

Transcript Prepared by Clerk of the Legislature Transcribers Office

Floor Debate February 6, 2024

Rough Draft

**DORN:** Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the twenty-third day of the One Hundred Eighth Legislative Second Session. Our chaplain for today is Pastor Jeffrey Bloom, from Immanuel Lutheran Church here in Lincoln, Nebraska. Senator Anna Wishart's district.

**PASTOR BLOOM:** Let us pray. Gracious Heavenly Father, you are the creator of heaven and earth. You provide seed for the sower and bread for the eater. And from the rising of the sun to its setting, your name is that we praise. This morning, we ask your blessing upon the men and women who till our soil and raise livestock, that you would provide for them seasonable weather and the fruitfulness of the earth. Oh Lord, we pray for all those who are in need, for the hungry and the homeless, for the widowed and orphaned, and for all those in prison. We seek your blessing upon the citizens of this great state, from the small villages to the bustling cities. Oh Lord, we must confess that we have not always been just and compassionate with all of our citizens, and because of our own self-interests, injustice and hatred and indifference, we have merited your anger on citizen and government alike. Where we have fallen short, oh Lord, forgive us and instill in us the heart of Christ, that we may love our neighbors as ourselves. This morning, I ask your blessing upon the men and women who fill this Chamber, that you would provide them with wisdom as they make decisions, decisions that govern our state. That you would bless them, oh Lord. Father, give the courage to them to make decisions in keeping with your will, and give them strength to stand upon the principles upon which this great state has been founded, as we, as its citizens, Nebraska may live in peace and tranquility. We ask this in Jesus' name. Amen.

**DORN:** Now join, join us in the Pledge of Allegiance led by Senator Frederick [PHONETIC] Meyer.

**MEYER:** Please join me in the Pledge. I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.

**DORN:** Thank you. I call to order the twenty-third day of the One Hundred Eighth Legislative Second Session. Senators, please record your presence. Roll call. Mr. Clerk, please record.

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

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

**CLERK:** I have no corrections this morning.

**DORN:** Any messages, reports or announcements?

**CLERK:** There are, Mr. President. Notice of committee hearing from the Government, Military and Veterans Affairs Committee, cancellation for Thursday, February 15. Additionally, Mr. President, Reference Committee will meet at 10:00 under the south balcony. Reference Committee, under the south balcony at 10:00. That's all I have at this time, Mr. President.

**DORN:** Senator Murman would like to recognize some guests in the north balcony. State officers from 7 Nebraska career and technical student organizations are here today as part of their Legislative Day events to celebrate the start of Career and Technical Education Month. DECA, Educator's Rising, FBLA, FCCLA, FFA, HOSA, and SkillsUSA, please stand and be recognized by your Nebraska State Legislature. Senator Bosn would also like to recognize the doctor of the day, Rachel Blake, from Lincoln. Please stand and be recognized by your Nebraska State Legislature. Mr. Clerk, we will now proceed to the first item on the agenda.

**CLERK:** Mr. President, General File, LB829, introduced by Senator Blood. It's a bill for an act relating to insurance; changes provisions relating to coverage of screening for colorectal, colorectal cancer; and repeals the original section. The bill was read for the first time on January 3 of this year and referred to the Banking, Commerce and Insurance Committee. That committee placed the bill on General File with committee amendments. Mr. President.

**DORN:** Senator Blood, you are recognized to open.

**BLOOD:** Thank you, Mr. President. Fellow senators, friends all, thank you for the opportunity today to bring forward LB829. I believe this is an urgent, yet misunderstood issue that has been overlooked in state statute. Colorectal cancer is the second most common cause of cancer death in the United States. It is estimated that colorectal cancer will kill more than 53 Americans this year-- 53,000 Americans this year. Between 2011 and 2015, 1,692 Nebraskans died of colon cancer. In addition, Nebraska has a higher rate of colorectal cancer, much higher than the national average. The national average being 36.5 per 100 K, while Nebraska is at 40.5 per 100 K. But the good news is

that we-- with recommended screening, this disease is preventable and curable. Like breast cancer, this is one of the reasons that the Affordable Care Act required our health plans to cover colonoscopies without cost sharing. This sounds great until we realize that there is a disconnect that endangers Nebraskans. Unfortunately, this same law created a loophole when it comes to many Nebraskans' insurance coverage. If a polyp is found and removed, the procedure is no longer considered screening, but diagnostic. And Nebraskans may face an unexpected charge, which could amount to hundreds of dollars or more. This expense creates a barrier to this lifesaving screening for those who are most at risk for colorectal cancer. This loophole could be the difference between life and death. The Affordable, Affordable Care Act requires both private insurers and Medicare to cover the cost of colorectal cancer screening tests because these tests are recommended by the United States Preventive Services Task Force. The law stipulates that there should be no out-of-pocket costs for patients, such as copays or deductibles, for these screening tests. But the definition of a screening test can sometimes be confusing. Picture being in the pre-op room and somebody hands you a form that asks if a polyp or other concerning growth is discovered during the colonoscopy, do you want it removed as your insurance may not pay for that part of the procedure? That happens here in Nebraska every single day. In fact, that happened to me this past spring. You're in your gown, taking time off from work, scheduling this important procedure based on your doctor's recommendation, and they want you to decide if you should keep something scary in your body with unknown costs, which is the exact reason they do that procedure in the first place. According to data gleaned from health services research on coverage and preventative screening, preventative care has been shown as a high value healthcare service. However, higher cost share on important screenings has shown that many will avoid these services to avoid the additional costs involved with these screenings, and patients can encounter unexpected cost sharing for screening colonoscopies. Soon after the ACA became law, some insurance companies considered a colonoscopy to no longer be just a screening test if a polyp was removed during the procedure. It would then be a diagnostic test and would therefore be subject to copays and deductible. However, the U.S. Department of Health and Human Services has clarified over and over again that removal of a polyp is an integral part of a screening colonoscopy and therefore, patients with private insurance should not have to pay out-of-pocket for that part of the procedure, and shared that information with insurance companies and the healthcare industry. We can tweak state statute and make sure that we set straight what

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should have been corrected by our federal government a long time ago, if they were to actually follow the recommendations of the United States Preventive Services Task Force. Nebraska Medicaid does cover the removal of polyps during a colonoscopy if deemed medically necessary. In 2020, the President signed the Removing Barriers to Colorectal Cancer Screening Act, closing the Medicare loophole. Now, it's left up to each state to close their own loopholes. Thank you for the opportunity to bring forward LB829. And I'd like to note, LB829 was voted out, 6-2 out of committee, with zero in-person opposition. We had 3 proponents who testified in support. That included the Nebraska Medical Association and AARP of Nebraska. Thank you, Mr. President.

**DORN:** Thank you, Senator Blood. Mr. Clerk, for an amendment. As the Clerk stated, there is a state-- amendment from the Banking and Commerce Committee. Senator Slama, you're recognized to open.

**SLAMA:** Good morning colleagues. Before I open on the committee amendment to LB829, which I would encourage a green light vote for, I do have to give a shout out to our state officers in the balcony today, specifically the Auburn one, Sydney Sanders, the state FBLA vice president, and Sadie Schreiber, who's a former state officer for FBLA from Auburn and the FBLA state officer coordinator now. And that's a special group of people for me because thanks to the mentorship of my teachers at Auburn, Teresa Hahn and Maranda Gerdes, I, I was able to go up through the ranks of FBLA and become state treasurer; ended up marrying the DECA state president. So for those of you who think there's an FBLA-DECA rivalry, you can overcome it. It's probably been the biggest point of disagreement in Andrew and I's marriage, as to FBLA versus DECA, but you can overcome it. And these, these officers really are the best and brightest of our schools in Nebraska. So thank you so much for being here today. Now, onto the committee amendment for LB829. And I do want to thank Senator Blood for her work on this amendment. I'm always grateful in the Banking, Commerce and Insurance Committee for somebody who proactively works to address potential opposition before we get to the hearing. And the amendment presented here is the result of those talks and that compromise. AM2108 is a committee amendment to LB829. Senator Blood provided the language of the amendment to the Banking, Commerce and Insurance Committee at the January 23rd hearing on the bill. Let me briefly detail how AM2108 changes the underlying bill. First, the amendment adds a new section to the bill, stating that LB829 would become operative on January 1, 2025. Second, AM2108 replaces subsection (2)(b) with more precise language. Specifically, the

amendment adds language to the service or item list contained in subsections (i)-(v), which narrows and clarifies precisely what services or items are precluded from a deductible, coinsurance, or other cost-sharing requirements. Third, the term "any additional charge" is replaced with "deductible, co-insurance or any other cost sharing requirements" for purposes of clarification. And finally, language in the subsection was amended to be more generally consistent with the existing insurance mandate language currently found throughout our Nebraska Statutes. In just a moment-- I, I was a red light vote on this bill advancing from committee. I did make the choice to Exec on it. I will be voting against LB829 overall, and that's simply because I'm just generally opposed to mandates. However, if you do look at this from an economic perspective, it does make sense that if you are under anesthesia already receiving a colonoscopy, there are issues that can be resolved. As, as Senator Jacobson so lightly put it, they're already up under the hood, that those issues could be addressed without another prep cycle and colonoscopy. So it, it was a tough red vote for me. I-- I'm fine either way with however this bill turns out. I would actually almost encourage a soft, green vote on LB829. I will be voting against it, but I am massively grateful for Senator Blood's work to reach a compromise that brought our opposition testimony to neutral, and made this bill make a lot more sense for the state of Nebraska. Thank you, Mr. President.

**DORN:** Thank you, Senator Slama. Discussion on the committee amendments. Senator Jacobson, you are recognized to speak.

**JACOBSON:** Thank you, Mr. President. I rise in support of AM2108 and LB829. This is one of those really common sense bills that frankly, we should all get behind and support. I, I, too, appreciate Senator Blood for bringing the bill. I think anyone who has been through a colonoscopy understands that you're doing bowel prep the day before. Then you're going in, you're going under light sedation. They're doing the, performing the colonoscopy. And if they find polyps-- in, in many cases, the surgeon who's actually doing the colonoscopy has the ability to remove those polyps at the time that they are discovered, and they would discuss that with you prior to the procedure. So it seems like a complete waste of time, resources and, and facilities to go in, discover the polyps, and not remove them at the time that they're there. So it's just common sense. I think that insurance companies are not opposing this because they recognize the synergies of just getting it all done at one time. And so, again, it's a commonsense bill. I don't see it as a mandate. I see it as doing

something that makes sense. So I would encourage your green vote on both AM2108, which just clarifies the details, and the underlying bill, LB829. Thank you, Mr. President.

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

**BLOOD:** Thank you, Mr. President. Friends, I'd like to clarify that we are only closing a loophole. The original intent of the language was that the biopsy would be covered within that language. And so I disagree, but respectfully disagree that this is not a mandate. A mandate would be if we were trying to come up with something new and there was an expectation that we would pay for it. This is closing a loophole where the ACA was not clear in its language, so much so that Congress made sure that both Medicare and Medicaid closed that loophole and left it up to the states to take care of it. The cost-sharing goes up if we make people come back over and over again. That's more money for the consumer, that's less time for our medical-- more time for the medical community to waste. We talk about there being a workforce shortage when it comes to the medical community all the time. Why would we have the expectation that we expect them to do a procedure they can get done in one instance, as opposed to multiple instances? So we did have several doctors, who actually were very smart individuals, come and testify. And one of the, the doctors said that he thought that this bill was a positive step in removing cost as a barrier and addressing to the potential for a definitive treatment by removal of the polyps. He says it's common sense that if a physician finds a precancerous or concerning polyp during a colorectal screening, that-- and determines that the polyp can be removed safely during the screening, that these polyps should be removed. Although I'm not sure that I agree with the way this was phrased, but Senator Jacobson talked to those doctors and said, basically, you're saying when you're under the hood, you're just going to take care of it while you're there. Quoting Senator Jacobson, but that is exactly what we're talking about. Unlike our breast exams, they are not-- it's not internal, so they cannot do the biopsy at the time. If you think about a lot of the screening procedures, the doctors don't have the ability to take care of business while they're doing the screening. This is one of the few examples. And we're going to save lives. And the rate of colon cancer in Nebraska is much higher, as you heard in the introduction, than it is in any other state in the United States. So we should be concerned about that. This is something that we can do, close a loophole. Again, insurance came out as neutral, which is very unusual. We had no opposition in the hearing. And I guarantee that if

this was a mandate, we would have had opposition. Many of you have said to me, well, Carol, this is common sense. Indeed, this is a commonsense bill, a commonsense bill that we can pass today that will make a difference in tens of thousands of Nebraskans' lives. Because you shouldn't have to make the decision after doing prep, getting ready for anesthesia, getting ready to go under and have the, the procedure done, you shouldn't have to make that decision at that moment about whether you want them to take it out or not. That is the whole purpose of why you are there. And then the surprise bill that comes later makes it really hard on Nebraskans. And here's the bottom line, is that many Nebraskans choose not to do the procedure because they cannot afford that \$800, \$900 or more dollar bill. That is the purpose of their health insurance. That was the purpose of the original text from the ACA. We are just closing the loophole on that text and making sure that Nebraskans don't have any out-of-pocket costs when it comes to the procedure, for both the procedure itself and anything diagnostic. Thank you, Mr. President.

**DORN:** Thank you, Senator Blood. Senator Arch, you're recognized to speak.

**ARCH:** Thank you, Mr. President. I-- I'm still trying to get my head around this, the language in the amendment. I know that in, in some cases, in any of these procedures, anesthesia, pathology specialists are not employed by the, by the, the GI service that is performing the colonoscopy itself. So if a polyp is, is taken, it is sent off to pathology to, to review, to determine if it's cancerous or not. And, and so, I guess my understanding is-- and this is a question for Senator Blood if, if she, if she would yield. I'll pose the question here, but just a second, Mr. President. The, the question is, you know, if those, if those-- if the specimen is sent out to pathology in particular, or if the anesthesiologist is not part of the, the GI's practice, is this, is this a bundled bill? I-- maybe that's a little technical, but, but that would be my question to Senator Blood. And, and so, if she would yield to a question.

**DORN:** Senator Blood, will you yield to a question?

**BLOOD:** Yes.

**ARCH:** Senator Blood, I don't want to get too far down in the weeds here, but, but sometimes these services are not part of the GI. And so in the, in the, in the billing of that service, is that a-- it-- do you happen to know-- and we can talk between here and Select if it, if

it, if it goes further. But do you happen to know, does that then become a bundled bill, because that's usually where the deductible, where the copayment, where all of that co-insurance, where all of that is paid at the-- at that bill. So do you, do you happen to know--

**BLOOD:** I--

**ARCH:** --are those rolled into one bill then?

**BLOOD:** If I, if I hear you correctly, it's been my experience talking to our constituents and my own personal bill that when insurance bills you, they bill you 1 bill. And then when you get the copay part of it--

**ARCH:** Right.

**BLOOD:** --then they say, here's the amount we paid, here's the amount you're responsible for.

**ARCH:** Right.

**BLOOD:** So it's never come in more than 1 bill. It's 1 bill.

**ARCH:** OK. OK. So I, I mean I understand the intent of this. I, I, I-- I'll continue to listen. I don't know that there's a lot more debate here, but I'll continue to listen. And then maybe between here and Select, we can, we can talk about that particular issue, if you're willing to do that. Thank, thank you, Senator Blood. Thank you, Mr. President.

**DORN:** Thank you, Senator Arch and Senator Blood. Senator Conrad, you're recognized to speak.

**CONRAD:** Thank you so much, Mr. President. Good morning, colleagues, I rise in support of LB829 and want to thank my friend, Senator Blood, for bringing forward this measure and prioritizing this measure. I think that this is a small but important and meaningful change that addresses and advances a host of important policy issues. Number one, efforts like this helped to raise awareness about the state of colon cancer in Nebraska. And I think it-- any time we raise issues like this, it helps to bring attention and awareness to the importance of treatment and testing, which we know can save lives. Additionally, I think that this issue definitely touches upon the ever rising healthcare costs that are on the minds of all Nebraska families. And no doubt, our country and our state has made strides, including this



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Legislature, in recent years. And I know, my friend, Senator-- then-Senator Morfeld, was very involved in these efforts as well, to try and lift and address any hidden healthcare costs or un-- unexpected costs that, that rise-- that arise when seeking treatment and testing. So I think that this is, is one important part of those broader conversations. And again, want to thank Senator Blood for bringing it forward, thank the members of the committee for advancing it out, and look forward to a, a thoughtful debate. Thank you, Mr. President.

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

**ALBRECHT:** Thank you, Mr. President. Well, this is probably an area that I have had a lot of interest in. We have a family history of colon cancer on my mother's side. And I will tell you that I've had plenty of them and I started early, because one of my aunts said, hey, this is something everybody needs to be concerned with in the family. So I bet it's been 20-plus years that I've been going faithfully to, to get that taken care of. But my question would be-- do, do all states have something different? Because I don't actually have this procedure done in Nebraska. I have it done in South Dakota. Based on where I live, you go different places. And wondering, is this something-- and, and I would like to have Senator Blood yield to a question or two. Senator Blood?

**DORN:** Senator Blood, will you yield to a question?

**BLOOD:** Yes.

**ALBRECHT:** OK. So, I'm quite certain that you've put a lot of thought into this. One question is, where did, where did this come from? How is it that you came to bring this bill? And are other states doing something completely different than us, or is it just the insurance industry as a whole? I just know that I've always had everything covered. And I know the doctor comes in before, and he said, this is what we're going to do. If I find anything, we're going to take it. And, and they do what they do. And they've, they've had a few that they found. And then they tell me either come back in 10 years or come back in 5 years, or come back in 3 years. So, I'd just like to know the-- you know, why did this bill come forward, and who-- do all states do it the same? Or are all insurance companies-- do they make the decision for all insurance companies to handle it a certain way?

**BLOOD:** Good questions. So as I said in the introduction, this loophole was discovered. It was the original intent of the language for everything to be covered in the colonoscopy. And it was discovered by Congress, who has closed the loophole for both Medicare and Medicaid. And they're leaving it up to the states. So we will be one of the first states to close that loophole. In reference to where did the bill come from, it literally came from my colonoscopy. Because after I saw that I had to sign a release form to accept the fact that there was going to be a very large bill for my, for my biopsy, I started doing research. And in fact, Nebraska Public Media, on that very day when I was driving home from the hospital, had a story about undisclosed costs when it came to colonoscopies. So this is a national problem. And so the more I researched it, the more that I found that indeed, it was a loophole, and it was something that need to be closed to help more Nebraskans.

**ALBRECHT:** Thank you. Can I ask, how much more did you have to pay that wasn't included in your insurance?

**BLOOD:** Sure. For me, it was \$900.

**ALBRECHT:** Really? OK. Thank you very much.

**DORN:** Thank you, Senator Albrecht and Senator Blood. Senator Kauth, you're recognized to speak.

**KAUTH:** Thank you, Chair My-- Dorn. My, my question is this. And I voted against this bill in committee because I see this as an erosion of insurance, what insurance covers, and as a mandate. My question is, first of all, I like the amendment better than the original bill, because it does look like it puts some limits on it. Because the original bill said any additional charge. Any could be anything that they find. My question is, will this change result in all screenings being increased in price? Will we now see everyone bearing the brunt of increased cost shares for their screenings, because this bill goes into place? Any time you have a surgery, they can find something. Senator Blood, in her testimony, even discussed her husband's surgery for a different procedure. They found something they weren't expecting, and they fixed it. And he was charged for the fix. Any time you're in there, these are, are professionals who are doing work. And I, I struggle with saying that things that they find they should just fix on their own for free. So again, I-- I'm still struggling with this because I do like the amendment. I like the fact that it really, really labels it and, and isn't a free-for-all once you get in there.

But I think that it is important to remember that when you go in for one of these screenings, you are-- it's discussed. If they find something, they're going to take care of it because they're in there. I don't think I've heard anyone who has said, well, my doctor said if they find something, they're going to pull me out, check and see if I want to take care of it, and then go fix it. So I guess I, I struggle with, with the fact that I think this is going to increase costs for everyone, based on the screening. And that concerns me greatly. So I, I'd like to continue listening. Thank you.

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

**ARCH:** Thank you, Mr. President. Since the time I last spoke, I, I, I talked to somebody who's very knowledgeable about these insurance issues, and I think I got my questions answered. I think it's been clarified. I, I think that the-- as I, as I read this amendment, I think that the-- obviously, that one of the key words is screening, not, not diagnostic, but screening. In other words, if you go in, if you go in with a complaint and, and the, and the doctor says, well, in order for me to understand and to diagnose what the issue is, we need to do a colonoscopy, that is not screening, that is diagnostic. And so in this case, it's every 10 years or however often your doctor recommends that you receive a screening, you go in for that screening. No complaint, no, no presenting issue. And so you, you-- it is, is strictly that. If during the course of that screening, there are some things discovered, then, then this, this copayment co-insurance. Now for screening, that's covered. And so even the pathology that is sent out if there is something discovered, all of that is wrapped under this screening. And the insurance company should be aware that this is all related to the screening event. And so it was a result of the screening that this polyp is being analyzed by the pathologist, but it's still related to that screening event. And so, with that understanding that, that insurance expert clarified that for me, I am, I am fine with this amendment, and I will be supporting this. Thank you, Mr. President.

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

**JACOBSON:** Thank you, Mr. President. And I'll just be very brief here. I just want to reiterate, I know Senator Kauth brought up issues about how does this affect other, other procedures. And I think Senator Arch, really, or Speaker Arch really clarified that. This bill is

very, very specific to cancer screenings, in, in fact, colonoscopies and polyps. Very, very specific. The insurance industry is in favor of this because it will save them costs. And then, hence, that causes our insurance premiums to be reduced, not increased, because we're doing this all in one procedure. So this is a commonsense way to approach this. The insurance industry did not oppose it. In fact, they're supportive of this. So I would encourage you, let's move on and vote. It's time to move on. And, and I would encourage your green vote on AM2107, which cleans up the language, makes it more specific, and the underlying bill, LB829. Thank you.

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

**BLOOD:** Thank you, Mr. President. And thank you, Senator Jacobson, for, for that clarification. And that is indeed what we need to talk about, is that we know for a fact that when we are cautious and, and utilize preventative measures, that in the long run, it costs the insurance members less money. Because you know your premiums will go up if that person ends up being diagnosed with cancer, and then they have more procedures, and more medications, and more issues that are going to be charged to insurance. And when things are charged to insurance, your rates go up. That's just how it works. The more people that they have that are ill, the more that they have to consider whether to raise your premiums or not. We have an opportunity to make sure that that does not happen to many Nebraskans. And unlike other procedures, this does not open the door. It's very specific. It closes the language that was-- the original intent was to make sure that if indeed you had a colonoscopy, that anything that was found was covered under that colonoscopy when it came to the charges. We're not trying to sneak something in. We're not trying to enforce a mandate. We are trying to fix the original intent of the language, to make sure that all Nebraskans who receive colonoscopies are indeed covered and don't have to make that hard decision about whether to go ahead with the procedure or not. That is unacceptable. You know, many of you have told me in here, especially our military, and Senator Albrecht just said it, that, that those are covered when you have your colonoscopy. How lucky are you? Because generally, that is not the case. And now, I've been very polite and not said what the name of my insurance company is, and I'm going to continue that. But my insurance company is a known insurance company that does cover a long list of people through the ACA, here in Nebraska. So imagine my surprise when I found out that the only reason that I was in there for the colonoscopy was the reason that was preventing me from trying to decide whether I

actually wanted it done or not. And thank goodness I did, because not to get too personal, they did find something. And now, I have to go back in 5 years. So had I not had that done, maybe it wouldn't be in 5 years I'd be getting a colonoscopy, but I might be getting treated for cancer. We don't know that. We have an opportunity to protect Nebraskans. We have an opportunity to lift up their families because nobody wants to watch their loved one die from colosc-- from colon cancer. We have an opportunity to do something that the federal government really should have done, but now allow us to do, which is to close the language loophole, which is nothing more than that. But, friends, this does not open the door to other procedures. To say that is ridiculous, and it clearly says that you didn't listen to the introduction if you believe that. It's a language loophole that we're tying up. It is not a mandate. It will not affect other types of procedures because the language is very specific. And we know that if this was a mandate, the insurance companies would've lined out in oppos-- lined up in opposition. And that did not happen in this case. And so, if you are leaning towards yes, I ask that you do vote yes. This is something that we can do to help make sure that Nebraskans are healthier, live longer, and don't have to worry in the future about whether they're going to battle colon cancer or not: One of the most curable cancers when caught early. Thank you, Mr. President.

**DORN:** Thank you, Senator Blood. Senator Bostar, you're recognized to speak.

**BOSTAR:** Thank you, Mr. President. I rise in support of AM2108, as well as LB829. This is fundamentally about cancer screenings. And, under the ACA, as well as our consistent practices, we do not impose cost-sharing on screenings for the purpose of ultimately lowering healthcare costs. Obviously, being able to detect and potentially eliminate the risk of the development of colorectal cancer through the removal of a polyp is, fundamentally less expensive to the patient, as well as all premium payers, then potentially allowing the development of cancer to advance and then having that cost borne upon all of us. So for those reasons, I support the amendment and the underlying bill. Thank you, Mr. President.

**DORN:** Thank you, Senator Bostar. Seeing no one else in the queue, Senator Slama, you're recognized to close on AM2108. She waives closing. The question before the body is the adoption of AM2108. All those in favor vote aye; all those opposed vote nay. Have all of you voted that wish to? Record, Mr. Clerk.

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

**DORN:** The amendment is adopted. Seeing no one else in the queue, Senator Blood, you're recognized to close on LB829.

**BLOOD:** Waive.

**DORN:** She waives closing. Question before the body is the advancement to E&R Initial of LB829. All those in favor vote yes; all those opposed vote nay. Have you all voted that wish to? Record, Mr. Clerk.

**CLERK:** 36 ayes, 6 nays, Mr. President, on advancement of the bill.

**DORN:** The bill advances. Members, we are now on Final Reading. Please find your seat. Members, please take your seat. We are on Final Reading. Senator Bostar, Senator Conrad, please find your seat. Senator Conrad, Senator Bostar, will you please return to the Chamber? Senator Conrad, we are on Final Reading. Please return to the Chamber.

**DORN:** Mr. Clerk, LB51.

**CLERK:** Mr. President, Final Reading, LB51. Senator Aguilar would move to return LB51 to Select File for a specific amendment.

**DORN:** Senator Aguilar, you're recognized to open--

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

**DORN:** --on, on the motion to return.

**AGUILAR:** Thank you, Mr. President, and members of the Legislature. I would ask to return LB51 to Select File for the purpose of adopting AM2263. AM2263 is identical to former Senator Briese's AM541, which was a technical amendment that was brought by the Bill Drafting Office. Because Senator Briese had resigned, L-- AM541 was accidentally passed over during the Select File debate last week. AM2263 strikes additional obsolete language in the statute regarding the use of the state's telecommunication system by members of the Legislature. Because the Legislature's current phone system is based on a flat rate, there is no longer information regarding cost of individual long-distance phone calls made by members. AM2263 would simply strike language regarding the cost of individual long-distance calls because that information is no longer available. I would ask for

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your support to return the bill to Select File, and a green vote to adopt AM2263. Thank you, Mr. President.

**DORN:** Discussion on the motion to return to Select File. Senator DeKay, you're recognized to speak.

**DeKAY:** Thank you, Mr. President. I want to thank Senator Aguilar and his office for bringing AM2263. LB51 is a bill that I took over primary sponsorship for-- of the-- following the resignation of Senator and now current State Treasurer Tom Briese. On Select File, Senator Briese had AM541, which is-- essentially did the same thing. But due to his resignation, there was some confusion over whether I was taking over the amendment, so the amendment was not considered. AM2263 is a friendly amendment, so I would ask for a green vote on moving the bill back to Select File and the underlying amendment. Thank you, Mr. President.

**DORN:** Thank you, Senator DeKay. Seeing no discussion, Senator Aguilar, you're rec-- Aguilar, you're recognized to close. Senator Aguilar waives. The question is the adoption of the motion to return to Select File. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, record.

**CLERK:** 42 ayes, 0 nays on the motion to return to Select File, Mr. President.

**DORN:** The motion is adopted to return to Select File. Senator Aguilar, you're recognized to open on the amendment, AM2263.

**AGUILAR:** Thank you, Mr. President. I'm going to waive the opening.

**DORN:** Senator Aguilar waives. Senator Aguilar, you're recognized to close. Senator Aguilar waives. The question before the body is the adoption of AM2263. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 44 ayes, 0 nays, Mr. President, on adoption of the amendment.

**DORN:** AM2263 is adopted. Senator Ballard, for a motion.

**BALLARD:** Mr., Pres-- Mr. President, I move that LB51 be advanced to E&R for engrossing.

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**DORN:** The question is adv-- the advancement of LB51 to E&R for engrossing. All those in favor, say I. All those opposed, say nay. It has advanced. Next bill, Mr. Clerk.

**CLERK:** Mr. President, the next bill, General File, LB152, introduced by Senator Dover. It's a bill for an act relating to membership campground-- the Membership Campground Act; eliminates registration requirements and a penalty under the Membership Campground Act; harmonize provisions; repeals the original section; outright repeals several sections. The bill was read for the first time on January 9 of last year and referred to the Banking, Commerce and Insurance Committee. That committee placed the bill on General File, Mr. President.

**DORN:** Senator Dover, you are recognized to open.

**DOVER:** Thank you, Mr. President. Good morning colleagues. I rise to introduce LB152 for your consideration. The purpose of LB152 is to remove the requirement of membership campgrounds to register with the Nebraska Real Estate Commission. Revised Statutes 76-2101 through 76-2121 are known as the Membership Campground Act. A membership campground is defined as a facility that offers a camping agreement evidencing a purchaser's right to use a campground for more than 30 days during the term of the agreement. In the past, an example would have been KOA campgrounds. KOA sold memberships on a national basis. Under the act, membership campgrounds are required to register with the Nebraska Real Estate Commission. This was to add protection to consumers. However, this registration required-- requirement has resulted in little to no value to the state and has become burdensome to consumers. There are only 4 registered campgrounds in the state of Nebraska. They are Linder Lakes in Plattsmouth, Riverview Park Resort and Marina in Omaha, Thousand Trails, Equity LifeStyle Properties, Chicago, Illinois, which currently has no campgrounds in the state of Nebraska, and Hidden Hollow Campgrounds in Plattsmouth. The Nebraska Real Estate Commission has not received a compliance complaint in over 13 years. Registration currently costs \$330 and must be renewed annually for \$330, as well. Nebraska Real Estate Commission's current involvement in the registration process has become simply pushing occasional renewals and registration questions back and forth between itself and the campgrounds, not protecting consumers. All other consumer productions of the Membership Campground Act remain in place. Civil action can be taken by the consumer with recoverable attorney fees and court fees to the prevailing party. The Attorney General may also enjoin violations of the act. LB152 will simply do away with the



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registration provision that has consumed the Nebraska Real Estate Commission resources, and we better utilize in protecting consumers elsewhere. LB152 moved out of committee with an 8-0 vote and no opposition. I would appreciate your vote in favor of LB152.

**DORN:** Thank you, Senator Dover. Senator Erdman, you're recognized to speak.

**ERDMAN:** Thank you, Mr. President, and good morning. I was wondering if Senator Dover would yield to a question or two.

**DORN:** Senator Dover, will you yield to a question?

**DOVER:** I'd be glad to.

**ERDMAN:** Senator Dover, kind of strange the Real Estate Commission would be in charge of these campgrounds. Can you explain why that was, or do you know?

**DOVER:** I don't know.

**ERDMAN:** And so what you're doing is just removing this from the statute so they don't have to continue to register this. Is that correct?

**DOVER:** Yes. There's a, there's a number of campgrounds that are doing this. I sure-- I'm sure you've driven by a lot of them across the state. They're not currently registered. And so, it really doesn't make much sense for the Real Estate Commission to spend time working with the 4 that chose to register, when there's, there's, there's many more that aren't registered. And there's no-- to my understanding, there's no statutory requirement or penalty for not registering.

**ERDMAN:** So is the Real Estate Commission pursuing these registrations, or are they just allowing them to go on without any acknowledgment?

**DOVER:** I can't speak to that. I simply know that the ones that are registered, they're simply, again, sending paper back and forth, getting the registration filled out. And it, it doesn't really provide-- probably the intent that it was, it was once intended. I mean, obviously, there are sometimes statutes that are-- have great ideas behind them and once instituted, seem to be burdensome.

**ERDMAN:** OK. Thank you.

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**DOVER:** Thank you.

**DORN:** Thank you, Senator Erdman, Senator Dover. Seeing no one else in the queue, Senator Dover, you're recognized to close.

**DOVER:** I waive.

**DORN:** Senator Dover waives. The question, the question before the body is advancement of LB152. All those in favor vote aye; all those opposed vote nay. Have you all voted that care to? Record, Mr. Clerk.

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

**DORN:** LB152 advances. Next bill, Mr. Clerk.

**CLERK:** An item quickly, if I could, Mr. President. Suggested reference report from the Reference Committee, approving the reference of LR298. Next item on the agenda, Mr. President, LB111. It's bill for an act relating to-- excuse me-- introduced by Senator McDonnell. It's a bill for an act relating to state government; provides an-- adopts the Nebraska Volunteer Service Commission Act; provides an operative date; and declares an emergency. The bill was read for the first time on January 6 of last year, referred to the Government, Military, and Veterans Affairs Committee. That committee placed the bill on General File. There are no committee amendments. There is a motion, Mr. President.

**DORN:** Senator McDonnell, you are recognized to open.

**McDONNELL:** Thank you, Mr. President. Good morning, colleagues. I bring to you LB111, which was-- will restructure the Nebraska Volunteer Service Commission, also known as ServeNebraska. As a statutory agency and in effect to allow the Commission to be more-- effectively carry out its many missions serving the people of the, of the state of Nebraska. The Nebraska Volunteer Service Commission, also known as ServeNebraska, this-- was, was, was created by Executive Order, in 1994, by Governor Ben Nelson, pursuant to the federal National and Community Service Trust Act of 1990-- '93. The commission receives grants, allotments and service positions on behalf of the state under the federal acts, to implement programs, administer funds, and address critical needs within our communities. LB111 would restructure the commission as a statutory agency in an effort to allow the Commission to be more effective-- to more effectively carry out its many missions serving the people of Nebraska. The commission has implemented programs and administered funds received from the Corporation for

National and Community Services, and has used these and other funds to cultivate community services and volunteerism, and for programs focused on education, economic opportunities, disaster response, environmental stewardships, health-- healthy futures, and veteran and military families assistance. As part of the grants programs, the commission and administrate-- administered AmeriCorps for the state of Nebraska as a national level-- over 1 million people have served as AmeriCorps members since 1994, and provided over 1 billion hours of service. The AmeriCorps programs leverage more than \$1 billion in resources from private, philanthropic, and other sources each year, and mobilize or manage over 2 million communities' volunteers each year. In 2020, 2020, Nebraska had over 2,700 AmeriCorps senior members and volunteers, serving in 335 locations in our state, with a total federal and local investment of \$7.3 million. ServeNebraska currently receives only \$30,000 from the Nebraska Legislature. The bill will align ServeNebraska with other similar organizations, such as other state-supported boards and commissions, the Nebraska Arts Council, and other state volunteer commissions. ServeNebraska also benefits many entities outside of Nebraska nonprofits, and state and local governments. Nebraska financial and educational institutions have received more than \$38 million in AmeriCorps Alumni Education Awards payments from over 12,000 AmeriCorps alumni who have successfully served Nebraska communities between 1995 and 2020, in that 25-year period. ServeNebraska has further-- furthered a culture of civic engagement and fostered opportunities to public-- for public service in Nebraska, and restructuring the commission as a statutory agency will provide the commission the stability and preserve its autonomy, align the commission with, with comparable organizations in our state and across the nation, and allow the commission to be more effectively carry out its many missions serving our people of the state of Nebraska. We would be the last state to go ahead and have this as an independent agency. The work they have done since Governor Nelson signed the Executive Order in 1994 has been amazing. What they've done east, west, north, south in our state and what they continue to do today, has helped a number of people. The idea of us investing the \$30,000, moving them as an independent agency-- they would be treated like an independent agency. Everything would have to go through, of course, still the appropriations process. But the dollars that they're receiving, \$1.4 million last year, from the federal government, and the ability to be more effective, efficient and independent and apply for more federal dollars like rest of the country has done. I believe that is the next best step. For the citizens of Nebraska, I'm asking you to advance LB111. Thank you.

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**DORN:** Thank you, Senator McDonnell. Mr. Clerk, for a motion.

**CLERK:** Mr. President, Senator Clements would move to recommit LB111 to committee.

**DORN:** Senator Clements, you're recognized to open on your motion.

**CLEMENTS:** Thank you, Mr. President. I rise in opposition of this bill. We already have 75 state agencies, and it takes a lot of work to go through all the budgets of 75 agencies. And adding one more adds more burden in my committee, I know, and also has an opportunity, possibly, to cost more money. I do have some questions about this. Would Senator McDonnell yield to a question?

**DORN:** Senator McDonnell, will you yield?

**McDONNELL:** Yes.

**CLEMENTS:** Thank you, Senator McDonnell. In reading through this, I see on page 3, making this an independent agency. Is this department paying rent now or will they pay rent like other agencies do, that are independent agencies?

**McDONNELL:** Yes. If you look at the fiscal note, currently, they were trying to break that down because there is no-- there's no fiscal impact going-- there's no additional fiscal impact going forward. So if you go back to the, the fiscal note on the-- let me look it up. I'll get you the, the page. But right now, DAS, potentially, based on where they are right now, with this office space they have with the Department of, Department of Health and Human Services, it could potentially be a wash.

**CLEMENTS:** All right. Thank you. The next part of that page 3 talks about the, the members serving on the commission, up to 25 members governing this commission. Is there a, a, a board currently that is similar to that or is this new?

**McDONNELL:** No, this is-- can I go ahead? Currently, this is the board based on-- the rules that we are putting into LB111 is what has been handed down by the federal government, within the executive order going back to 1994. So those, those are not changing, but they are being memorialized in LB111.

**CLEMENTS:** All right. And I have several more questions, if you don't mind continuing. Lines 17 and 18 talks about board members. One should

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be from local government, one should be from local labor organization. What do you mean by local? Is that mean they're from Lincoln or where?

**McDONNELL:** Again, back to that being defined in the, the federal requirements being handed down, that have been handed down, my position on the local would be, for example, let's say you have a local-- a, a Lincoln police officer serving on that board. You have a person from the city council, a person from the local government that, that-- currently, they look at that definition the same way as they would if LB111 would pass.

**CLEMENTS:** All right, then the next, line 20, says one of the board members, one of the voting board members will be at least 16 years of age. That's a person who is unable to vote in a general election, but could be voting on a independent agency board. Is that a federal requirement?

**McDONNELL:** I believe that's a-- cannot be any younger than the age-- can you, you please give me that line again, in the bill?

**CLEMENTS:** Line 20, page 3. This says, at least 16 years old.

**McDONNELL:** Yeah, at least 16 years old. And yes, that's coming down from the federal language.

**CLEMENTS:** All right. Well, I think I'd rather have a voting age person. Line 24 then, as a-- it has to be a representative of a national service organization. Is that going to be a nonNebraskan voting on a Nebraska state agency?

**McDONNELL:** No.

**CLEMENTS:** They will be a Nebraskan, that they're representing a national organization? Is that what you were--

**McDONNELL:** Yes.

**CLEMENTS:** I see. All right. OK. Then we get up to, get up to 25 people. Let's go to page 4. How much time do I have?

**DORN:** 5:25.

**CLEMENTS:** Thank you. Page 4, on lines 7 through 11, talked about the makeup of the commission. Not more than 50% can be affiliated with the

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same political party. And I'm wondering if that's your language or is that federal law?

**McDONNELL:** Again, back from the National and Community Service Act of 1990, that's federal law.

**CLEMENTS:** And is that how their board is currently comprised?

**McDONNELL:** Yes. They are currently following the federal law.

**CLEMENTS:** OK. Then the line 10 and 11 says, to the maximum extent possible, the membership of the commission is to be diverse. I don't see a def-- definition of diverse. What attributes are considered to be diverse?

**McDONNELL:** I believe that's also defined based on the 1990 Service Act.

**CLEMENTS:** All right. Well, diverse to me would be the same ratio as Nebraska's population, but I doubt that that's what the federal guidelines would be. But it's not defined. I think it should be defined better. Then the next section, line 15-20, talks about the terms. Looks like there are 2 3-year terms for commission members. Is that a lifetime limit? Once you've served 6 years, can you ever serve again?

**McDONNELL:** Yes, I believe you can, you can come back and serve again. The Governor-- it breaks down how the Governor would appoint, and the terms, again, going back to where we're currently doing on ServeNebraska, and according to what the, the federal Service Act directs us to do.

**CLEMENTS:** OK. Well, I don't see a reappointment-- in my opinion, it looks like it's a lifetime limit of 6 years, but it isn't clear to me. The-- then the bottom of page 4 talks about, the members serve without compensation, but they are entitled to receive reimbursement for expenses. Having 25 board members to pay travel expense for commission meetings, do they-- is their budget-- have they budgeted for travel expenses for 25 people in their budget?

**McDONNELL:** So it would be a maximum of 25, minimum of 15. Any part of their-- of course, their budget would have to go through the Appropriations process, but it would not affect our-- currently, that we are part of the state [INAUDIBLE] that budget is \$30,000. The remainder is coming from the federal, philanthropic, and private

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communities. But they would have to submit their budget in front of the Appropriations, like any other agency.

**CLEMENTS:** All right. Turning to page 5. It says that the commission may employ an executive director. And then line 7, hire up to 15 full-time employees. And I'm wondering-- or do they have an executive director now? And do they have 15 full-time employees, currently?

**McDONNELL:** No, they currently have an executive director and 6 full-time employees.

**CLEMENTS:** And where is the financing coming from for additional employees?

**McDONNELL:** That depends on what they would propose in their budget going forward. But currently, they're being paid from the philanthropic, private, and, and federal dollars. Because, again, as I've stated, we've appropriated \$30,000 as the state of Nebraska currently, for the ServeNebraska.

**CLEMENTS:** So any increase in employee expenses would be up to them to cover, because this bill does not provide for the additional expense for employees. Is that right?

**McDONNELL:** Correct.

**CLEMENTS:** All right. Thank you. Line 16 says that their, their plan has to ensure outreach to diverse community-based agencies that serve underrepresented populations. What's the definition of under--

**DORN:** One minute.

**CLEMENTS:** --underrepresented population? Who is that?

**McDONNELL:** I believe it could be like, for example, the qualified census tracts right now, that we're using in the bill that we passed, where-- north and south Omaha economic recovery. So that is set by the federal government, that definition. And it's currently being followed by the-- ServeNebraska.

**CLEMENTS:** All right. Well, it's not defined in this bill and it may be somewhere else. And I did have a question about that. I'm going to conclude here, but I will have some more questions when I get back on the mic. And I think all these questions show that it would be wise to recommit this bill to committee. Thank you, Mr. President.

**DORN:** Thank you, Senator Clements and Senator McDonnell. Senator Vargas, you're recognized to speak.

**VARGAS:** Thank you very much. And thank you to-- well, good dialogue. Thank you for-- Chairman Clements and to Senator McDonnell. I rise in support of LB111, and thank Senator McDonnell for his work on this. Two points I wanted to make. One, part of the reason I support this is I was a former AmeriCorps member, and we are one of the leading AmeriCorps examples across the country, in terms of the legislation, the work we've done to promote service across the state. And I think this is one worthwhile endeavor for us to make sure we codify, into statute, the program. And I know Senator McDonnell already mentioned this, the point of this is to make sure that we are doing what other states have done, which is codify into statute exactly what the program is. Living by executive order isn't always the, the both-- most accountable way of government existing. A good example is last year we did an executive order for getting rid of the Praxis test and, and some rule changes. And then we actually codified that into statute. So this is an example of something that's been an, an executive order for years, but making sure we're doing something that provides some accountability, which gets me to the bigger second point. The real reason I support this is transparency, line of sight, and accountability. A lot of the questions that Chairman Clements asked have a lot to do with the fact that we don't have as much line of sight to the spending or the agency, it being a pass-through agency through DHHS, which means we don't-- normally, with other agencies that are either code or noncode agencies, we have a better idea of FTEs, staffing, funding, but this is sort of all in the DHHS budget. And whenever there's sort of changes, it's wrapped up into bigger financial changes within DHHS, not something we sort of individually vote on increases or decreases in spending for this. So the reason I support this is by having it be its own agency, we will be able to approve or not approve funding appropriations and cash fund spending authority. And I think you see from the fiscal note, the funding is largely the similar amount, in terms of what's carrying over, the \$800,000 in expenditures. They're not asking for more general funds. It's a minimal \$15,000 projected from DAS for operations. Really, the main funding will be for more leveraged federal funds coming into this agency, and that will make sure that we are getting more taxpayer dollars coming back into the state to help us with a really good program that affects all across greater Nebraska. So the reason I support this is because line of sight, accountability to an agency. If they are trying to grow, I have faith that the Appropriations



Committee, if they are growing, it's because they'll get the majority of members approving a-- their spending authority or general fund appropriation or not. And that is what is inherently the best part about doing this in this manner. Again, this is something that's done in other states, and we're one of the last ones to do this. And so this is, I think, pragmatic, good line of sight, good on accountability, and appreciate Senator McDonnell for introducing the bill. I support LB111, and I ask you to do the same. Thank you.

**DORN:** Thank you, Senator Vargas. Senator Clements, you're recognized to speak.

**CLEMENTS:** Thank you, Mr. President. Would Senator McDonnell yield to some more questions?

**DORN:** Senator McDonnell, will you yield to questions?

**McDONNELL:** Yes.

**CLEMENTS:** Thank you. I see on page 6, line 5, that one of the items that the commission can do is provision of healthcare and childcare benefits to participants in service programs. And if they're providing for healthcare and childcare benefits to participants, is that a new provision or are they currently doing that? Is that going to be a-- an additional cost?

**McDONNELL:** No, that's, that's currently their, their directive from, again, the, the 1990 Federal Government Service Act of 1990.

**CLEMENTS:** Thank you. Then back to the bottom of page 6, an item says delegate nonpolicymaking duties to a state agency as the corporation may prescribe or as necessary to implement a federal program. So it gives them authority to delegate duties to a state agency to implement-- to implement federal programs. And if they're just able to tell another state agency you're going to have to do this for us, who's going to pay for that?

**McDONNELL:** Currently, they would-- the oversight and the idea that, that Senator Vargas brought up, that transparency builds trust, currently, this is what's going on with the ServeNebraska. And the directives they've received and their mission statement doesn't change. Now, some of the language that you're asking about with directing another agency, that is something that would be handled through the process and going through the Appropriations to set their

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budget, as an independent agency, just like we do for the other 75 agencies, currently.

**CLEMENTS:** All right. Thank you. Then back-- the last page, page 8, line 6 says this act becomes operative on July 1, 2023. That's retroactive clear back to July 1 of last year. Is that the intent to be retroactive that far back?

**McDONNELL:** No. I'll be bringing an amendment on Select.

**CLEMENTS:** And what will the effective date be then?

**McDONNELL:** I believe the effective date would be then, potentially, sometime in '25.

**CLEMENTS:** OK. You haven't quite settled that, but you're thinking 2025 for an effective date?

**McDONNELL:** Yes.

**CLEMENTS:** All right. Thank you. I thought it would be hard for this much changing of agency and so forth to be done retroactively that far back. Well, I see that this is adding up, up to 10 employees and is heavily dependent on federal and philanth-- and philanthropic funding. And during COVID, we've seen a lot of nonprofits have a reduction in their funding from philan-- philanthropic, philanthropic givers. There's a danger here of this dropping their funding that way. The federal government has, I think, over \$30 trillion of debt right now. And that deficit definitely could cause some reduction in federal funding of programs. And I think when that happens, we see an Appropriations request to fill in the gap with federal-- with state dollars. I don't have any more questions, Senator McDonnell. Thank you. And there--

**DORN:** One minute.

**CLEMENTS:** --I do have a concern that we'll be having the state take over some of the currently outside funding that would occur-- would happen if we lose-- if this agency would lose their outside funding, we'll have pressure to re-- restore it with state dollars, which I hope doesn't happen, but that's a concern to me. And that's-- thank you, Mr. President.

**DORN:** Thank you, Senator Clements and Senator McDonnell. Senator McDonnell, you're recognized to speak.

**McDONNELL:** Thank you, Mr. President. So going back to a couple of things that Senator Clements just brought up, and, and to be fair to Senator Clements, he did talk to me prior to this bill coming up today. And we got to make sure we're dealing with the facts here, because we're talking about the, the board is, is 15 to 25 people. Maximum people they can hire is 15. But we have a history in Nebraska since 1994. And right now, we have a director and 6 people. We have appropriated \$30,000. They're not asking for us to appropriate more dollars. Now with the federal money, the philanthropic money, the private money, yes. They've been-- there's been people very generous and have made a difference. The numbers speak for themselves. The idea of this going forward and actually having it as an agency, not going back to the Governor's general order of 1994, and having executive order and then having a Governor decide to replace that executive order, that does take away that Governor's ability. But if you look at this bill and how the breakdown of it and the input and the selection the Governor has, based on going back to the 1990 federal law, this is working. And we are going to have more transparency, not based on the idea of having it part of HHS and therefore possibly not getting the dollars it should or actually of us not looking at those dollars as closely as the Appropriations Committee. This does make ServeNebraska better. This does put Nebraska-- ServeNebraska in a better position, like the other 49 states that have gone this direction. I think sometimes it's, you know, the idea of don't be too proud to steal a good idea. Well also, don't try to-- also learn from other people's mistakes. And right now, the other 49 states have gone this direction, and it works. It works, it works good. I'm not saying that currently, the state of Nebraska isn't putting people in a position to help people. They are, but the idea of having this-- and if you look at the fiscal note and go back, right now, this is a zero fiscal note. There's a zero fiscal note from last February 16 of 2023, based on-- now it does talk about how would this work. Would they have to move office space? Would there be future costs of office space? All those things have to be worked out. So the idea of us introducing this bill last year and the date that Senator Clements was asked about earlier, that's why I said 2025. There is things that have to be worked out, but those things are minimal compared to what they're doing for the state. The future of, of ServeNebraska, and how many people it can help. Thank you, Mr. President.

**DORN:** Thank you, Senator McDonnell. Senator Erdman, you're recognized to speak.

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**ERDMAN:** Thank you, Mr. President. I was wondering if Senator McDonnell would yield to a question or two.

**DORN:** Senator McDonnell, will you yield to a question?

**McDONNELL:** Yes.

**ERDMAN:** Senator McDonnell, what happens if we don't adopt 11-- LB111? What happens? Does ServeNebraska still go on?

**McDONNELL:** Yes.

**ERDMAN:** And so the, the implementation of this is, is for what reason?

**McDONNELL:** The, the idea of having them as an independent agency, to be more effective, efficient, actually, to also possibly get more federal aid and have that long-term sustainability going forward, and that independence, and that security as a-- as an agency in the state of Nebraska.

**ERDMAN:** So the way it's designed now, you think that's a restriction for getting more federal funds?

**McDONNELL:** I, I think, right now, it doesn't help us get more federal dollars, based on the other 49 states and the way they've approached it.

**ERDMAN:** So if we didn't do this, we would still have ServeNebraska and they would still continue as they have in the past?

**McDONNELL:** I'm sorry. I couldn't hear that question.

**ERDMAN:** Would, would-- if we don't do this, will ServeNebraska still continue in the same capacity they have in the past?

**McDONNELL:** Yes.

**ERDMAN:** OK. Thank you.

**DORN:** Thank you, Senator Erdman and Senator McDonnell. Seeing no one in the queue, Senator Clements, you are recognized to close on your motion.

**CLEMENTS:** Thank you, Mr. President. I ask for a green vote on a commit-- recommit to committee. And my reasoning is, I don't think that the committee was-- read through the bill thoroughly. The

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questions are really, the funding of this new agency, increasing the number of employees, like 10 more employees, and really, concern as to whether it's going to end up being more costly to the state. The-- there was a lot of questions I had about what does diversity mean, and what does underrepresented population mean? They were under-- undefined items in the bill. I'd like to see the committee go through that and get some more definition as to what the-- what this agency is going to be able to do there. It says they can delegate other state agencies to do things for them and doesn't define who would pay for that, so I think it does need more work in committee. And I-- I'll ask for your green vote on the motion to recommit. Thank you, Mr. President.

**DORN:** Thank you, Senator Clements. The question before the body is the adoption of the motion to recommit to committee. All those in favor of vote aye; all those opposed vote nay. There's been a request to place the house under call. The, the question is shall the house go under call? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 24 ayes, 1 nay to place the house under call, Mr. President.

**DORN:** 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. Sen-- Senator Day, Senator DeKay, Senator Fredrickson, Senator Hardin, Senator Dover, Senator Bostar, Senator Riepe, Senator John Cavanaugh, please return to the floor. The house is under call. Senator Day, Senator Dover, Senator Bostar, please return to the Chamber. The house is under call. Senator Dover, Senator Bostar, please return to the Chamber. The house is under call. Senator Dover, please return to the Chamber. The house is under call. Senator Dover, please return to the Chamber. The house is under call. All unexcused members are now present. Senator Clements, there has been a vote open. Will you accept call-in votes?

**CLEMENTS:** Yes.

**DORN:** Mr. Clerk, please proceed.

**CLERK:** Senator Fredrickson voting no. Senator Wishart voting no. Senator Day voting no. Senator John Cavanaugh voting no. Senator Machaela Cavanaugh voting no. Senator Linehan voting yes. Senator Bosn voting yes. Senator Erdman voting yes. Mr. President-- Senator Arch

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voting yes. Senator Ballard voting yes. Senator Dover voting yes. Senator Murman voting yes. Senator Bostelman voting yes. Mr. President, the vote is 23 ayes, 16 nays to recommit.

**DORN:** The vote fails. I raise the call.

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

**DORN:** Back to the discussion for the advancement on the bill. Seeing no one in the queue, Senator McDonnell, you're welcome to close.

**McDONNELL:** Thank you, Mr. President. Thank you, colleagues, for that, that last vote. Again, going back on the history on this bill, and, and last year, when it came out of Government Committee, 8-0, I, I appreciated that vote. There was no opposition. The idea of what ServeNebraska has been doing since 1994, under an executive order by Governor Nelson, is admirable. And they've helped a number of, of people in our state, and they've given people an opportunity to, to volunteer and make a difference in, in our state. What we're looking at going forward is that security going forward, that independence going forward, not being part of HHS. It is not-- there is no fiscal impact. You can read through. The idea that we currently give the \$30,000, when we say that, we appropriate the \$30,000, as the-- as any agency, they will have to come forward in the future, go through the, the same process as any other agency. And I think it's worth adding an agency at this point for the work they do and then the opportunity, potentially, to have more opportunity to get federal dollars and from the philanthropic and private community side. I'd appreciate your green vote on LB111. Thank you.

**DORN:** Thank you, Senator McDonnell. Colleagues, the question before the body is advancement of LB111. All those in favor vote aye; all those opposed vote nay. There has been a request to place the house under call. The question before the body is shall the house go under call. All those in favor of vote aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 27 ayes, 1 nay to place the house under call.

**DORN:** 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. Sen-- Senator Armendariz, Senator Bostar, Senator Murman, please return to the Chamber. The

house is under call. Senator Conrad, please check in. Senator Bostar, please return to the Chamber. The house is under call. Senator Bostar, please return to the Chamber. The house is under call. Senator Bostar, please return to the Chamber. The house is under call. Senator Bostar, please return to the Chamber. The house is under call. Senator McDonnell, all members are present. We had an open vote. Would you accept call-ins? Yes, he would. Mr. Clerk. The question is the advancement of LB111 to E&R Initial.

**DORN:** We are now accepting call-in votes.

**CLERK:** Senator Bostar voting yes. Senator Blood voting yes. Senator Bosn voting yes. Mr. President, vote is 24 ayes, 12 nays, Mr. President, on advancement of the bill.

**DORN:** The bill does not advance. I raise the call. Mr. Clerk.

**CLERK:** Mr. President, next item on the agenda: LB285, introduced by Senator Walz. It's a bill for an act relating to schools; adopts the School Community Eligibility Provision--

**DORN:** Senator Walz, you're recognized to open. Hold on.

**CLERK:** Mr. President: LB285, introduced by Senator Walz. It's a bill for an act relating to schools; adopts the School Community Eligibility Provision Maximization Act; and repeals the original section. The bill was read for the first time on January 11 of last year and referred to the Education Committee. That committee placed the bill on General File. There are no committee amendments. There is an additional amendment, Mr. President.

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

**WALZ:** Thank you, Mr. President. Good morning, colleagues. Today, I'm introducing LB285. This bill would automatically opt in high-need schools to the federal School Community Eligibility Pro-- Provision, or CEP, meaning that all students in school would receive free meals. Essentially, the bill measures schools with a high identified student percentage, which are students that have already, that have already opted in to free school meals because they are on Medicaid, SNAP, TANF, homeless, or in other situations. If a school has a percentage of these students greater than or equal to 50%-- excuse me-- they will be reimbursed at 80%, 90%, or 100% by the USD food program-- USDA food program. Schools have been slow to implement this program because they are-- there has been a concern regarding the administrative burden

this could put on schools. However, many schools have indicated that the trade-off of doing this paperwork versus going through every free and reduced meal application has actually been very beneficial. This concern, however, is addressed in the bill by providing schools with the ability to opt out of the program. Also, this program was passed by Congress in 2010 as a way to help schools ease the paperwork burdens of assessing and tracking family income in schools serving very high concentrations of low-income children. Oftentimes, high-poverty schools were spending more time identifying the few children who don't qualify for free and reduced lunches. As the bill is currently in front of us, it is only for public schools. But AM66, which will be on the board next, includes private schools. This was at the request of the Cath-- Catholic Conference because schools are seeing and better understanding the benefits of the CEP Program. Additionally, this bill came out of committee unanimously-- with unanimous support from the Education Committee. I think it's timely that this bill came up on the agenda with Senator Conrad's hearing in the Education Committee a couple weeks ago regarding debt procedures. It was apparent that the committee members were very interested in how we can help alleviate children from being hungry in our state. This bill is important. Number one, we want to make sure that our-- all kids are fed and have enough to eat. Number two, our state's prosperity is built on the health and success of its children. Research shows that hunger during childhood can derail proper development, leaving lifelong and negative consequences for cognitive skill, skills, physical and mental health, behavior, and academic performance. I have first knowledge-- firsthand knowledge of this issue as an educator. I saw many kids coming into the classroom who hadn't had anything to eat, and I can tell you it affected their ability to concentrate and learn in school. I'd be happy to take any questions. Thank you, Mr. President.

**DORN:** Mr. Clerk.

**CLERK:** Mr. President, Senator Walz would move to amend with AM66.

**DORN:** Senator Walz, you're recognized to open on your amendment.

**WALZ:** Thank you again, colleagues. Just a brief opening since I did already go over this. AM66 simply adds private schools into this bill. This is because we had conversations with the Catholic Conference, who spoke with my office last year, and they asked to be included. Thank you.



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

**CONRAD:** Thank you, Mr. President. Good morning, colleagues. I rise in support of my friend, Senator Walz's, measure, LB285, and in support of her pending amendment, AM66. It is an absolute joy to serve with Senator Walz in this august body and to learn from her as a new member of the Education Committee. I know that Senator Walz has been tireless in her work to bring more equity into our schools so that kids can learn, so that kids can achieve at their highest potential. And she's really tried to tackle our challenges in our schools from every angle: a laser-focus on teacher recruitment and retention, trying to bring much needed attention and dollars to kids with special needs, and trying to be thoughtful about what we can do in our communities and in our state to address school nutrition programs. As a new member of the Education Committee-- which, by the way, has been truly wonderful to have an opportunity to delve deeper into education policy issues-- we've heard a lot over the last biennium about how school nutrition programs work and what we can do in Nebraska to try and make a positive difference to help more kids have an opportunity to, to learn better when they're free from hunger if they are food-insecure when they're at home. And there are significant amount of research studies available that show the benefits of school nutrition programs for local ag producers, for student achievement, for student health, for community and school health. And that's why we've seen a continual expansion of these programs since inception and why we saw the popularity of providing free school breakfast and lunches during the COVID period as having such incredible, positive benefits. Since that COVID relief program went away, there has been increased efforts in the states to address school nutrition programs. So we have a host of policy options available before us in the Education Committee and before this Legislature, including this one that Senator Walz has brought forward. So my friend, Senator Machaela Cavanaugh, and my friend, Senny-- Senator Eliot Bostar, both have brought forward very comprehensive school nutrition programs before the Education Committee, which are, are carried over and still sitting in the Education Committee. That, in essence-- and there's some nuances between the programs-- but that, in essence, would seek to have Nebraska join many of our sister states that are now picking up the tab at the state level for school breakfast and school lunch. There's, again, a, a host of different policy reasons to move down this path, but that's probably the most robust and complete and comprehensive policy solution that we have available. Those I think typically have a

somewhat more extensive fiscal note. I want to say-- I have to go back and double-check-- maybe around \$50 to \$80 million. And I know that's a big, a big jump there, but I can get that up on my next time on the mic, which, of course, sounds like a lot of money, but in the context of a school budget and the overall state budget would be a meaningful investment but a more modest investment to help our kids learn all across Nebraska and to reduce some of the administrative burden and stigma that goes along with these programs in our schools. So I am fully supportive of Senator Bostar and Senator Machaela Cavanaugh's efforts in that regard, and I hope that they will have a chance to move this year. Additionally--

**DORN:** One minute.

**CONRAD:** --Senator Walz has-- thank you, Mr. President-- kind of this middle-ground approach with, I think, a, a low- or a no-dollar fiscal note here that simply would kind of change the structure for how schools may opt in to a popular Community Eligibility Program or option in our school nutrition programs that, that just make it a little more streamlined approach to get more kids and more communities access to nutrition services. And then I'll hit my light again just to talk a little bit about an issue many of you have asked me about in regards to how the school lunch program interfaces with the collections process. And I have a bill--

**DORN:** Time.

**CONRAD:** --pending [INAUDIBLE] those practices. Thank you, Mr. President.

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

**LINEHAN:** Good morning-- good morning, Mr. President, and thank you. I, I voted this out of committee. I supported the bill. I'm going to vote for the bill and amendment. But I am throwing a flag of caution down. If you go back-- it's not in the most current fiscal note-- well, yes it is. I'm sorry. And this is why-- I, I, I don't understand. There's a note in the comments section of both fiscal notes that should have been up above. Because when we're in hearings and we're buried in paper, all-- these fiscal notes should be very clear. So the comment is: Agree with the agency that there would be no fiscal impact to the agency-- that's the Department of Ed-- for those schools that would have increased cost-- which is any school that would be in this

program-- these costs would appear in the TEEOSA formula as a need. And for the equalized school districts, there would likely be an increase in equalization aid. Well, that's kind of a big deal. That should have been-- if there's going to be an increase in TEEOSA because we do this, it should be-- it should be up here on the fiscal note. I-- and some of you have heard-- appropriators have heard, some on Education have heard, Revenue Committee were aware, that because of the free and do lunch-- well, we're not sure exactly what is going on, but the needs have exploded in TEEOSA from last year. And we can't quite figure it out yet. So my position on this bill, because I appreciate very much what Senator Walz has done here-- and again, I voted it out of committee. I'm going to vote for it on the floor. But before this comes back to Select or before I'll support it on Select, we've got to figure out how this affects TEEOSA needs because that, that is a very big deal. That shouldn't be, like, buried somewhere in the comments section. Thank you, Mr. President.

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

**M. CAVANAUGH:** Thank you, Mr. President. Good morning, colleagues. I am so excited about this bill and grateful to Senator Walz for bringing it in for Senator Linehan for her work on it. I've brought a universal school meals bill for several years now. I actually brought the first iteration of it before the pandemic. And then when the pandemic happened, we essentially had universal school meals. And that acted as pretty much a pilot project for this program. But Nebraska still doesn't have universal school meals. We've gone back to mostly how we were operating before the pandemic. OPS is doing universal school meals now. Senator Walz's bill is not quite the same as my bill. And I will point out that, if you are more fiscally restrained, this is the better option because my bill does cost \$54 million. Not that I don't think we shouldn't do it. Happy if everybody wants to just push my bill forward. But Senator's Walz bill is a great step towards ensuring that our kids are receiving the education and nutrition that they need every day when they show up to school. So thank you, Senator Walz, for bringing this bill. And thank you, colleagues, for giving it your consideration this morning. It's been on the agenda for a while now in worksheet order. And we've had some delays in getting to it because we've had some interesting and robust conversations on some other issues, including trains and time and time and trains and which came first, the trains or the time? So thank you again, and I hope that everyone will help move this forward from General to Select. I'd-- I think some people may have questions about it, and I would encourage

you to either talk to Senator Walz or Senator Linehan or get on the mic and ask your questions. But I hope we can move this forward and move on to the next thing on the agenda. Thank you, Mr. President.

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

**CONRAD:** Thank you, Mr. President. Again, good morning, colleagues. I just wanted to finish my thoughts, conclude my thoughts in regards to a bill that I have pending that intersects with our school nutrition programs and that a lot of you have asked me about. And I've received a lot of really positive feedback from community members about as well. So I just wanted to draw your attention to-- I think it's LB855. And this is a measure that I've already presented to the Education Committee this session. And it would prohibit schools from turning over unpaid school meal debt to collection agencies. And this is a practice that is not particularly widespread in Nebraska, thankfully. And things like the Community Eligibility Program help to prevent families from racking up unpaid school meal debts and, in some instances, being entangled in the civil justice system, which can have a myriad of negative impacts on their credit reports, ability to access housing, ability to access employment even. And this is an issue that be-- really first came to my attention during my, my period away from the Legislature. And I was reading the LPS student handbook as the, the parent of two little ones getting ready to, to start LPS. And I saw this policy in the school handbook, and it, it really struck me as strange and out of alignment with the LPS's values, that they had this policy to turn families over to collections for unpaid meal debt. So I addressed it with school leadership, or attempted to address it with school leadership, over the years, and was unsuccessful in that regard. They have since made some modifications to the policy, but those are far more recent. And the practice is still ongoing, unfortunately. And we had a great hearing in the Education Committee where we heard from impacted families, from nutrition and hunger advocates and experts and those with familiarity in the criminal-- in the civil justice system as well about how this collections process really hurts folks that are trapped in the middle, folks that are food-insecure-- in many instances, may have access to the free or reduced school lunch program. Families that have resources available can pay for their, their children to access nutrition services in the breakfast or lunch program. But there's a fair amount of these families, these Nebraska families that are working full-time and maybe making too much to qualify, but right on the edge, living paycheck to paycheck. And these are the ones that [RECORDER

MALFUNCTION] with these punitive practices. And I want to leave you with two things about why this measure is important as well. So I want to give a shout-out to my friend, Senator DeBoer, and the members of the Planning Committee for a fantastic report on a ton of issues. I had a chance to, to read it pretty deeply a few weeks ago. And one thing that just jumped out at me-- and I want people to remember this is we take up a lot of these equity issues this session-- their report noted Nebraska is number one in the country for people who work full-time year-round and are living in poverty. Take that, take that into account, folks. Number one in the country for people who work--

**DORN:** One minute.

**CONRAD:** --full-time year-round and are living in poverty. So keep that in mind. This would help to address some of those issues. And then finally, I-- without implicating the privacy of the family that had reached out to me-- and many others have as well-- I got a note from a community member, a Nebraska neighbor right here in Lincoln, who let me know that she works full-time, paycheck to paycheck, has five kids, has racked up a bit of school meal debt at LPS, and was turned over to collections. And her wages are being garnished. And her little one is afraid to eat lunch because he thinks it's hurting their family. This is happening presently in my community and in some other communities across the state. LB285 and LB855 are smart ways forward in addition to the good work Senator Bostar and Senator Cavanaugh are leading. Thank you, Mr. President.

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

**KAUTH:** Thank you, Chair Dorn. I have a lot of concerns about this bill, actually. The fact that this legica-- legislation requires every school to opt into this program-- they can currently choose to do that now based on what their school needs are. But if they hit 50%, then they are automatically opted into a program? I don't like that. I think that the schools need to be keeping it local control. I think they need to be making that assessment on their own and determining whether or not this fits their school. The opt-out process is not laid out, but I imagine it takes time and energy to do to opt out. So I see, you know, if we're-- if they're automatically in and they say, well, we don't really need it, then they might not want to go through the process of opting out. And it also increases the need for the TEEOSA formula, which means this says that there are going to be 43-- adding 43 school and meal sites to the program. That's going to change

the TEEOSA formula significantly, possibly. We don't know. So I, I have a lot of concerns with this bill. Again, I'm of the opinion that if a school decides that they want to enter this program, they absolutely should because they know their school best. But for the state to say every school must, that's, that's a concern for me. Thank you.

**DORN:** Thank you, Senator Kauth. Senator von Gillern, you're recognized to speak.

**von GILLERN:** Thank you, Mr. President. Senator Kauth must have been reading over my shoulder on my notes here because some of the exact same comments and the, the-- my first comment-- the, the note that I made was about the mandate and the reading through the fiscal notes. It, it-- again, it says that a school district would have to apply for a waiver, which I think is a little bit awkward. I think that-- that's backwards from the way that that system ought to be. And, and frankly, I'm, I'm a little bit bruised over some of the action that was taken this past week by OPS regarding their change in how they're applying for-- or, how they're designating the, the students in the district as impoverished going off of the federal designation, which now designates-- according to OPS for purposes of the TEEOSA formula-- every student in the Omaha Public School District as impoverished. That is certainly not the case. And that is a misapplication or a misappropriation of the intention of those designations. Is it, is it accurate based on the federal regulations and based on the TEEOSA language? That's yet to be determined, but I have to believe that it likely is. That doesn't make it right. So frankly, I'm a little bit bruised over that and the impact that that is going to have on our state budget for additional equalization funds that are going to flow to OPS and possibly other districts that are going to take advantage of that same flaw in the program. The, the-- again, the poverty need versus the TEEOSA calculation needs to be worked out. And then lastly, I am not in any way, shape, or form a fan of, of free and reduced lunch for families who can afford to pay for their own meals. There are, there are families in Omaha that are living in million-dollar homes, and they do not need to be on the free and reduced lunch program or any form of universal lunch program. That's just, again, a misappropriation of state and federal funds. And, and we do a pretty good job in here of identifying what's federal and what state. And we don't seem to care when it's federal money. It's like it's free money. Just falls out of the sky. But I got bad news, folks, that still comes out of all of our wallets, so. I'll be considering that. Those are

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changes that I would like to see made possibly between General and Select. Thank you, Mr. President.

**DORN:** Thank you, Senator von Gillern. Senator Erdman, you're recognized to speak.

**ERDMAN:** Thank you, Mr. President. Good morning again. As I look at the fiscal note, I'm a little confused by the amount that's there for Lincoln Public Schools. And as I look at that fiscal note, I begin to think perhaps they were the only school that was asked to give their opinion. And as you notice, that fiscal note says \$550,000 for Lincoln Public Schools. So I wonder if Senator Walz would yield to a question.

**DORN:** Senator Walz, would you yield to a question?

**WALZ:** Yes.

**ERDMAN:** Senator Walz, you and I spoke off the mic about that \$550,000 from Lincoln Public Schools. And I know you have no way to know this, but I'm wondering if the fiscal note people took into consideration other school districts. Or do you realize or understand why Lincoln Public Schools has \$550,000 there?

**WALZ:** Looking at the fiscal note from our Fiscal Office, they said that the school districts that would have increased costs, these costs would appear in the TEEOSA formula. They also said that they-- there was really no explanation of how they got to that number, so.

**ERDMAN:** OK. My concern is if it's going to affect Lincoln Public Schools like that, it's going to affect all schools. And therefore, I think that would be an unfunded mandate. It's, it's-- or it's-- it comes from the General Fund, and so it's going to be an expenditure for the state. That seems to be a problem. So do you have any idea why they have that? And I, and I guess maybe you don't. But the question is, do you think this is going to cost other schools money as well or the state to fund that program?

**WALZ:** There is an opt-out in this bill. And as you and I talked before on-- off the mic, if it is not financially feasible for a school to be part of this program, they can opt out of it.

**ERDMAN:** So if they opt out, then they have to pay the whole amount? How does that work? What is the result of opting out?

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**WALZ:** If they opt out of it, they're not-- yes. If they opt out of the program, then they pay for 100% of, of school lunches.

**ERDMAN:** And if they opt in, they pay for how much?

**WALZ:** 80%-- or, I'm sorry. 20%.

**ERDMAN:** 20%.

**WALZ:** Yeah.

**ERDMAN:** So it's 80/20 split? What, what happens when-- and the federal, federal government's going to make up the 80%?

**WALZ:** Yes. USDA.

**ERDMAN:** What happens when they, what happens when they stop? When they stop paying the 80%, what happens then? The state pays it, right?

**WALZ:** Are you-- is that something that you--

**ERDMAN:** More or less a statement, but that's the way it looks to me. Once the feds stops paying, somebody has to. It's either--

**WALZ:** That would be the same with any-- I mean, that would be like any other program that we accept federal funds from.

**ERDMAN:** I understand. I understand.

**WALZ:** OK.

**ERDMAN:** Thank you. Thank you for answering the questions.

**WALZ:** Thank you, Senator Erdman.

**ERDMAN:** So with those things in mind, I'm, I'm not going to support LB285. I'm not sure we understand what the ramifications are going to be long-term. Thank you.

**DORN:** Thank you, Senator Erdman. Senator Linehan, you're recognized to speak.

**LINEHAN:** Thank you, Mr. President. Again, I'm going to support this. I-- Senator Walz has worked really hard on it. I voted it out of committee. I-- I'm for the idea of this. And I think Senator Walz



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agrees. Senator Walz, could I ask you a question? I'm sorry that I didn't give you a heads-up.

**DORN:** Senator Walz, will you yield to a question?

**WALZ:** Yes.

**LINEHAN:** I'm sorry. I didn't give you a heads-up. You agree that we need to check out this TEEOSA and the needs and how this would affect it before we get to Select?

**WALZ:** Absolutely.

**LINEHAN:** And if it's going to affect TEEOSA, we need to fix it so it doesn't affect TEEOSA.

**WALZ:** Right.

**LINEHAN:** OK. So for that reason, I willing to vote to send it to Select. I'm also-- I won't support it on Select if this affects TEEOSA because it's just-- it's, like, not a real thing. So-- and I will say-- and I don't mean to hurt Lincoln Public Schools arg-- feelings, but I wasn't that impressed by their arguments. And as Senator Conrad has said, when you got a school that's sending people to collection agencies for \$50 for school luncheons, their arguments don't really work with me. So I would appreciate us helping Senator Walz get this to Select. Thank you very much.

**DORN:** Thank you, Senator Linehan. Senator DeBoer, you're recognized to speak.

**DeBOER:** Thank you, Mr. President. Good morning, colleagues. I think what we have here is where we have to figure out if-- you know in TEEOSA, you have the, the needs-- the total amount that's needed, and you have the resources. What we don't want to have happen is for these two hands-- which I am, for the record, holding a distance apart-- to fall out of sync with each other. We want them to move up and down together. If they-- if just the needs goes up, we have to make sure that the resources also goes up. That intermeaning-- the space between the top and the bottom hand indicates the amount that TEEOSA pays. If the concern is that the top hand is going up because now we are providing these school lunches and that makes the needs higher, what we need to do is just make sure, in the formula-- and possibly we will need an amendment to do this if it's not already working properly-- that we say that those funds which are now given from the feds will

raise it by that amount. So we have other places where we do these adjustments and we just keep the, the difference-- this, this the space between the hands, the needs minus resources-- equal to each other in terms of the space between. That's what we need to make sure is happening. I'm sure that the State Department of Education can assure us that that is what's happening. If we can find the dis-- the way to make sure that the needs minus resources, which is the backfill from TEEOSA, will stay the same regardless of this program, then it will not cost additional state dollars. There will be no change in the TEEOSA. I think that's what Senator Linehan was saying. This should not be difficult to do. We do this with other federal programs and other moneys that the school districts get in when they increase what they're spending because they have some other new program that comes from the feds or something like that. Then they add in the line item in TEEOSA that says they now have this new money to pay for these new costs. So the difference between the needs and the resources stays the same. So that is what should be happening. And we can check on that. Necessary to point out that any school district who, as a result of not getting more money than they did in the past-- because TEEOSA doesn't give them any more money-- if they decide, for whatever reason, that they are not getting enough to pay for this new program, they don't have to do the program. It's completely opt-outable. That's the good thing about this bill. So please, will you, will you join me, colleagues, in voting this bill from General to Select so that we can make sure that the mechanism of TEEOSA is operating properly, the way we want it? I think Senator Walz, if I ask her, would say she wants TEEOSA not to be affected by this bill. In fact, let me ask her. Senator Walz, would you yield? Oh, she's not here. Well-- oh, here she comes. Senator Walz. My question--

**DORN:** Senator Walz, will you yield to a question?

**WALZ:** Yes.

**DeBOER:** Senator Walz, do you want TEEOSA to be affected in any way by this bill?

**WALZ:** No.

**DeBOER:** OK. So we can make that happen. There's actually a way to do that. So if those of you are worried about having more state funding, we can fix that. Thank you, Mr. President.

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

**JACOBSON:** Thank you, Mr. President. My initial response on this is that I would be opposing LB285, but-- and the amendment, but after listening to Senator Linehan, I am enc-- I'm probably going to go ahead and vote in favor of the bill to move it to Select. But I don't know that I'll support it on Select. It'll depend on the amendments. I think it's important to remember that in my district, District 42, I only have one district, North Platte Public, that's an equalized district that receives TEEOSA money. All of the rest of the schools in my district receive no TEEOSA formula funding. And in fact, there is one school district in my district that doesn't even have a school lunch program because they're too small. They don't have the facilities to do it, and they end up going across the street to a local restaurant. And they really get no state aid at all. So to me, it's going to come down to if this is just additional, more state aid for OPS and LPS, I'm probably going to be inclined to vote no. If this is something that will benefit all schools across the state, then that may be a different story. I guess I'm going to wait and see what we do on Select, but I will likely vote yes on General and then wait to see what the amendments look like on Select. Thank you.

**DORN:** Thank you, Senator Jacobson. Seeing no one else in the queue, Senator Walz, you're recognized to close on AM66.

**WALZ:** I'll just be brief. Thank you, Mr. President. We're having lots of conversations here on how we can work on this bill and make it better prior to it going to Select. And we'll continue on that work. You know, the main thing for me is that we do everything that we can to make sure that our kids are fed and that they're coming to school and they're ready to learn. So with that, thank you, Mr. President. I hope you vote green.

**DORN:** The question before the body is the advancement of AM66-- the adoption of AM66. All those in favor vote aye; all those opposed vote nay. Have all who voted that care to? Mr. Clerk, record.

**CLERK:** 41 ayes, 0 nays on adoption of the amendment, Mr. President.

**DORN:** The amendment is adopted. Back to the discussion for the advancement of LB285. Seeing no one else in the queue, Senator Walz, you're recognized to close. Senator Walz waives. Colleagues, the question before body, body is the advancement of LB285. All those in

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favor vote aye; all those opposed vote nay. Have you all voted?  
Record, Mr. Clerk.

**CLERK:** 33 ayes, 10 nays, Mr. President, on advancement of the bill.

**DORN:** The bill advances. Next item, Mr. Clerk.

**CLERK:** Mr. President: LB731, introduced by Senator Brewer. It's bill for an act relating to state government; provides for service by state agency department heads in the reserve components of the armed forces of the United States; and repeals the original section. Bill was read for the first time on January 18 of last year and referred to the Government, Military and Veterans Affairs Committee. That committee placed the bill on General File. There are no committee amendments, Mr. President.

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

**BREWER:** Thank you, Mr. President. Good morning, colleagues. This bill I wanted to open with as a, as a easy, simple bill. But after seeing everything else this morning, I'm not sure I want to do that. It's a one-page bill and adds one sentence to law. It authorizes a person who is in the-- is the head of a state agency appointed by the Governor to be able to be a member of the reserve component in the United States Military. So that would be the Air or the Army National Guard or the Air or Army Reserve. The current law is not clear on this point, and this will add one sentence to clarify and get rid of the ambiguity and confusion that is currently in law. I would ask for your support on LB731. Thank you, Mr. President.

**DORN:** Any discussion? Seeing none. Senator Brewer, you're welcome to close. Senator Brewer waives closing. Colleagues, the question before the body is the advancement of LB731. All in favor vote aye; all opposed vote nay. Record, Mr. Clerk.

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

**DORN:** LB731 advances. Mr. Clerk, next bill.

**CLERK:** Mr. President, next item: LB771, introduced by Senator Sanders. It's a bill for an act relating to the Department of Veterans' Affairs; provides for a postsecondary institution grant program as prescribed; provides powers and duties for the department; states legislative intent for appropriations; declares an emergency. Bill was read for the first time on January 18 of last year and referred to the

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Government, Military and Veterans Affairs Committee. That committee placed the bill on General File. There are no commit-- committee amendments. There is an amendment from Senator Sanders, Mr. President.

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

**SANDERS:** Thank you, Mr. President. Good morning, fellow members. Today, I introduce LB771, which establishes a one-year pilot grant program for a partnership between the University of Nebraska and the Defense POW/MIA Accounting Agency, also known as DPAA. I'd like to thank the cosponsor and the University of their-- of Nebraska for their continuous support. LB771 establishes a pilot program that would grant \$200,000 to a qualifying postsecondary institution. This would be used to establish or expand programming that assists DPAA in its mission. The Department of Veterans' Affairs will administer the grant to the pilot program for a year, and the grant money will be pulled from the Nebraska Veterans Aid Fund. Supporting Offutt Air Force Base and the U.S. Strategic Command has been a-- has been and will continue to be a priority of mine. The members and civilians that serve there, along with their families, are a core part of our community, along with their families, and they are a core part of our community, state, and nation. Military personnel and their families serve selfishly and make sacrifices on behalf of the nation's continually-- mission. DPAA's mission is an honor to respect those who have died in service to their nation. In doing so, the team at DPAA uses state-of-the-art technology to thoroughly and accurately identify the remains of soldiers across the world, bring them home to their families in an honorable burial. In 2021, DPAA completed a project which identifies over 360 soldiers from the USS Oklahoma at Pearl Harbor. In doing so, the team at DPAA were able to give closure to our fallen heroes and their families. The work DPAA does is vital in ensuring that our military are recovered, identified, and returned home with honors. I am proud to say that DPAA has created partnerships with the University of Nebraska, both at Omaha and in Lincoln. With this partnership, students will be able to gain invaluable experiencing-- experiences, furthering their education and opening the doors to jobs which will keep the young talent here in Nebraska. Please vote yes. Vote green for LB771. Thank you, Mr. President.

**DORN:** Thank you, Senator Sanders. Mr. Clerk for items.

**CLERK:** Thank you, Mr. President. Notice of committee hearings from the Natural Resources Committee, the Executive Board, and the Health and Human Services Committee. That's all I have at this time.

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**DORN:** Senator Jacobson would like to recognize 18 members of the Nebraska Bankers Association that are in the north and south balconies. Please stand and be recognized by your Nebraska State Legislature. Also, Senator Jacobson would like to recognize 150 members from all 93 counties of the Nebraska Association of County Extension Boards. They are also in the south and north balcony. Please stand and be recognized by your Nebraska State Legislature. Also, Senator Vargas would like to recognize the Nebraska State Education Association retired members; 20 to 30 members from all over Nebraska are in the balconies. Please stand and be recognized by your Nebraska State Legislature. Mr. Clerk.

**CLERK:** Mr. President, Senator Sanders would offer AM2209 to LB771.

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

**SANDERS:** Thank you, Mr. President. I'm bringing this amendment before the floor and ask for your green vote. This amendment makes it clear that the grant money will come from the money set aside within the Nebraska Veterans Aid Fund rather than the General Fund. Specifically, the money will be appropriated for the Veterans Aid Income Fund, which is sourced by the Nebraska Interest Fund. It also states that LB771 provides for a pilot program, meaning it is a one-time expenditure. Should the university choose to renew the fund-- the grant fund on a permanent basis, this is their choice. Please vote yes or green on amendment and the LB, LB771. Thank you, Mr. President.

**DORN:** We are now open for discussion. Seeing no one else in the queue. Senator Sanders, you're recognized to close on AM2209. Senator Sander-- Sanders waives. Colleagues, the question before the body is the adoption of AM2209. All those in favor vote aye; all those opposed vote nay. Have all who voted who care to? Mr. Clerk, record.

**CLERK:** 48 ayes, 0 nays on adoption of the amendment, Mr. President.

**DORN:** AM2209 is adopted. Seeing no one else in the queue. Senator Sanders, you're welcome to close on LB771. Senator Sanders waives. Colleagues, the question before the body is the advancement of LB771. All in favor vote aye; all opposed vote nay. Mr. Clerk, record.

**CLERK:** 39 ayes, 0 nays on advancement of the bill, Mr. President.

**DORN:** LB771 advances. Mr. Clerk for items.

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**CLERK:** Mr. President, next item on the agenda: LB147, introduced by Senator Kauth. It's a bill for an act relating to property tax refunds; changes provisions relating to the notification of political subdivisions; and repeals the original section. Bill was read for the first time on January 9 of last year and referred to the Revenue Committee. That committee placed the bill on General File. There are no committee amendments. Mr. President.

**DORN:** Senator Kauth, you're recognized to open.

**KAUTH:** Thank you, Mr. President. This is a very simple good governance bill brought to me by NACO. This is-- currently, political subdivisions-- or county boy-- boards would like to raise the limit to-- from \$200 to \$1,000 for when they have to be notified of a refund. And they'd like to be able to get those refunds notifications by email. We're just updating the amount and the fact that you can actually use email to make a notification. So it's a very, very simple bill. And I would encourage everyone to vote yes and pass it on.

**DORN:** Mr. Clerk.

**CLERK:** Mr. President, Senator Machaela Cavanaugh: FA21, AM521, AM558, AM557, MO42, AM573, AM574, AM575, AM576, and AM577, all with notes that she wishes to withdraw.

**DORN:** Without objection, so ordered.

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

**DORN:** Senator Blood, you're recognized to speak.

**BLOOD:** Thank you, Mr. President. I would ask that Senator Kauth please yield to some questions.

**DORN:** Senator Kauth, will you yield to a question?

**KAUTH:** Of course.

**BLOOD:** Thank you, Senator Kauth. Senator Kauth, you said that NACO brought this to you.

**KAUTH:** Mm-hmm. Yes.

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**BLOOD:** And so if I heard you correctly, was it because political subdivisions were left out of this or because we wanted to expand the ability for political subdivisions to ask for a bigger waiver?

**KAUTH:** So right now, political subdivisions, if a refund is less than \$200, the county board is able to waive the notice requirement to the political subdivision. They've requested that it raise up to a \$1,000 because it's just the, the inflation and everything. They're seeing more of those. So under LB147, a political subdivision whose refund is \$1,000 or less can now waive the notification. Basically, their, their accounting doesn't need to pay attention to anything under \$200. They're really more comfortable doing it under \$1,000 to make sure that they're getting that notification. But the, the numbers under \$200 is just too much paperwork for them.

**BLOOD:** So it's going to eliminate the lower amount and it's going to expand the higher amount?

**KAUTH:** Correct, that they have to be notified.

**BLOOD:** And so if it's so important why are we saying "may" instead of "shall?"

**KAUTH:** No idea.

**BLOOD:** So they have the option. It really won't change anything unless they choose to do it, correct?

**KAUTH:** Correct. They-- and they would request to have it by email. They would just submit it in writing that they get their information by email.

**BLOOD:** So, so we're pushing forward a bill to raise the limit that will accommodate them more so when it comes to paperwork, if I hear you correctly.

**KAUTH:** Correct.

**BLOOD:** We say it's important because with inflation-- which I'm not sure I understand that connection-- but the amounts tend to be higher.

**KAUTH:** Correct.

**BLOOD:** But it's a bill that really doesn't do anything unless somebody wants it to happen?



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**KAUTH:** Right now, they, they have to do everything in writing, and they can't do it by email. So that's the big part of it. And while they're at it, they wanted to have that limit increased.

**BLOOD:** So they may do it, but they don't have to do it.

**KAUTH:** Correct.

**BLOOD:** All right. Thank you, Senator Kauth.

**KAUTH:** Thank you.

**DORN:** Thank you, Senator Blood and Senator Kauth. Senator Erdman, you're recognized to speak.

**ERDMAN:** Thank you, Mr. President. So I was wondering if Senator Kauth would yield to a question or two.

**DORN:** Senator Kauth, will you yield to a question?

**KAUTH:** Certainly.

**ERDMAN:** Senator Kauth, it talks about they don't have to notify-- they're notifying who, the subdivision that gets the refund that the money's taken from? How's that work?

**KAUTH:** As far as how they are notified?

**ERDMAN:** OK. You're going to notify-- so you're raising the limit from \$200 to \$1,000.

**KAUTH:** Correct.

**ERDMAN:** OK. So what is the, what is the issue that happens that they have to notify the subdivision that there's a refund? What-- that-- I'm having trouble figuring out. So, so they--

**KAUTH:** When there are-- I believe it is for property taxes specifically.

**ERDMAN:** OK. So they've given, they've given a, a refund that they shouldn't have given? Or how does that work? What does--

**KAUTH:** I'm guessing. Yeah.

**ERDMAN:** Because, because I'm not sure exactly what that means. So--

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**KAUTH:** When-- whenever they have a refund that they need to process.

**ERDMAN:** So in other words, let's say that the county distributed to a political subdivision more money than they were-- than they should have and finding out they need a refund. They don't no-- they don't have to notify them it's \$1,000? How-- I'm not, I'm not standing-- understanding what this bill does.

**KAUTH:** Basically, it's that the county treasurer notifies the political subdivision that they're getting a refund. And if it's \$1,000 or under, then they'll notify them. Previously, if it was \$200 or under, they would notify them. So they're saying that they're, they're either not getting as many \$200 and under or it's just not worth the paperwork because it's not enough to make a difference.

**ERDMAN:** OK. So what are they notifying them of? They're taking the money from them or--

**KAUTH:** That they are-- that they are getting a refund.

**ERDMAN:** I'm, I'm completely confused. Thank you.

**DORN:** Thank you, Senator Erdman and Senator Kauth. Seeing no one else in the queue. Senator Kauth, you're recognized to close. Senator Kauth waives. Colleagues, the question before the body is the advancement of LB147. All of those of-- in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**ASSISTANT CLERK:** 31 ayes, 2 nays on the motion to advance the bill.

**DORN:** LB147 advances. Mr. Clerk.

**ASSISTANT CLERK:** Mr. President, next bill: LB644, offered by Senator McDonnell. It's a bill for an act relating to the Site and Building Development Fund; to provide for a transfer of funds; change provisions related to use in Site and Building Development Fund; provide powers and duties for the Department of Economic Development for certain projects; to repeal the original sections; declare an emergency. The bill was introduced on January 18 of last year. It was referred to the Banking, Commerce and Insurance Committee. That committee placed the bill on General File with no committee amendments.

**DORN:** Senator McDonnell, you're recognized to open.

**McDONNELL:** Thank you, Mr. President. LB644, a bill that would allocate funding to the Site and Building Development Fund in order to support identifying, evaluating, and developing a large metro-- multi metro mega site as well as other large commercial industrial sites across the state. First, this bill would provide a one-time transfer of \$100 million from the Cash Reserve to the Site and Building Development Fund within the DED to support developing the large mega-- metro mega site. The bill would also provide a one-time transfer of \$50 million from the Cash Reserve to the same fund to support the underlying purposes of the Site and Building Development Fund as it stands today. To ensure these one-time investments are utilized appropriately, the bill would provide \$10 million to Department of Economic Development to engage in a planning and-- planning and to conduct studies to identify and evaluate large commercial and industrial sites that would best serve the state. Finally, the bill would provide some parameters as to what the, the goal of these end user investments should be, meaning focused on supporting transformational projects in the industries with high wages with significant investment and job creation that is certain to occur as a result of the state, state support. Nebraska's prime location between coasts and borders, robust transportation network, the ability to support inland ports, and talented workforce catch the eye of the site selectors and major industries every single day. The opportunity and interest in locating in Nebraska would not only bring significant investment and GDP growth to the state, but offer new, high-quality, high-paying job opportunities that attract new residents, enhance quality of life, and grow communities. However, time and time again, Nebraska has lost out to major investment and employment opportunities because three critical infrastructure items must be pla-- in place in order to land these, these companies. One, adequate acres controlled and reserved for development; two, upgrades made or engineered to local water, sewer, roads to accommodate construction operations and transportation; five, proximity to talent and appropriate training and upskilling resources. Without the opportunity that this bill provides, Nebraska will continue to be without a viable site to compete for those major projects. Significant infusion of state dollars into the Site and Building Development Fund can supercharge this existing program and use one-time funding to position Nebraska as a state open for business and industry expansion. Now, in the time for action-- now is the time for action. Transformational development projects require a shovel-ready site for investment and consideration. The scale and scope of this type of development ne-- necessitates state support and coordination. A project of this scale will create a economic

multiplier effect throughout our state's economy that would be measured in billions of dollars. And these sites can truly be viewed as Nebraska sites. Nebraska must be ready to compete when those opportunities for major employment and investment come along. Being competitive in today's market means having the resources in place, the site controlled, the planning completed, infrastructure updated, and sites primed for considerations. I want to thank Senator Slama and the, and the Banking Committee for advancing this 8-0. There was no opposition to this bill during the hearing. And I also want to-- I appreciate Senator Jacobson last year making this his 2023 priority bill. Here to answer any questions. Thank you, Mr. President.

**DORN:** Thank you, Senator McDonnell. Mr. Clerk.

**ASSISTANT CLERK:** Mr. President, Senator Conrad had previously filed MO750, MO751, MO752, MO753, MO754, MO755, and MO756. She has indicated she wishes to withdraw all of these.

**DORN:** With no objection, so ordered. Returning to the queue. Senator Jacobson, you're recognized to speak.

**JACOBSON:** Thank you, Mr. President. And thank you, Senator McDonnell, for bringing this bill. I was happy to cosponsor-- or, sign on not only as a cosponsor but also to name it as my priority bill last year. We did run out of time to be able to get it heard, so I'm glad to have it back. I did add it as a priority bill with an agreement with Senator McDonnell that we would be bringing an amendment. That amendment would actually allow for these sites to be done in outstate Nebraska. And so that amendment will be coming on Select. And so I am going to support the bill to get it moved to Select so we can also add that amendment and move this forward. He articulated a number of points as to why such a site is critically important if we want to really expand manufacturing and large-scale manufacturing in the state of Nebraska. My amendment would, of course, also make this possible that we think beyond Lincoln and Omaha and that we think about western Nebraska. And as I look at my district in District 42, we have North Platte, largest rail classification yard in the world. We have an airport with a runway long enough that it did land Air Force One many years ago. So we have an airport. We have I-80. We have a large rail park along with an inland port authority-- I might add, the first designated inland port authority in the state of Nebraska. And we also have Highway 83 that runs north and south. In addition to educational opportunities besides having Mid-Plains Community, Mid-Plains Community College, they also have arrangements with Doane College and

Bellevue University to provide additional training. So we bring all of the pieces that are necessary along with a massive amount of land-- not only acres around the inland port, but also the properties that are out there in the N-CORPE land. There are literally thousands of acres that can be-- would be a great site for massive expansion of a massive development without neighbors, without in-- without impacting the neighbors accordingly. So this is a good bill. This is something that needs to move forward. I will support it through, through General and be looking to add the amendment on Select. Thank you, Mr. President.

**DORN:** Thank you, Senator Jacobson. Senator Slama, you are recognized to speak.

**SLAMA:** Thank you, Mr. President. And good morning, colleagues. I would like to echo Senator Jacobson's comments. I do think we have a good amendment that should be coming in between General and Select that helps rural Nebraska play a stronger role in this bill. And I'm incredibly grateful for Senator McDonnell's work and openness and willing to work with us on this issue to ensure that major economic development projects work for the entire state of Nebraska, not just a select few. So thank you, Senator Jacobson, for working with me on this and for prioritizing this bill last year. And thank you very much, Senator McDonnell, for being just a real champion for economic development in the state. Thank you.

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

**CLEMENTS:** Thank you, Mr. President. Would Senator McDonnell yield to a question?

**DORN:** Senator McDonnell--

**CLEMENTS:** Or two.

**DORN:** --will you yield to a question?

**McDONNELL:** Yes.

**CLEMENTS:** I'm reading the fiscal note. It looks like there's-- the bill has \$80 million of Cash Reserve in 2025 and then \$80 million in 2026. I thought I heard you say \$100 million and then \$50 million. Where did the \$100 million and \$50 million come from?

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**McDONNELL:** No, you are correct. It's going to be \$160 million.

**CLEMENTS:** \$160 million?

**McDONNELL:** You are correct. The fiscal note shows \$160 million. That is correct.

**CLEMENTS:** OK. Well, \$160 million out of our Cash Reserve is a lot of money. Currently, our Cash Reserve is about \$848 million, which is two years worth of-- two months-- excuse me-- two months worth of-- 16% of our budget, which is about two months worth of expenses. And that's a guideline that we like to keep our cash reserves at, the 16% level. Taking \$160 million out of the Cash Reserve reduces it to \$688 million, which would be 13% of our annual expenditures. And I don't know how you're going to keep our Cash Reserve up with this large of a, a reduction. One more question, Senator McDonnell. Would you yield?

**McDONNELL:** Yes.

**CLEMENTS:** Is there a trigger with this? Do we have to have a company coming in bef-- that is identified before we'd actually make this transfer?

**McDONNELL:** And to go back to your last statement, it's over a two-year period. So it's \$80 million each year. And also I think we know that if we look at the Cash Reserve, where we are with cash funds, and as was stated by Senator Slama and Senator Jacobson, we are working on an amendment between now and, and Select to make sure this benefits the whole state. But back to the, the, the, the question of the \$80 million and \$80 million. You gave a one-- for the Cash Reserve, that is a total of \$160 million. But if you have other ideas on where that funding can come from, I'm open to it. Because we know in the state of Nebraska we have \$8 billion right now of cash. It's being discussed right now about taxes and how to relieve taxes. And we have an opportunity here to invest in the state, prepare for those industries to come here. You cannot actually build after. We've had proven examples throughout the history of our state where we haven't been prepared for these businesses to locate here. And they're saying, if you had a mega site, if you have that opportunity, if you have that infrastructure ready for us, we would have relocated to your state. That's the point, is we want to get ahead of the game. We want to make sure we have that site, sites throughout the state. And we're ready to recruit those business from around the country and not just compete around the Midwest with those six states surrounding us, but all 49

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other states. We want to compete coast to coast and make sure that we're ready to bring those businesses into the state.

**CLEMENTS:** All right. Well, thank you. I am just wondering, how much land can you develop with \$160 million, Senator McDonnell? Is it a thousand acres?

**McDONNELL:** You know, the, the, the, the question was asked early on before we introduced this bill last year, and they said that-- they go, what is something that makes us competitive? And they said, well, you could be looking at, you know, a thousand-plus acres. I said, who does it probably the best? Who, who prepares these mega sites and uses their, their, their land best for their people to actually recruit these businesses? And they said Texas. And I said, OK. Well, what does, what does Texas set aside for these mega sites? They said 2,500 acres. I said, I want to start at 2,500 acres plus one. And they said, that's probably not realistic based on the size, but I go--

**DORN:** One minute.

**McDONNELL:** --that's where I want to start. I want to actually look at-- when these people are trying to develop this, how do we compete again-- against all 49 states, not just the six surrounding states around us? And with that outlook-- potentially that's not realistic. Maybe it won't be 2,500 acres plus one. Maybe it'll be 1,000 acres. Maybe it'll be, in certain areas of the state, 800 acres. I, I don't know yet, but that's going to be part of, of the, the study they have to do based on this bill. If we move it forward, it gives our state an opportunity to truly look at it, develop those sites, and, and understand what kind of acreage we need to have set aside to be competitive throughout the country.

**CLEMENTS:** OK. Thank you. I'm still not ready to support this. Thank you, Mr. President.

**DORN:** Thank you, Senator Clements and Senator McDonnell. Senator Erdman, you're recognized to speak.

**ERDMAN:** Thank you, Mr. President. So as I review this and I listen to Senator McDonnell's explanation, they're going to use this money to develop land that is suited for an investment by a company that wants to come here and build something and start a business or continue it on with the business they have. So what they will do is they will get the land ready, put the sewer in, the water, the electricity. And then

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because our taxes are so high in Nebraska to attract anyone, we have to use "I Can Imagine How High Your Taxes Are Going to be Now Act." And then we have to also offer them TIF. And so we're talking about expanding businesses coming to Nebraska, but we're going to give them a 15-year reprieve from paying property tax with TIF. We're going to give them an opportunity to take advantage of the ImagiNE Act, which allows them to get sales tax return that they paid. And all these tax incentives that possibly can be earned by any business, they will take advantage of that because their taxes are too high. So we're going to use this money to develop property to be ready to be developed by some business. And we full well know that that business is going to be subsidized by the government. So since 1967, our tax code has been structured in such a way that we pick winners and losers. And that's exactly what this proposal's going to do. It's going to allow us, as an economic development or whatever, whoever puts this together, to pick the winner. And the loser will be all of those who want to come here and start a business who aren't take-- can't take advantage of these incentives. So be careful how you vote for this. Because when you do this, you're also opening it up to all those other incentives that you may not like. Thank you.

**DORN:** Thank you, Senator Erdman. Senator Clements, you're recognized to speak.

**CLEMENTS:** Thank you, Mr. President. Would Senator McDonnell yield to more questions?

**DORN:** Senator McDonnell, will yield to a question?

**McDONNELL:** Yes.

**CLEMENTS:** We've recently invested over \$100 million into north Omaha around the airport to have an industrial park. Wouldn't that be something that could be used for a site that you're talking about here?

**McDONNELL:** So not only have we invested \$100 million around the airport, we've invested \$234 million in north and south Omaha that-- again, we've talked about. Those are being awarded as we speak. We're talking about the mega sites throughout the state. And, and to answer your question, Senator Clements-- absolutely. But we're also talking about between potentially Lincoln and Omaha. We're also talking about North Platte, Grand Island, Kearney. We're-- throughout the whole state, we've got to look at those mega sites. And what is a mega site?



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Maybe it changes in size between, you know, closer to Lincoln and Omaha. But the idea of having that prepared east, west, north, south-- and take that, that same mentality we've had, that same desire to help the people of Omaha, in north and south Omaha, and our whole state, I believe we all do better when we all do better. So if that mega site is in Kearney, Nebraska, if that mega site is in Columbus, Nebraska, North Platte-- wherever that is, it's going to help our whole state. We all get better when we do-- we all do better when we all do better. So yes, to answer your question, there is that discussion being talked about right now. It's been going on for 30 years in Omaha with the airport park too. But that could be considered what you're talking about, a mega site. But we're also talking about the amendment that's coming on Select that Senator Jacobson and Senator Slama referred to earlier. We're trying to help the whole state and invest this money east, west, north, south.

**CLEMENTS:** All right. Thank you. We've, you know, spent that \$200 million and haven't seen additional economic development from it yet. Maybe it's a little bit premature to be developing more until we see if we're attracting businesses from the current \$200 million investment. So I'll have to wait and see and think this over. And thank you for your answers, Senator McDonnell. Thank you, Mr. President.

**DORN:** Thank you, Senator Clements and Senator McDonnell. Mr. Clerk for items.

**CLERK:** Mr. President: LR299, new LR from Senator Murman. That'll be laid over. Additionally, an amendment to be printed from Senator Albrecht to LB605. Notice, the Transportation and Telecommunications Committee will hold an Executive Session this afternoon in room 1113 immediately following their public hearing. Transportation, Exec Session immediately following the hearing. Name adds: Senator Dungan to LB605; Senator Hardin, LB925; Senator Lippincott and von Gillern, LB984; Senator von-- McDonnell to LB1047. Finally, Mr. President, a priority motion: Senator Lowe would move to adjourn the meeting until Wednesday, February 7, 2024 at 9:00 a.m.

**DORN:** You've heard the motion. All those in favor say aye. Opposed, same sign. We are adjourned until tomorrow morning at 9:00.