been the directors: Director Beasley, Director Green, Director Bagley. They have been doing the work of this state and it is because of them that we continue to be on any decent track whatsoever. But the director at the top has shown a severe pattern of behavior of poor decision-making. And I ask you, colleagues, to not put this state through this for another four years. And I honestly thought at the start of this year, I thought, you know what, great that she's willing to stay on because we have had so much upheaval. But then I heard about Director Beasley, and then I heard about the newest managed care organization contract and lawsuit. And then I heard that her name was on the documents as the recommending officer for the com-- the company that got the contract. And I thought, this isn't going to end. This is not going to end. I hope, colleagues, that you will consider all of this when you push your button on this vote this morning. Thank you, Mr. President.

ARCH: Seeing no one left in the queue, Senator Hansen, you're welcome to close on the report.

HANSEN: Thank you, Mr. President. I appreciate all the thoughts, concerns, opinions from everybody who got up and spoke today. I would encourage my colleagues, like myself, to vote green for Director Smith or CEO Smith. Thank you, Mr. President.

ARCH: The question is the adoption of the report offered by the Health and Human Services Committee. All those in favor vote aye; all those opposed vote nay. 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. Mr. Clerk.

CLERK: 22 ayes, 1 nay to place the house under call, Mr. President.

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. All unexcused members are now present. Senator Hansen, for what purpose do you rise?

HANSEN: I'll accept call-in votes and record vote.

ARCH: We are now accepting call-ins.

CLERK: Senator DeKay voting yes. Senator von Gillern voting yes.

ARCH: Mr. Clerk, please record.

CLERK: Voting aye, voting aye: Senators Aguilar, Albrecht, Arch, Ballard, Bosn, Bostelman, Briese, Clements, Dorn, Erdman, Halloran, Hansen, Hardin, Holdcroft, Ibach, Jacobson, Kauth, Linehan, Lippincott, Lowe, Moser, Murman, Sanders, Slama, DeKay, von Gillern. Voting no: Senators Armendariz, Blood, Cavanaugh, Cavanaugh, Day, Raybould. Not voting: Senators Brandt, Conrad, DeBoer, Dungan, Fredrickson, Hughes, McDonnell, Riepe, Vargas, Wayne, Walz, Wayne, Bostar, Brewer, Dover, Hunt, McKinney, Wishart. Vote is 26 ayes, 6 nays, 11 present not voting, 6 excused not voting, Mr. President.

ARCH: The report is adopted. Next item. I raise the call.

CLERK: Mr. President, next item. The Nebraska Retirement Systems Committee would report favorably on the gubernatorial appointment of Jason Hayes as director of Nebraska Public Employees Retirement Systems.

ARCH: Senator McDonnell, you are recognized to open.

McDONNELL: Thank you, Mr. President. Good morning, colleagues. Yesterday, your Retirement Committee held a hearing for Jason Hayes, who the Public Employees Retirement Board selected to be the new director of the NPERS system. Mr. Hayes has held a variety of positions in state government, as well as with retirement stakeholders. In addition to the positions in the AG and the Treasurer's Office, Jason has also served as legal counsel for the Legislature's Retirement Committee and as a legal counsel for NPERS. Based on his strong background in retirement issues, the Retirement Committee recommended approval of his selection on a 5-0 vote, with one member absent. I would urge you to vote to approve Jason Hayes as the director of the Nebraska Public Employees Retirement System. Happy to answer your questions. Thank you, Mr. President.

ARCH: Seeing no one in the queue, Senator McDonnell, you're welcome to close. Senator McDonnell waives close. The question is the adoption of the report offered by the Nebraska Retirement Systems Committee. All those in favor vote aye; all those opposed to vote nay. Has everyone voted who wishes to vote? Mr. Clerk.

CLERK: 29 ayes, 4 nays on adoption of the committee report, Mr. President.

ARCH: The report is adopted. We will now begin Final Reading. Members, we would ask that you please find your seats. Mr. Clerk, for the first item.

CLERK: Mr. President, LB227A, Senator Hansen would move to return the bill to Select File for a specific amendment, that being AM1990.

ARCH: Senator Hansen, you are recognized to open on your motion to return.

HANSEN: Thank you, Mr. President. We are returning LB227A back to Select File with the addition of the amendment and those bills that we passed yesterday, so then we can kind of move it on to Final Reading along with the underlying bill. These were, these were the additions that we added yesterday, was Senator Vargas's priority bill, which included his over-- overdose fatality review team, review of incidents of severe matern-- maternal morbidity and Senator Wishart's postpartum coverage under Medicaid bill. So I would encourage my colleagues to vote green so we can add those onto the A bill and then move it on to Final Reading. Thank you, Mr. President.

ARCH: Seeing no one in the queue, you're welcome to close. Senator Hansen waives close. The question before the body is the motion to return to Select File for a specific amendment. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

CLERK: 39 ayes, 0 nays on the motion to return, Mr. President.

ARCH: The motion to return is successful. Senator Hansen, you're welcome to open on AM1990.

HANSEN: Thank you, Mr. President. Again, this is just moving AM1990 and LB227A to Final Reading. So thank you and I encourage everyone to vote green.

ARCH: Senators, the question before the body is the adoption of AM1990. All those in favor vote aye; all those opposed vote nay.

KELLY: Record, Mr. Clerk.

CLERK: 39 ayes, 0 nays on adoption of the amendment, Mr. President.

KELLY: Amend-- the amendment is adopted. Senator Ballard, you're recognized for a motion.

BALLARD: Mr. President, I move that LB227A be readvanced to E&R for reengrossing.

KELLY: Members, you've heard the motion to advance LB227A to E&R for engrossment. All those in favor vote-- all those in favor say aye; all those opposed say nay. It is advanced. Mr. Clerk.

CLERK: Mr. President, next item on the agenda, LB243. Senator Machaela Cavanaugh would move to recommit the bill to committee.

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

M. CAVANAUGH: Thank you, Mr. President. I'm not going to keep this up. I just-- we've got this and then another tax bill today. And I just wanted to sort of telepath the conversation for the next one. I think that we should have a very strong conversation about the vetoes yesterday and their implications or the implications, vice versa, of the tax packages today. And what are the choices that we are making as a body and, and how those vetoes or the overriding of them is going to im-- impact all of that. So I'm probably not going to talk much more on either of those bills today. So I just want to have that said that I have grave concerns over how we are managing the finances of this state. And with that, I withdraw my motion.

KELLY: Thank you, Senator Cavanaugh. See no one else in the queue-- additional items. Mr. Clerk.

CLERK: Thank you, Mr. President. Senator Cavanaugh, I've got motion 165 with a note you wish to withdraw. Senator Briese, I've got a motion 1041 with a note you wish to withdraw. Senator Briese, FA115 with a note to withdraw and Senator Machaela Cavanaugh, FA113 with a note you wish to withdraw, as well.

KELLY: They are withdrawn.

CLERK: In that case, Mr. President, I have nothing further.

KELLY: Members, the first vote is dispense with the at-large reading. All those in favor vote aye; all those opposed, nay. Record, Mr. Clerk.

CLERK: 37 ayes, 2 nays to dispense with the at-large reading, Mr. President.

KELLY: The at-large reading is dispensed with. Mr. Clerk, please read the title.

CLERK: [Read title of LB243.]

KELLY: All provisions of law relative to procedure having been complied with, the question is shall LB243 pass with the emergency clause? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. Record, Mr. Clerk.

CLERK: Voting aye: Senators Aguilar, Albrecht, Arch, Armendariz, Ballard, Blood, Bosn, Bostar, Bostelman, Brandt, Briese, John Cavanaugh, Clements, Conrad, Day, DeBoer, DeKay, Dorn, Dover, Dungan, Erdman, Fredrickson, Halloran, Hansen, Hardin, Holdcroft, Hughes, Ibach, Jacobson, Kauth, Linehan, Lippincott, Lowe, McDonnell, Moser, Murman, Riepe, Sanders Slama, Vargas, von Gillern, Walz, Wayne, Wishart. Not voting: Senators Machaela Cavanaugh, Raybould, Brewer, Hunt and McKinney. The vote is 44 ayes, 0 nays, Mr. President, 2 present not voting, 3 excused not voting.

KELLY: LB243 passes with the emergency clause. Mr. Clerk, for next item.

CLERK: [Read LB243A on Final Reading.]

KELLY: All provisions of law relative to procedure having been complied with, the question is, shall LB243A pass with the emergency clause? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: Voting aye, Senators Aguilar, Allbrecht, Arch, Armendariz, Ballard, Blood, Bostar, Bostelman, Brandt, Briese, John Cavanaugh, Clements, Conrad, DeBoer, DeKay, Dorn, Dover, Dungan, Erdman, Frederickson, Halloran, Hansen, Hardin, Holdcroft, Hughes, Ibach, Jacobson, Kauth, Linehan, Lippincott, Lowe, McDonnell, Moser, Murman, Raybould, Riepe, Sanders, Slama, Vargas, von Gillern, Walz, Wayne, Wishart. Not voting, Senators Bosn and Machaela Cavanaugh, Brewer, Hunt and McKinney. Vote is 44 ayes, 0 nays, 2 present not voting, 3 excused not voting, Mr. President.

KELLY: LB243A passes with the emergency clause. Senator MacDonnell announces some guests in the north balcony, fifth and eighth graders from Christendom Academy in Omaha. Please stand and be recognized by your Nebraska Legislature. And Senator von Gillern has guests in the north balcony, fourth graders from Paco [SIC] Elementary in Omaha. Please stand and be recognized by your Nebraska Legislature. While the Legislature is in session and capable of transacting business, I propose to sign and do hereby sign LB243 with the emergency clause, and LB243A with the emergency clause. Mr. Clerk, for items.

CLERK: Mr. President, next item on the agenda, LB583. I have a series of motions and amendments that Senator Hunt would offer, MO686, 681, 683, AM1112, and AM1111, all with notes that she wishes to withdraw.

KELLY: Those are withdrawn.

CLERK: In that case, Mr. President, I have nothing further on the bill.

KELLY: Members, the first vote is to, to dispense with the at-large reading all those in favor vote aye; all those opposed vote nay. Re-record, Mr. Clerk.

CLERK: 42 ayes, 2 nays to dispense with the at-large reading, Mr. President.

KELLY: The at large reading is dispensed with. Mr. Clerk, please read the title.

CLERK: [Read title of LB583]

KELLY: All provisions of law relative to procedure having been complied with, the question is, shall LB583 pass with the emergency clause. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: Voting aye, Senators Aguilar, Albrecht, Arch, Armendariz, Ballard, Blood, Bosn, Bostar, Bostelman, Briese, John Cavanaugh, Clements, Conrad, Day, DeBoer, DeLay, Dorn, Dover, Dungan, Erdman, Fredrickson, Halloran, Hansen, Hardin, Holdcroft, Hughes, Ibach, Jacobson, Kauth, Linehan, Lippincott, Lowe, McDonnell, Moser, Murman, Raybould, Sanders, Slama, Vargas, von Gillern, Wallz, Wayne, Wishart. Voting no, none. Not voting, Senators Brandt, Machaela Cavanaugh, Brewer, Hunt, McKinney. Vote is 44 ayes, 0 nays, 2 present not voting, 3 excused not voting, Mr. President.

KELLY: LB583 passes with the emergency clause. Mr. Clerk, for items.

CLERK: Mr. President, next bill, reintroduced LB583A. Senator Linehan would move to return the bill to Select File for a specific amendment, that being FA199.

KELLY: Senator Linehan, you're recognized to open.

LINEHAN: Thank you, Mr. President. And I'm not going to filibuster this bill. And I'm sorry I didn't give you a heads up, Senator Sanders. It's going to be fine. But I didn't realize we-- because we've always had motions all session, so I forgot the rules on Final Reading, you have to have a motion to speak on Final Reading. So I'm going to speak to this bill because I am frustrated, to say the least. The NSEA put out a press release yesterday that is full, I want to say disinformation, but it's actually lies. And I'm I'm going to speak to it because I should have-- I'm just dumbfounded by it. First paragraph. The majority of Nebraskans oppose giving public tax dollars to private schools. They have rejected attempts in the ballot box three times in the 1960s and the early '70s. LB753, that's the Opportunity Scholarship tax credit, will lead to funding cuts that

will weaken Nebraska's public schools, will hurt kids, and will particularly hurt our rural communities. We just passed a bill increasing state funding to public schools by over \$300 million a year. We have set aside \$1 billion in Education Futures fund, and committed \$250 million every year thereafter in our budget. We are not hurting public schools, or kids in public schools, or any kids in Nebraska. LB753 will drain available funding from Nebraska public schools and give it to unaccountable private schools that can discriminate against kids. It cannot give it to unaccountable private schools. The money doesn't even go to schools. It goes to children so they can attend a school of their choice. And any school that that child and parents would choose has to be approved by the Department of Ed of the State of Nebraska. It has to be an accountable or approved school. Ok, that's three, I've got two more. Well, this is true, but misleading, so I will stay on this bullet. More than half Nebraska's 93 counties have no private schools. Well, half of them do. And as I said yesterday, we have all kinds of kids across Nebraska that cross county lines to go to public and private schools. I went to Lewiston, in Senator Slama's district. I lived in Johnson County. Lewiston is in Pawnee County. There are kids in Gage County, Johnson County, Pawnee County, I think that's it, but maybe not, that attend Lewiston Public Schools. There are kids in Falls City who attend a Catholic school that I'm sure probably don't all live in Falls City. And this one is the real-- LB573 will not help current private schools. No, it won't because it doesn't help the schools, it helps the kids. But then it says only new students are eligible for these tax funded private school tuition payments. I guess this one irritates me most. Well, they all irritate me, but this one is particularly-- I don't even know the word. My vocabulary isn't extensive enough. Because they have said up until yesterday, when they knew it wasn't true, that the only people that would use these scholarships are people who are already in private school. It's disturbing, folks. These represent educators. And I have not-- and I don't pick on public schools, I praised public schools yesterday, all my grandchildren are in public schools. But when educators are represented by a bunch of people who are very, very, very loose with facts, and actually lie, it's not OK. Then we had on the floor yesterday, and it was in the papers this morning, again, my fault, because I didn't respond as I should have yesterday. I was a little stressed. The pages, I think, are handing out now would be a good time if coming around, four pages or five pages on the

constitutionality of LB753. It was in the press this morning that we are using public dollars, so I would have you turn to page 25, hopefully the numbers are still on there, should be the second page and start at two. According to the courts, tax credit scholarships are privately funded and thus do not even expend taxpayer dollars. Arizona Christian School Tuition Organization v. Winn, U.S. Supreme Court, 2011 Like contributions that lead to charitable tax deductions, contributions yielding STO tax credits are not owed to the state and, in fact, pass directly from taxpayers to private organizations. The contrary position assumes that income should be treated as if it were government property, even if it has not come into the tax collectors hands. That premise finds no basis in standing in jurisprudence. Private bank accounts cannot be equated with the Arizona State Treasury. It's not public money. We had two or three lawyers that are members of this Legislature stand up yesterday and call it public money. I didn't stand up and push back. It's one thing if you're not a lawyer to maybe say that, you're not an attorney, but when you have several court cases saying it's not public money, and then you get up and say it's public money, it is not. Why am I getting up? We want to go home. I want to go home more than anybody else. But there's going to be a petition, and they're going to spread these misconceptions and lies to get people to sign it. And I want the press to know I'm sending that. And it's again, not on them, on me for not pointing this out yesterday. And the idea that tax credits-- just finally and then I will, promise, sit down. Next week we'll come to LB727 which has four tax credits in it. Four. Nobody said that was public money. Nobody said that was a bad idea. I don't know. I will by next week-- sorry, staff -- know how many tax credits we have passed this year. But it is quite a large number and I supported all of them, they came to the Revenue Committee, except for that one that went through the Ag Committee. Way to go, Senator Brandt. Thank you, Mr. President.

KELLY: Thank you, Senator Linehan. Senator Linehan, you're next in the queue and recognized to speak. And waived. Senator Raybould, you're recognized to speak.

RAYBOULD: Thank you, Mr. President. Good morning, colleagues. I'd like to address some of the comments Senator Linehan made on the opportunity tax credits. If it were revenue neutral, then it would say no fiscal note. But the fiscal note is a loss of \$25 million. That is the taxpayers. And primarily, as was pointed out, that 48 of the 93

counties in the state of Nebraska don't have private schools readily available. And if they-- in the counties that do, additional counties that do only offer elementary school as private school option. So that's \$25 million that I pointed out yesterday. I wanted to thank the, the, the rural communities and the counties for their support of this, even though none of the students in their counties would benefit from it. You know, Senator Hunt had offered a great amendment, and I offered an amendment, to to make sure that this type of funding of taxpayer dollars would not impact the funding for public school education. So my fear, and I've seen it played out already, that we've had to dip into the Cash Reserve. And so we have done something extraordinary. We are giving \$1 billion to go into trust for public education funding in the future, and place holding \$250 million every year. But I heard some things from the Appropriation Committee that gave me pause and a level of concern. Are they going to live up to this commitment of that \$250 million? Part of my amendment was that the opportunity tax credits would not be given if we did not fulfill our public school funding obligation of \$250 million every year. Senator Hunt had put in language to make sure that private schools cannot discriminate based on sexual orientation, gender identification. And, you know, these are important things. We've heard stories of teachers being dismissed from private schools. And I want to say for full disclosure, I am a product of Catholic schools. From elementary to high school to college to even graduate school. And for further disclosure, my children went to Catholic schools. So I know firsthand that the dioceses in the state of Nebraska, they have funding. They subsidize Catholic school education in the state of Nebraska. I do also know that they there are funds and endowments for children who need tuition assistance. So no family is denied. No family is ever turned away for their child who wants that opportunity to go to a Catholic school. Each and every Catholic school has funding tuition allowances to help these kids, if that's a choice that they want to make. How do I know this? I've been to plenty of fundraisers both here and where my children were raised for Catholic schools to make sure that we can make available to every single child who wants to get a Catholic education. And I know it's the same for those of other faith denominations as well. But when you take our taxpayer dollars for something that clearly is going to benefit corporations, trusts, partnerships, LLC in a significant way--

KELLY: One minute.

RAYBOULD: --and yes, this will impact funding for public education. Please don't discount that. Don't discredit it. We know that will happen because for every child who leaves public schools, that impacts the funding for public schools. What is another concern is the children in special ed, all the 2,152 kids that need special ed, they get it from the public schools even though they're attending that private school. So I just wanted to address some of the concerns of Senator Linehan and reach out to Nebraskans out there, particularly the rural community. They know that they will be paying for this. Thank you, Mr. President.

KELLY: Thank you, Senator Raybould. Senator Linehan, you are recognized to speak.

LINEHAN: I just want to point out a couple ironies here. Senator Raybould and, I don't know, 41 other senators just were, and thankfully I supported it, Senator Briese's bill, that's \$300 million in tax cuts. Somehow that one actually helps public schools. It's just this one tax credit, this one piece of revenue. That's what's so horrible. Not the \$300 million we just passed, or the next \$1 billion-- I think that's appropriations. You're just \$300 million. Senator Sanders looked at me like, please be quiet and sit down. It's, it's not true, guys. This \$25 million isn't going to hurt public schools, just like the \$300 million that we just passed in tax cuts. The spending bill that we're going to do under Senator Sanders' bill, and the income tax bill we're going to do after we get done with this, not going to hurt public schools. We put \$1 billion away. And Senator Raybould, I don't know, you need to talk to some people that run private schools. We turn families away. Lots of families get turned away. The Omaha Scholarship Fund, which funds private schools, nondenominational, Catholic, Lutheran, Christian, kids who are struggling with reading, they turn families away every year. And yes, the public schools, by law, mind you, by federal law, have to help a child with special needs that lives in their district, by federal law since 1973. And in this bill, Senator Sanders bill, we will finally, as a state, which many of us have worked on since we've got here, including Senator Wishart, we will finally be paying 80 percent of special ed cost for every child in the state, regardless of whether they're in a highly equalized school, or they're in a little rural

school that's been getting no state aid for special ed. Or very little, I should say now, 40 percent. So we're going from 40, 42 percent up to 80 percent. \$1,500 dollars to every child in the state. And yes, I'm going to say it on the record, and as we all know, another \$100 million to equalize schools because that's what it took to get the deal done. So you add all that up, and then I put up with, oh, no kid gets turned away, and they've got plenty of money, and this is not a problem. It's a little irritating. Thank you, Mr. President.

KELLY: Thank you. Senator Linehan. Senator Raybould you're recognized to speak.

RAYBOULD: Thank you, Mr. President. You know, colleagues, we know that there are a couple of states that have made the decision to discontinue this type of funding, either through tax credits or a voucher system. It's Texas and Kansas. They've made the decision that it is too costly, it's too expensive. They know that other great programs have been harmed in the funding of this. And for the record, I have been wildly supportive of the initiative to, instead of making our property taxes bear the full brunt and fiscal responsibility for funding our amazing public schools. I am so supportive of Governor Pillen's initiative, and it's transformative to shift that cost back to the state of Nebraska, who we've all acknowledged ranks 49th in all the states that fund our public education. That creates brilliant, smart, outstanding Nebraskans that we all need an educated workforce. So I am incredibly supportive of that big end. For the record, it is so long overdue that this is a very transformative step that I have been very supportive of, that I've also been supportive of LB583. Because that also helps with property tax rates and the burden that every day Nebraskans have had to bear for years and years and years. So that is incredibly supportive. What I am not supportive of and I've said this on the record, the continued corporate and individual tax cuts. I just want to remind people, last year this body voted for LB873, which had started a progressive reduction of corporate and individual income taxes that unfortunately do benefit the wealthiest individuals in our state, who many of them don't live in our state, as well as corporations. That's what's troubling me. We know that property taxes are a progressive tax, meaning you can only afford a certain type of house based on your income. So when you get that property tax relief, that helps Nebraska families. Nebraska families need that relief. And that's what we should be focusing on. I've asked

everybody time and time again, what are the benchmarks you're using? How many corporations are going to flock to the state of Nebraska? How many young families are going to come to our state of Nebraska? Where is our tax base going? You've heard time and time again testimonies from professionals, from our business organizations, Nebraska Chamber of Commerce, telling us we've got to do everything we can to retain and attract workforce. Nebraska's ranked 39th. Do you think some of the tax measures we're doing are going to help retain and attract young people when cultural issues matter to them? I don't know how many hundreds of emails I've gotten from friends, families, constituents telling me they're high schoolers moving out and they're not coming back. This physician is closing down their practice in western Nebraska and moving out. What are we doing? What are we doing? The priority should have been affordable housing, affordable housing, affordable housing, child care tax credits. But to do all of this in one year is extraordinary. LB873 would have cost us \$1.8 billion. We were willing to do this. All these tax changes are going to cost the state of Nebraska, our Nebraska taxpayers, \$3.9 billion. I've said it before, I'll say it again until anybody wants to listen, is that some of these tax cuts are not sustainable. How do we know? We've already dipped into our Cash Reserve.

KELLY: That's your time, Senator.

RAYBOULD: Thank you, Mr. President.

KELLY: Senator Linehan, you're recognized to speak. You-- this is your last time before you close.

LINEHAN: Thank you. So when I pull my amendment, this is a question I don't know, if somebody can slip me a note. I don't know if debate ends when I pull my amendment, but I will pull my amendment when I get done this time. A colleague asked me a little bit ago, fair question, you won yesterday, so what are you doing? I am reacting to a push for a petition drive which has been advertised for a month, which press releases went out yesterday saying, please sign the petition. So I haven't won. It doesn't matter if I win or not. It's frankly not about me. I can afford, if I want to, to send my grandkids to private school. It's about people who can't have choice, who can't move to Elkhorn and where I live. I think Senator Erdman wanted to say something, see if Senator Durbin would yield to a question, please.

KELLY: Senator Erdman, will you yield to a question?

ERDMAN: Yes. Senator Linehan, I'd like to shed some light on this.

LINEHAN: I did not OK that. I just-- I didn't.

ERDMAN: I know that.

LINEHAN: You came over to me a little bit ago, and you made a very valid point, which was, if you can repeat it?

ERDMAN: Yeah. So we seem to have gotten off the information that Senator Linehan started with, and it was about the NSEA. And so now we have begin discussing LB753 all over again. And my memory is not the greatest, but I think we already passed that one once. So the problem was with the NSEA. And if the NSEA really wants to do something, they could start teaching kids to read. They could start promoting education instead of indoctrination. And so, Senator Linehan, I appreciate the fact that you mentioned the NSEA and, and their wokeness, and the way they try to promote that your bill is going to take funding away from the schools. I think you have properly described how much more money we're giving to the schools. And I'm waiting for the time when the NSEA calls you, or sends you an email, and thanks you for all the extra funding that you've given to education. I don't know that that will ever happen, but if I were in their position, I would sure consider doing that, for the fact is, without your help and without the help of others in this body, they wouldn't got any-- wouldn't have gotten any more funding than they had before. So we have supported those government schools fully, and I don't understand why they continue to try to poke people in the eye who try to help them. Thank you.

LINEHAN: With that, I withdraw the amendment. Thank you, Mr. President.

KELLY: The amendment is withdrawn. Mr. Clerk, please read the bill. Members, please find your seat. We are on Final Reading.

CLERK: [Read LB583A on Final Reading]

KELLY: All provisions of law relative to procedure having been complied with, the question is, shall LB583A pass with the emergency

clause? All those in favor vote aye; all those opposed vote nay.
Record. Mr. Clerk.

CLERK: Voting aye, Senators Aguilar, Albrecht, Arch, Armendariz, Ballard, Blood, Bosn, Bostar, Bostelman, Brandt, Briese, John Cavanaugh, Clements, Conrad, DeBoer, DeKay, Dorn, Dover, Dungan, Erdman, Frederickson, Halloran, Hansen, Hardin, Holdcroft, Hughes, Ibach, Jacobson, Kauth, Linehan, Lippincott, Lowe, McDonnell, Moser, Murman, Raybould, Sanders, Slama, Vargas, von Gillern, Wallz, Wayne, Wishart. Not voting, Senator Miachaela Cavanaugh, Brewer, Hunt, and McKinney. Vote is 45 ayes, 0 nays, 1 present not voting, 3 excused not voting, Mr. President.

KELLY: LB583A passes with the emergency clause. While the Legislature is in session and capable of transacting business, I propose to sign, and do hereby sign, LB583 and LB583A. Mr. Clerk.

CLERK: Mr. President, Final Reading on LB754e. First of all, Senator Machaela Cavanaugh, I have MO140 with the note you wish to withdraw?

M. CAVANAUGH: No. No.

CLERK: In that case, Mr. President, Senator Machaela Cavanaugh moved to recommit LB754 to committee.

KELLY: Senator Machaella Cavanaugh, you're recognized to open.

M. CAVANAUGH: Thank you, Mr. President. I would like to yield my opening to Senator DeBoer.

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

DeBOER: Thank you, Mr. President. Colleagues, this income tax package will cost \$291.5 million next year, per year. Those tax rates that are going down in this are the highest tax rate, the highest tax rate, the tax bracket on those Nebraskans who make the most money. The only tax cuts that are going to happen in this on income taxes for individuals for the next three years will be for that highest tax rate. Starting in 2026, there will be some modest tax cuts on the middle class tax bracket. That's what I call it. It's the second tax bracket. You remember me talking to you, and I said, I would like to give them just a little bit more. That would cost us about \$30 million and that would

get to those hardworking Nebraskans who are not in the top tax bracket. And somebody says, Well, you say the wealthiest, but there are people in that top, top tax bracket that aren't the wealthiest. That's true. But all the wealthiest people in Nebraska in terms of income are in that top tax bracket. And those Nebraskans that make it just a little bit into that top tax bracket, they're doing just a little bit better than the state average. They will get a little bit of their income with a discount on their tax rate. But the vast majority of their tax package or their tax income tax will be paid in that middle bracket, that second bracket, which we are not cutting a cent of until 2026. And last year we cut the top tax bracket and not that second tax bracket. This is a tax cut for the wealthiest in Nebraska. And eventually, if we have enough money, eventually, if there isn't a downturn in the economy, eventually, if we don't have to walk it back, then maybe we'll get some middle class tax cuts. So that explains to you why I will not be voting for this bill today. Folks said on General File that they would try to work with me to see if we could do something on that second tax bracket to give it a little more. For context, before last year's tax cuts, the top rate was 6.84. With this bill before us today, we're going to take it down to 3.99 for the top tax bracket. The second bracket is at 5.10 where it will stay until 2026 and eventually it will go down to 3.99. So that means that the top bracket is going from before last year's cuts, 6.84 to 3.99, which is a difference of 2.85 percent. The second one, the second bracket, is going down from 5.01 percent in three years. If everything goes right, it'll go down to 3.99. So it'll be the same as the top bracket. That change is 1.02 percent. 2.85 percent in last year's and this year's cuts for the top bracket, 1.02 for the second tax bracket. And it strikes me that we are doing this, which is going to cost a lot of money, or we're returning a lot of money to the taxpayers, which is a good thing. We're doing this at a time when we just got vetoed on things like a program to help pregnant teens learn how to parent their children. When court appointed special advocates and public guardians were vetoed. When a pilot program for kids with PTSD who were traumatized by gun violence that doesn't even use General Funds was vetoed because we don't have enough money. But we had plenty of money when we were talking about which tax brackets to cut. That's my objection to this bill. It doesn't seem fair to working Nebraskans to me, to cut the top tax bracket and not cut the second bracket until 2026, and then even then to keep it with the top tax

bracket, and overall give it about a third, it's not quite a third. I mean, 2.85 to 1.02 of the tax cut that happens for the top tax bracket. That's my objection. I don't think we ought to be doing that. I don't think we ought to be giving the wealthiest people in Nebraska a 3 percent, nearly 2.85 percent, and giving the middle income folks in Nebraska who live in that second tax bracket, 1 percent. I don't believe in that. We supposedly have full coffers this year. And I agree that means we should give it back to the taxpayers. But how we give it back, and to whom we give it back, matters to me. We're not just giving more to the top income earners in Nebraska, but we're giving a lot more to the top income earners in Nebraska, and to corporations, some of which aren't even in this state. And we're doing it in a way where in order to be able to get the, the fastest cuts to the top income rate, that second tax bracket won't even see a cut at all until 2026. So that's my objection here, Nebraskans. And I thought I'd outline that for you here on Final Reading. Thank you, Mr. President.

KELLY: Thank you, Senator DeBoer. Senator Raybould, you are recognized to speak.

RAYBOULD: Thank you, Mr. President. I stand in opposition to this, LB754. And, you know, it's good to hear that the Governor does recognize that these corporate and individual income tax cuts are not sustainable. How do we know? We just got the letter last night where he is single handedly almost taking all the funding that the Appropriations Committee thought they had on critical programs to give them some additional relief. And I do want to give a shout out to the Appropriations Committee. They sat through hours and hours of hearings, of organizations, of communities coming forward and saying how transformative the additional funding that we had available to take care of people all across our state of Nebraska that have been ignored and not funded fully. How do we know that? The Governor took almost all of it. That impacts our foster care kids, pregnant and nursing moms, affordable housing, for crying out loud. That got slashed, that got vetoed. That's the number two agenda item for the Nebraska Chamber of Commerce, all businesses. That is critical to growing our tax base. If we want to continue to pay for all these corporate and individual income tax cuts, which the Governor recognized are sustainable, because he had to tap into all the funding efforts from the Appropriations Committee to reach out. The

reimbursable rates for our Medicaid providers, our service providers, who have been telling us, you're underfunding us for years. And guess what? Our nursing homes are closing. Some of our community hospitals are in financial difficulties. This reimbursable rate helps our rural communities stay vibrant. I'm an urban center, but I care very deeply about our rural communities, and their ability to hire and retain people, and to pay them, and for their operations to stay viable. Because guess what? They're going to be closing down in the communities that so desperately need their services. This is really tragic to see what's going on and what was-- how my colleagues have all been played. There's some people that felt that we knew that some of these things are not sustainable, and they spoke out against it. And now the Governor has proven that they're not sustainable. Why? Because of all the vetoes on these programs. Why? Because we've already dipped into our Cash Reserve. I want to clear up something that I misspoke. We were already on a pathway to give corporate and individual income tax cuts that were responsible, that were graduated, that made sense, and that total amount was \$1 billion up until 2027. I put in, like, three amendments to try to come up with common sense stopgap measures to slow it down, give those tax cuts for only two years, not going to 2028. Or let's have triggers so that if we-- if our financial outlook is not as rosy, then we pull back and not putting that pressure and burden on future state senators. LB873 would have proven out with \$1 billion. But all the things that we're doing with these accelerated, hyper-accelerated tax cuts is \$3.9 billion over the next six years. My question to you all is how are we going to replenish this? How are we growing our tax base? You're already doing things that Blueprint Nebraska told you not to do. We're not being a more inclusive--

KELLY: One minute.

RAYBOULD: --welcoming state to really welcome new corporations. Our corporation listings are down 3.7 percent, which is the lowest in the entire Midwest. So that should give you pause. There's been no benchmarks. I keep asking people how many more companies do we need to have come to our state? How many more young families? And yet in this LB574, we cut the child care tax credit from \$25 million down to \$20 million. We could have helped so many more families by reversing that and focusing on child care tax credits that retain our young families, that attract young families, which we so desperately want. We need to

be a smarter government. And what we're doing today by giving these enormous individual and corporate tax credits out to the wealthiest in our state is dumb, dumb, government.

ERDMAN: Thank you, Senator Raybould. Senator Linehan, you are recognized to speak.

LINEHAN: Thank you, Mr. President. I'm a little behind the time, the pages are going to hand out a chart that goes to the income and sales tax rates, the history of them. So when you get the chart, and I'm sorry I didn't get this handed out earlier, I didn't know this is going to come up, you will see that in 2012, the Legislature dropped-- excuse me, it comes up in 2013. They did it in 2012, but it's effective in 2013. They dropped the lowest rate, they dropped the second bracket, they dropped the third bracket. But they did not drop the tax-- top bracket. Probably conversation was much like Senate Raybould's comments right now. So the top bracket has been in place since they raised it in 2003. And in 2003 they raised all the brackets. But when things get better, they lowered all the brackets but the top bracket. We are-- and another thing that-- and I-- on me, that maybe I haven't explained this well enough. I do remember explaining a lot of times last year. Everybody pays at every bracket. So if you're in the top bracket, you still pay the bottom bracket on that amount of money. The next bracket on that, and then the third, and then the final bracket. So when you lower the brackets underneath the top bracket, you're also lowering taxes for the rich or the well-to-do or corporations, because we all, everybody pays at that rate. So the only way you can really lower-- and that costs a lot of money, because then you're lowering the rich as well as whatever. And as far as whether this is rich or not, I've heard several times this year that middle income now, because of inflation, is \$100,000. Now, this is kind of frightening to me because I remember when I thought that was a lot of money. But if I'm reading the bill right, the top rate kicks in, when this bill is finalized, the top rate for individuals will kick in at \$29,000. I don't think any of us think that's rich and this doesn't take into consideration the standard deduction, so you'd have to add this to it. The married filing jointly, \$58,000. So ev-- if the deduction is \$15,000, what is that, \$75,000? That is not rich. It probably sounds rich to our legislative staff, but it's not rich in the market today. I know we all want to go home, and I don't-- I understand, Senator. So tired. I'm-- yes,

Raybould's concerns, and Senator DeBoer's concerns. But we've been through this. We're not talking about taxes for the rich. We're talking about-- one final point. Senator Raybould said we weren't listening to Blue Sky. I spent a lot of time-- Blue Sky, Open. No, it is-- No, I don't listen to Open Sky, but let's-- Blueprint. Blueprint. I did listen to Blueprint. I spent hours with Blueprint. I spent hours with the people that put the Blueprint package together. One of their biggest, biggest asks in that plan was to get the top rate to 4 percent. They said again and again, and I plan on doing some work on this over the summer. I haven't talked to all the Revenue Committee yet. They said we wouldn't need such a big incentive program if we could get our top rate, both corporate and individual, down to 4 percent or below. We have a messed up tax system. We've overused for 20 years, two decades, three decades, actually, maybe, four, we have overused incentives which don't treat everybody the same and kept our individual rates too high. This is the first step-- well, this is the final step in my career as Chairman of the Revenue Committee. Get our rate top rate down to 3.99, and then maybe we can look at some of the incentive packages that are very generous, if you have the accountants and lawyers to use them. We won't have to depend on them so much to keep corporations and businesses in Nebraska. Thank you, Mr. President.

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

M. CAVANAUGH: Thank you, Mr. President. I just wanted to share part of-- so the Governor sent the a letter outlining the vetoes that we received yesterday. And I think it was read into the record last night when we were-- after we were standing ad dies. But there was a part that stood out to me some of these vetoes. I am adamantly opposed to mostly the staff salary. And by mostly, I mean number one veto I'm opposed to, for the record, is the veto of a staff salary increase. Some of these are neither here nor there to me. But this one, this particularly stood out to me. It's on the last page and it says, I am also vetoing the \$5 million appropriation from the Nebraska Health Care Cash Fund and FY '23-24 and FY '24-25, and the related intended transfers in the following three years from the Cash Reserve Fund for the pilot program related to gun violence. Now, it's this next part that really stuck out to me. Over \$500 million has already been devoted in economic recovery over the last two years, focused mainly

in north and south Omaha. That just felt like a non-sequitur, and very startlingly upsetting, that although I guess an acknowledgment of that gun violence is disproportionately impacting north and south Omaha, and perhaps an acknowledgment that economic investment is vital to the creating a thriving community within north and south Omaha. But I want to be clear that north and south Omaha, and even in this letter it says north and south Omaha, that is coded language. North Omaha is black omaha and black Omaha is black Nebraska. South Omaha is Latino Omaha. Now Latino Nebraska is a little bit more wide reaching than just south Omaha, but it is highly concentrated in south Omaha. And so when we say north and south Omaha, that is coded language for the segregation of the city of Omaha. And it kind of whitewa-- not kind of, it whitewashes that we are a segregated city that continues to be impacted by the effects of redlining. But the fact that we are vetoing money related to PTSD, related to gun violence specifically, and also acknowledging that we don't need it because we're investing money in the economic recovery of these two very highly impacted communities of color, it was startling, yet honest and upsetting. So I just wanted to highlight that and elevate it for the record. Thank you, Mr. President.

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

BRIESE: Thank you, Mr. President, and good morning, colleagues. I want to comment on a few things here, and I want to thank Senator Cavanaugh for bringing up the issue of staff salaries. And I think staff salaries are extremely important to all of us here, and including those of us on the Executive Board. And it's my understanding the Governor vetoed \$2.2 million in General Funds for the '24-25 15 percent salary increase, leaving the-- leaving intact the appropriation for the first year. And he did so with the understanding that the Legislative Council has ample reappropriated funds to cover that. And it's my understanding that we do, and that the 15 percent salary increase will remain intact as far as I'm concerned, and I believe I'm speaking for the entire Executive Board there as well. I think we all understand the importance of it. It appears at this point we have the funding to take care of that. We'll still be talking to Keisha and my staff about that to confirm that. But from my perspective, I'm confident that the 15 percent increase is intact over the next two years, and we'll do everything we have to to ensure that

that is the case. And I always appreciate Senator DeBoer's comments. They're always thoughtful and thought provoking, and I just wanted to provide one response there. At one of the hearings on a tax bill, I think it was last year, an income tax bill, the president of State Chamber indicated that the marginal income tax rate is the window sticker to our state. We, we have a workforce shortage, we have a workforce crisis, we need to attract residents to our state, and one of the many tools at our disposal to attract residents to our state is our tax code, in particular the marginal tax rate for individual filers, and particular folks look at that. They look at tax rates and what do they look at? They don't search out the effective tax rate. They look at the marginal tax rate. And I think that's why the-- it's important to emphasize that marginal tax rate, as LB754 does. And someone also suggested that this-- I think, questioned the sustainability of what we're doing here. And I would submit to you that what we are doing here with the tax proposal, with the tax package, is very sustainable. The Governor's numbers demonstrate sustainability in this biennium and beyond. And how do they get there in doing that? They do that by utilizing very conservative revenue estimates. They are estimating revenue increases being below the 40 year average for five years in a row, and that has never happened. The most-- on the rate and base adjusted revenue numbers, we've only been below average a maximum of three years in a row in the past. And they're utilizing numbers here that would estimate below average for five years in a row That is extremely conservative. And in fact, if they use their normal methodology on estimating the revenue growth for the out years, the rate and base adjusted numbers, instead of being 3 and 4 percent would be 7 percent, over 7 percent for those years. And I think those of us on the Revenue and Appropriations Committee that met with the-- met to talk about projections about a month or so ago, I believe that Keisha Patent, she indicated yes, and using the historical methodology, the numbers, the revenue projections would be much higher than what we are using here. So I would submit to you that this is sustainable and it is sustainable using very conservative--

KELLY: One minute.

BRIESE: --estimates. Thank you, Mr. President, and thank you, Mr. President.

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

RAYBOULD: Thank you, Mr. President. Again, I do applaud the efforts of our Appropriations Committee, and I just I just want to point out just a couple of things for the folks that are listening there. If they are so sustainable, and when we started this session, we had about \$712 million that was there for the Appropriations Committee to go back and look at programs that needed additional funding to help them succeed, like looking at the reimbursable rates, like paying our staff appropriate salaries. And in the Governor's budget, he took-- he had to claw back every-- everything, almost everything that the Appropriations Committee had designated to be recipients of this funds. And the other obvious thing, we've already dipped into our Cash Reserves. If these things are so sustainable, why are we doing things like that? And our economic forecast can be a little bit not as rosy as people would like it to, to believe. We have inflation. We still have high interest rates. We have the debt ceiling uncertainty. We have some banks that are skittish. So all of these things add up to a very fiscally conservative approach. But that's not what we've done here. I-- you've heard me say this before, I applaud the Governor's very transformative cost shifting back to the state of Nebraska for funding our public education. That was the right thing to do. But contin-- but to continue to accelerate corporate and individual income tax cuts is the wrong thing to do. And we've, we've seen it in where the forecasting is going. There's a lot of uncertainty out there, and I do not think it's time to be doing some of the things when it comes to giving tax cuts to the wealthiest individuals in our state as the corporations. We had a tax cut reduction plan in place that would have benefited businesses and individuals and would not have been that huge price tag that now we have to figure out how to pay for, and we shouldn't be doing it by cutting programs that impact our foster care system, that impact our staff, that impact the courts' ability to hire more probation and parole officers to do some of the programing they're doing for those that actually are going back into our community. So for that reason, I will not support LB5-- LB754. Thank you.

KELLY: Thank you, Senator Raybould. Senator Blood announces some guests in the north balcony, 60 4th graders from Pawnee Elementary in

Omaha. Please stand and be recognized by your Nebraska Legislature.
Senator Wayne, you're recognized to speak.

WAYNE: Thank you, Mr. President. Colleagues, I know everybody's talking about vetoes, and everybody's a little concerned. And some of you newer senators maybe have never experienced a veto. Well, I'm here to tell you the sun will still rise tomorrow, that you will still get up in the morning, you will still laugh and have fun. How do I know? I get vetoed almost every year. I have been vetoed now five times, so I'm doing well. My first veto was LB75, felon voting rights. The next one was LB-- oh, actually my next one after that was LB492. We actually overrode the Governor, and that was for a regional transit. The next one, I was a casualty of war from Senator McDonnell. It was a La Grone bill, LB106. His portion was unconstitutional. My bill was great. Last year, LB100-- 10-- LB1073 was rental assistance. That was vetoed. And this year, PTSD. I take it as a badge, a badge of honor, because one, coming from a minority group, being able to work with this body enough to pass a bill to get it to the Governor's desk in of itself is sometimes difficult. But knowing that the pressures of the Governor's office may or may not be there, we as a body still work together to get that done is a badge of honor. So for my colleagues who may have read the letter and felt a little stinging, I can tell you how to deal with it. You got to laugh about it. You got to figure out how next year you can keep it moving, but also learn from it. Don't put your stuff in the budget. I made that fatal flaw this year by putting it in the budget because there's such a thing as a line item veto. It's harder to veto a bill, but not that hard because I still had four other ones vetoed as a bill. So take this weekend. Talk to your colleagues. It's not over with. There's a next year. There's another year for many of, of you who are going to be here for a while and figure out how to maneuver with this body and the Governor to move forward. I know this was a big blow for many in my community regarding PTSD. Had LB531 not be on Final Reading, I would probably pull it back and figure out how to do something there. But my actual PTSD bill is still a priority this year, and it's still a bill. So we'll figure it out next year. So keep your head up, for other ones who are part of the veto. We can bond together and do a cheer of being vetoed this year, and we'll figure out how to move forward next year. Thank you, Mr. President.

KELLY: Thank you, Senator Wayne. Senator Machaela Cavanaugh, you're recognized to close on the motion to recommit.

M. CAVANAUGH: Thank you, Mr. President. I withdraw my motion.

KELLY: The motion is withdrawn. Members, the first vote is to dispense-- Few more items. Mr. Clerk.

CLERK: Mr. President, I've got FA34 from Senator Kauth with a note she wishes to withdraw. I have FA119 from Senator Linehan, and MO1051, also from Senator Linehan, both with notes that she wishes to withdraw those two items.

KELLY: Those are withdrawn.

CLERK: I have nothing further on the bill, Mr. President.

KELLY: Members The first vote is to dispense with the at-large reading. All those in favor vote aye; all those opposed vote nay. Please return to your seats, Senators. Record, Mr. Clerk.

CLERK: 32 ayes, 4 nays to dispense with the at-large reading, Mr. President.

KELLY: The at-large reading is dispensed with. Mr. Clerk, please read the title.

CLERK: [Read title of LB754]

KELLY: All provisions of law relative to procedure having been complied with. The question is, shall LB754 pass with the emergency clause? All those in favor vote aye, all those opposed vote nay. Record, Mr. Clerk.

CLERK: Voting aye, Senators Aguilar, Albrecht, Arch, Armendariz, Ballard, Blood, Bosn, Bostar, Bostelman, Brandt, Briese, Clements, DeKay, Dorn, Dover, Erdman, Frederickson, Halloran, Hansen, Hardin, Holdcroft, Hughes. Ibach, Jacobson, Kauth, Linehan, Lippincott, Lowe, McDonnell, Moser, Murman, Riepe, Sanders, Slama. Vargas, von Gillern, Walz, Wayne, Wishart. Voting no, Senators Conrad and Raybould. Not voting senators John Cavanaugh, Machaela Cavanaugh, DeBoer, Dungan,

Brewer, Day, Hunt, McKinney. Vote is 39 ayes, 2 nays, 4 present not voting 4 excused not voting, Mr. President.

KELLY: LB754 passes with the emergency clause. Mr. Clerk.

CLERK: Mr. President, engrossed LB754A. Introduced by Senator Linehan. A bill for an act related to appropriations: to appropriate funds to aid in carrying out the provisions of LB754, One Hundred Eighth Legislature, First Session, 2023; and to declare an emergency. Be it enacted by the people of the state of Nebraska. Section 1. There is hereby appropriated (1) \$30,876 from the General Fund for the fiscal year 2023-24 and (2) \$43,225 from the General Fund for fiscal year 2024-25 to the Department of Health and Human Services, for Program 33 to aid in carrying out the provisions of LB754, One Hundred Eighth Legislature, First Session, 2023. Total expenditures for permanent and temporary salaries and per diems from funds appropriated shall not exceed \$19,095 for fiscal year 2023-24 or \$26,732 for fiscal year 2024-25. Section two. Since an emergency exists, this act takes effect when passed and approved according to law.

KELLY: All provisions of law relative to procedure having been complied with, the question is, shall LB754A pass with the emergency clause? All those in favor Vote aye; all those opposed vote nay. Record. Mr. Clerk.

CLERK: Voting aye, Senators Aguilar, Albrecht, Arch, Armendariz, Ballard, Blood, Bosn, Bostar, Bostelman, Brandt. Briese, John Cavanaugh, Clements, Conrad, DeBoer, DeKay. Dorn, Dover, Dungan, Erdman, Fredrickson, Halloran, Hansen, Hardin, Holdcroft, Hughes, Ibach, Jacobson, Kauth, Linehan, Lippincott, Lowe, McDonnell, Moser, Murman, Riepe, Sanders, Slama, Vargas, von Gillern, Walz, Wishart. Voting no, Senator Raybould. Not voting, Senators Machaela Cavanaugh, Wayne, Brewer, Day, Hunt and McKinney. The Vote is 42 ayes, 1 nay, 2 present not voting, 4 excused not voting, Mr. President.

KELLY: Thank you, Mr. Clerk. While the Legislature is in session and capable of transacting business, I propose to sign and do hereby sign LB754 and LB754A. Both of those with the emergency clause. Mr. Clerk, for next item.

CLERK: Mr. President, some items quickly. Your Committee on Enrollment and Review reports LB138 and LB298 as correctly engrossed and placed on Final Reading Second. Additionally, motion to be printed from Senator Dungan overriding a Governor line item veto to LB814. Next item on the agenda, Mr. President. LB157 from Senator DeBoer.

KELLY: Senator DeBoer, you're recognized to open.

CLERK: Mr. President, priority motion. Senator Hunt would move to bracket the bill until June 1, 2023. It's my understanding Machaela-- Senator Machaela Cavanaugh is authorized to open. Excuse me. Priority motion. Senator Hunt would move to indefinitely postpone the bill pursuant to Rule 6, Section 3 (f).

KELLY: Senator DeBoer, you're recognized to open on LB157.

DeBOER: Thank you, Mr. President. LB157 is actually the amendment to LB50, that-- well, this bill as amended is most of the amendment that was going to go into LB50 yesterday. But since we were running out of time, I pulled the amendment in order for Senator Wayne's substantive amendment. These is-- this is a package of bills coming out of the Judiciary Committee, prioritized by the Planning Committee, all of which came out of Judiciary 8-0. The pages are going to be handing around a list for you, but these-- this is currently six bills, four of which are mine. I will go through those in a second. There is also one from Senator Bosn and Senator Fredrickson. The first of mine deals-- LB157 itself deals with the office of-- or with Public Guardianship. Currently, we have folks who are, for example, laying in a hospital bed who don't need to be, who are waiting for someone to be able to be their guardian, to sign papers moving them to a lesser standard of care area. They need guardians to help them apply for public benefits so that hospitals and other caretakers can get some money for them. And these folks often stay for 300 days longer, 100 days longer, sometimes-- somebody told of an instance 500 days longer. These are people who are in hospital beds waiting to get out. And the only reason they cannot is because they do not have legal authorization to do so, because they do not have a guardian. That is our responsibility, colleagues, because we are the ones who put the laws in place about who can and cannot get out. So that's one. The second is to help victims. this LB757 from myself is about crime victims and crime victims reparations. You may have seen the articles

in the Nebraska Examiner and other places. This came out of committee 8-0. And what we're doing is we are allowing minors to apply for reimbursement from the crime victims reparations fund up to three years after they're reached the age of majority. There are many sad circumstances in which a minor did not report to their parents an injury until it was too late to get them reparations for the injuries, for things like counseling and things that take a while to get through. Then, Senator Bosn, I wonder if Senator Bosn would yield to a question. Her bill is regarding the harmonization of our state drug laws with the federal drug laws. Senator Bosn, would you like to take a second and tell us about your bill?

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

BOSN: Yes. So the package now includes LB436, which updates the Nebraska Uniform Controlled Substances Act to make it in conformance with the federal controlled substance schedule. Every year the federal government updates their controlled substance schedule, and this is the way for Nebraska to sort of follow suit with that. Specifically, this now includes language for fentanyl, which, as everyone here knows, has become a rising problem. So that's my portion of this package.

DeBOER: Thank you, Senator Bosn. Next, we have a bill of mine to provide for an updated report from the director of Corrections on our long term restrictive housing. Then we have Senator Fredericks-- Fredrickson's bill, which is on the Crime Victims Reparations Act as well. Senator Fredrickson, would you yield?

KELLY: Senator Fredrickson, will you yield to a question?

FREDRICKSON: Yes, I will.

DeBOER: Senator Fredrickson, can you give us a short synopsis of your bill?

FREDRICKSON: Yes, my bill is-- was originally LB315. It advanced from the Judiciary Committee 8-0. It was also part of the Speaker priority. It makes, sir, so that victims of sexual assault, domestic violence and child abuse cannot be sent to debt collectors as a result of treatment for their injuries.

DeBOER: Thank you, Senator Fredrickson. Last in the bill currently is LB330, which is a bill of mine that I brought at the behest of the bankers who have a problem in a very specific circumstance in Nebraska. We have a mechanism called the small estate affidavit for estates that are \$100,000 or less. In that instance, if the decedent is owed money by someone, for example, if the care home where they were owed them partial rent because they died and didn't use the whole month's rent, right now, the heirs of that estate have to get the check that comes from the nursing home, send it all the way back to wherever the nursing home headquarters are, get the name changed on it and then it can go to them. This would allow them to present the small estate affidavit with the check to the bank and be cashed in that way. Senator Holdcroft will have a bill to attach, and Senator Blood as well in a second. But those are the six in this pass-- package. I would appreciate your green vote on these bills. Thank you, Mr. President.

KELLY: Thank you, Senator DeBoer. Senator Machaela Cavanaugh, you're recognized to open on the motion on behalf of Senator Hunt.

M. CAVANAUGH: Thank you, Mr. President. I would withdraw this motion and any subsequent motions or amendments.

KELLY: It is withdrawn. Senator Kauth. Excuse me.

CLERK: Mr. President, MO321 being withdrawn. Also MO323, 322, 327, 326, 325, and 328. With that being said, Mr. President, Legislative Bill-- General File LB157 introduced by Senator DeBoer. It's a bill for an act relating to temporary guardians, amend Sections 30-2626, authorizes appointment of temporary guardians for certain limited purposes, exempt such guardians from caseload ratios, and repeals original section. Bill was read first time on January 9 of this year, and referred to the Judiciary Committee. That committee placed the bill on General File with committee amendments. Mr. President.

KELLY: Senator Wayne, you're recognized to open on the committee amendment.

WAYNE: Thank you, Mr. President. Colleagues, the committee amendment incorporates all the bills that were just referenced by our esteemed colleagues. The original bill was voted out 6-0, two people were

absent, since then they are also on board. We already talked about Fredrickson's bill, Bosn's bill, DeBoer's bill, DeBoer's bill. So everything you heard, all these bills came out 8-0. And so I would ask for a green vote on the committee amendment that incorporates all of the bills that individuals just talked about. This was originally going to be a part of the-- LB50. As you know, LB50 was negotiated with different parties. These remaining bills just did not have a formal negotiation to make sure, even though they came out 8-0, we thought it would be best to bring it on a separate bill. Thank you, Mr. President.

KELLY: Thank you, Senator Wayne. Mr. Clerk, for additional.

CLERK: Mr. President, Senator Holdcroft would move to amend the committee amendment with AM1660.

KELLY: Senator Holdcroft, you're recognized open on your amendment.

HOLDCROFT: Thank you, Mr. President. And thank you, Senator Wayne, Senator DeBoer. Good mor--good afternoon, colleagues. Thank you for this opportunity to talk about AM1660, which is my bill LB480. This is essentially a clean up bill. It would simply expand the provisions of current medical lien state statute to include emergency medical services operated by a political subdivision. It was a nearly unanimous vote by the Judiciary Committee to advance it to General File. I think it's appropriate to pass this because it is National Emerge-- EMS week. When an individual is involved in an automobile accident that causes injuries, and that individual is transported by municipality owned EMS services, there is a cost incurred by the EMS provider. When there is compensation paid by the insurer of the party at fault, some automobile insurance carriers will send the money of their-- of these costs directly to the patient and their attorney as part of an overall sediment-- settlement. It is then up to the EMS provider to attempt to recover these costs from the patient to pay for the services that were rendered. It is my understanding that in experience, in experience, it is very difficult to recover these costs. Under Nebraska revised statute, 52-401, hospitals, physicians, nurses, and chiropractors are able to file a lien against any recovery made by the insured party to insure that they are received-- that they receive payment out of this settlement. When EMS providers have reached out to insurance companies, they have been advised to file

liens. However, current state law does not include EMS transport agencies or companies in the list of those who can file a lien. LB480 would change Nebraska revised statute 52-401 by adding providers of emergency medical services as a party who can file a lien. Emergency medical services for the purposes of these changes is limited to those who are public entity. Before introduction, a draft of this bill was provided to the Nebraska Hospital Association and the Nebraska Medical Association, with neither organization registering any objections. I introduced this bill at the request of the United Cities of Sarpy County, the Coalition of the Mayors of the five cities in Sarpy County. This particular issue was brought to the attention of the mayors by Chief William Bowes of the Papillion Fire Department, who testified in, in favor of the bill. Once again, colleagues, I appreciate the opportunity to present to present AM1660, and I would ask for a green vote. Thank you.

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

BLOOD: Thank you, Mr. President. Fellow senators, friends all. Very briefly. I was the, the person who did not vote it out of committee. And the reason I did not do so is because we have literally screwed up multiple bills in the past that pertain to liens. I just need to do a little more research. I am in full support of this amendment, and I wanted to make sure that that was clear and on the record. Thank you, Mr. President.

KELLY: Thank you, Senator Blood. Seeing no one else in the queue, the question is-- Oh, Senator Holdcroft, you're recognized to close. And waive closing. The question is the adoption of AM1660. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 27 ayes, 0 nays on adoption of the amendment, Mr. President.

KELLY: The amendment is adopted.

CLERK: Next item, Mr. President, Senator John Cavanaugh would move to amend-- Excuse me, Senator Blood would move to amend the committee amendments with AM1993.

KELLY: Senator Blood, you're recognized to open.

BLOOD: Thank you, Mr. President. Fellow senators, friends all. Déjà vu. So, LB11 has become AM1993. It provides clarification for household pets and domestic abuse protection orders. This was designed originally as a Speaker priority bill, which obviously we did not do this year. I've introduced this bill to support the safety of survivors by providing a better clarification regarding domestic abuse protection orders and household pets. In Nebraska, an estimated 1.4 million people experience a form of gender-based violence in their lifetime. Common perceptions categorize these instances as physical, but they can also take the form of abusers exercising forms of power and control. And one avenue is used-- it is used by threatening household pets that their partner threatens to leave the relationship. According to the ASPCA, as many as 25 percent of domestic violence survivors have reported returning to their partner out of concern for their pets. Nebraska remains one of the few states, there are 37 plus D.C. and Puerto Rico who have this legislation, to not explicitly provide protection to household pets in domestic abuse protection orders. Nebraska would be in very good company. Animals are often used as a tool for emotional abuse. The abuser will use an animal to seek revenge on or try to control one of the victims. In Texas, legislation was brought forward after hearing harrowing stories, including an abuser cutting off a dog's ears and sending them to his partner to force her to return to the relationship. In Maine, they adopted its own protection order after stories such as residents from Susan Walsh, her abusive husband, shot two sheep in her barn while she was visiting her parents and deliberately ran over her deaf and blind border collie. She would have left the abusive marriage earlier, if not for the fear of the safety of her pets. I want to clarify, this does not pertain to farm animals in our protection order bill, by the way. Domestic violence becomes even more of a vicious issue when pets are involved. And at the core of the issue is an abusers need to obtain power and control within the relationship. We've heard repeatedly from survivors and advocates in judiciary hearings that perpetrators of domestic violence will threaten to harm household pets to maintain power and control over their partner. These threats make it increasingly difficult for survivors of domestic violence to leave an abusive relationship, as they often feel pressured to stay for the well-being of their pets, many of which serve as critical emotional support. The hearing for LB11 featured powerful and disturbing accounts where animals were clearly being used as leverage against

victims, and the committee rightfully voted this legislation out of committee 8-0, with an amendment that addressed the one concern brought to us by the Bar Association. We can strengthen our support of survivors of domestic violence seeking to leave an abusive situation by clarifying protections in domestic violence protection orders for household pets. Currently, the domestic abuse protection order application offers survivors several potential protections that can be included in the order. For instance, a survivor may request that the perpetrators be prohibited from calling them, or they may order the perp to stay away from the specific locations that the survivor frequents often. Although current domestic abuse protection orders allow for victims to write in a specific relief not provided on the general list, this bill would require the explicit listing of options on the application that grants survivors custody of any household pets, and prohibits the perp from coming into contact with any household pets. And again, to clarify, a household pet in this bill refers to any animal kept for pleasure or companionship, but does not include any animal kept primarily for commercial purposes, or for consumption, or for any livestock animal as is defined in Nebraska state statute. The Judiciary Committee has advanced several pieces of key legislation to support and empower survivors of domestic violence in the past, with many of those bills involving protection orders. This will build on our efforts by reducing a barrier to res-- to leaving a dangerous relationship through clarifying domestic abuse protection orders. I'd like to point out to Senator Erdman that possession of the household pet is not intended to permanently determine ownership of the household pet. So I ask that you please vote green, as your vote for this simple change will likely save the lives of both victims and possibly their pets. Thank you, Mr. President.

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

ERDMAN: Thank you, Mr. President. Good afternoon. So I be-- I believe this is the same bill that we had yesterday, that Senator Blood withdrew. I thought it was LB11, I think that's right. I was wondering if Senator Blood would yield to a question?

KELLY: Senator Blood, will you yield to a question?

BLOOD: Yes

ERDMAN: Senator Blood, is this the same bill you tried to amend on to another bill yesterday?

BLOOD: This is the same amendment that we were unable to amend on to the bill yesterday because of time and negotiations that were going on.

ERDMAN: So is your plan today to take this to a vote or withdraw again?

BLOOD: No, my plan is to take this to a vote, Senator Erdman.

ERDMAN: OK. So can a judge do this now? Do they have the authority to do this now?

BLOOD: Just like anything in a protection order that is requested, a judge has the ability to do it, but it is not always known by the victim that they can request the judge to do this, which is why they're asking us to put it on the protection order as a checkbox.

ERDMAN: So how many animals might we be talking about? Five. Seven?

BLOOD: No, I would think there would be more than that based on my experience working with sexual domestic violence victims.

ERDMAN: How many?

BLOOD: I, I can't fathom a guess, I can just tell you, based on my experience, that a minimum of one third of domestic violence victims experience this type of abuse with their pets, household pets.

ERDMAN: OK. All right. So what you're saying is, currently they could do this if they knew about it.

BLOOD: If they know about it,

ERDMAN: But they don't know about it. So this bill is going to make it available so people will understand they have that authority, a right to do that, is that -- am I reading, that correct?

BLOOD: I would say that that's quite accurate, actually. It's added among a list of several things that people feel are pressing that they can check the box as opposed to having to try and figure out if they have the ability to do this.

ERDMAN: OK. So if someone places a protection order against someone for their pet and they go off to work, who will know whether someone violated that protection order, will the animal have some kind of sensor that shows somebody came and did whatever? How are they going to figure that out?

BLOOD: So I'm having a little bit of trouble understanding you. I can't hear you, can say that a little louder?

ERDMAN: OK. So here's what happens. So if you have a protection order now against someone and they show up and violate that protection order, that person knows that the violation has happened and they can notify some authority that it has happened. How does a pet do that? How do we protect all the pets? How do the police know that they should go to my house and protect my pet while I'm at work?

BLOOD: Well, first of all, you should know that a pet is considered property. And so the person who owns that property or who's responsible for that property, it would be their responsibility to let law enforcement know that. So we're not asking the police to be hypervigilant. They would know if, if somebody who had a protection order was at the residence. Correct. And if that dog is at that residence, and law enforcement would know that both the residence and the dog were on that protection order.

ERDMAN: OK.

BLOOD: I don't think it's any different than knowing if that person's at that home at their work.

ERDMAN: All right. Thank you for answering those questions. I think we do some peculiar things here, and this is one of them, and I think it's time to move on. I'm not voting for 9-- AM1993, and I hope that you don't either. Thank you.

KELLY: Thank you, Senators Blood and Erdman. Seeing no one else in the queue, Senator Blood, you're recognized to close on AM1993. And

waived. Members, the question is the adoption of AM1993. All those in favor vote aye; all those opposed vote nay. 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: 18 ayes, 3 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 Ibach, Senator Conrad, please return to the Chamber and record your presence. The house is under call. All unexcused members are present. Senator Blood, would you accept call in votes? We are now accepting call in votes.

CLERK: Senator Dungan voting yes. Senator Conrad voting yes. Senator Dorn voting yes. Senator Linehan voting yes. Senator Ibach voting yes. Senator Brandt voting yes. Senator Arch voting yes. Senator Dover voting yes.

KELLY: Record, Mr. Clerk.

CLERK: 27 ayes, 4 nays on adoption of the amendment, Mr. President.

KELLY: The amendment is adopted. Senator Wayne, you're recognized to close on AM-- Oh, excuse me. There are more items. I raise the call. Mr. Clerk.

CLERK: Mr. President, Senator John Cavanaugh would move to amend the committee amendments with AM1994.

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

J. CAVANAUGH: Thank you, Mr. President. Don't go far, folks. This is a, this is a very simple bill, came out of committee 8-0. It allows for the court to waive court fees for folks when they change their name. So this is a really small thing we can do for victims of domestic violence when they're trying to get away from their accuser. They want to change their name, and sometimes they can't afford the court cost. And so this allows for that court cost to be waived if

they file an affidavit stating they can't afford it. So I'd ask for your green vote on AM1994. Thank you, Mr. President.

KELLY: Thank you, Senator Cavanaugh. Seeing no one else in the queue, you're recognized to close on the amendment. And waive. Members, the question is the adoption of a AM1994. All those in favor vote aye, all those opposed vote nay. Record, Mr. Clerk.

CLERK: 31 ayes, 1 nay, Mr. President, on adoption of the amendment.

KELLY: AM1994 is adopted.

CLERK: Next item, Mr. President. Senator Wayne would move to amend the committee amendments with AM1995.

KELLY: Senator Wayne, you're recognized to open on your amendment.

WAYNE: Thank you, Mr. President. Colleagues, this is a simple amendment that was brought by the Supreme Court. This bill came out, LB240, 8-0. There was no opposition testimony. This-- there was a court of appeals decision that read a statute to say that juvenile court had to have a hearing even if the parties agree on disposition. And this just says you don't have to have a hearing if people agree. So it aligns the statute that if all parties agree, you don't have to go in front of the court. So it was a correction brought by the Supreme Court. 8-0, no opposition testimony. Thank you, Mr. President.

KELLY: Thank you, Senator Wayne. Seeing no one else in the queue, you're recognized to close on your amendment. And waive. Members, the question is the adoption of AM1995. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 33 ayes, 0 nays on adoption of the amendment, Mr. President.

KELLY: AM1995 is adopted.

CLERK: I have nothing further to the committee amendments, Mr. President.

KELLY: Members, the question-- well, Senator Wayne, you're recognized to close on AM, and waive on AM1525. Members, the question is the

adoption of AM1525. All those in favor vote aye; all those opposed nay. Record, Mr. Clerk.

CLERK: 33 ayes, 0 nays on adoption of the committee amendments, Mr. President.

KELLY: AM1525 is adopted.

CLERK: Mr. President, Senator Blood, AM1556, I have a note you wish to withdraw.

KELLY: It is withdrawn.

CLERK: In that case, Mr. President, I have nothing further on the bill.

KELLY: Members. The question is-- oh. Thank you, Senator DeBoer. Members, the question is the advancement of LB157 to E&R initial. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

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

KELLY: The bill is advanced. Mr. Clerk, for items.

CLERK: Thank you, Mr. President. Bills presented to the Governor this morning. LB243e LB243Ae, LB583e, LB583Ae, LB754e, and LB754Ae were presented to the Governor at 12:17 p.m. A report from the Appropriations Committee concerning gubernatorial vetoes in LB814 and LB818. To that end, Mr. President, motions to be printed from the Appropriations Committee to LB814 and LB818. Mr. President, notice that the Health and Human Services Committee will have an Executive Session following their hearing today. Health and Human Services Exec Session following the hearing today. Senator Blood, name added to LB157. Mr. President, priority motion. Senator Brandt would move to adjourn the body until Tuesday, May 30th, 2023, at 9:00 AM.

KELLY: Members, you have-- I recognize Speaker Arch for an announcement.

ARCH: Thank you. End of week announcement. Just what's coming next week when we return on Tuesday. I plan on scheduling LB514, voter ID,

for another round. It, it could be late night as well. We'll have some additional Final Reading as we now move to the end of the session. Wednesday I plan on scheduling veto overrides. Thank you, Mr. President.

KELLY: Thank you, Speaker Arch. Members, the motion to adjourn you've heard. All those in favor say aye. All those opposed, nay. We are adjourned.