

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 12, 2026
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CLEMENTS: Good afternoon. Welcome to the Appropriations Committee. My name is Rob Clements. I'm from Elmwood and represent Legislative District 2, which is Cass County and eastern Lancaster County. I serve as Chair of this committee. We'll start off by having members do self-introductions, starting with my right.

LIPPINCOTT: Loren Lippincott, District 34: Central City.

ARMENDARIZ: Christy Armendariz, District 18: Omaha.

DOVER: Robert Dover, District 19: Madison County and the south half of Pierce County.

DORN: Myron Dorn, District 30: Gage County and part of Lancaster.

PROKOP: Jason Prokop, Legislative District 27: west Lincoln and Lancaster County.

CLEMENTS: Assisting the committee today is Cori Bierbaum, our committee clerk. To my left is our fiscal analyst, Clint Verner. Our page today is Joel Henson. If you're planning on testifying, please fill out a green testifier sheet located at the entrance for each bill you wish to testify on, and hand it to the page from your come up to testify. Online position comments must have been submitted on the Legislature's website by 8:00 a.m. the day of the hearing to be included in the record. If you have submitted a comment online, we ask that you not testify in person today. If you will not be testifying, but want to go on record as having a position on a bill being heard today, there are yellow sign-in sheets at the entrance to my left. These sign-in sheets will become exhibits in the permanent record after today's hearing. Committee members may come and go during the hearing. This has nothing to do with the importance of what is being heard, as senators may have bills to introduce in other committees. To better facilitate today's hearing, I ask that you abide by the following procedures. Please silence your cell phones. When hearing bills, the order of testimony will be introducer, proponents, opponents, neutral, and closing. When we hear testimony regarding agencies, we will first hear from the representative of the agency. Then we will hear testimony from anyone who wishes to speak regarding the agency's budget. When you come up to testify, please say and spell your first and last name to ensure we get an accurate record. We request that you limit your testimony to five minutes or less. When

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you begin your testimony, the light on the table will be green. When the yellow light comes on, you have one minute remaining. Red light indicates you need to stop. Questions from the committee may follow. Verbal outbursts or applause are not permitted in the hearing room and may be a cause for you to be asked to leave. Written materials may be distributed to committee members as exhibits only while testimony is being offered. Hand them to the page for distribution when you come up to testify. We cannot accept oversized exhibits, CDs, or electronic exhibits. If you have written testimony but do not have 12 copies, please let the page know now so they can make copies for you. With that, we begin today's hearing with LB1231. Good afternoon.

ALYCIA TIEMANN BRADY: Good afternoon, Chairman Clements and members of the Appropriations Committee. For the record, my name is Alycia Tiemann Brady, A-l-y-c-i-a T-i-e-m-a-n-n B-r-a-d-y, and I serve as the legislative aide for Senator Paul Strommen, who represents Legislative District 47, which consists of nine counties that cover a vast 10,500 square miles in western Nebraska. Today, I present LB1231, which would appropriate funding for fiscal year 2026-27 from the Panhandle Improvement Project Cash Fund to the Animal Damage Control Cash Fund and subsequently to the Department of Agriculture for purpose-- for the purpose of carrying out Nebraska's Animal Damage Control Program with a specific emphasis on coyote depredation. Nebraska's wide-open landscapes have long supported a delicate balance between wildlife, agriculture, and rural communities. In recent years, however, the growing coyote population has begun to disrupt that balance. As highly-adaptable predators, coyotes increasingly thrive near farms, ranches, towns, and rural homes, resulting in rising livestock losses, declining populations of native game species, and more frequent encounters with people and pets. The Nebraska beef cattle industry, a cornerstone of our state's economy, already faces significant challenges. Coyote depredation remains one of the most significant and costly causes of producer loss. In 2015, Nebraska ranked fourth nationally in the USDA's cattle and calves death loss study, with losses exceeding \$234 million for cattle producers statewide. More recent analysis shows the substantial economic value of proactive management. Utilizing a conservative estimated 2% reduction in depredation associated with targeted coyote management, it is projected that Nebraska beef producers could have saved approximately \$78 million per year on average between 2021 and 2025. Over that five-year period, this would equate to an estimated \$390 million in

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preventable losses, demonstrating that strategic investment in population control delivers measurable financial returns. Today, as coyotes continue to expand near livestock operations, rural communities, and even urban areas, both the state and counties face an escalating challenge. This is not about eliminating a native species, it's about responsibly managing wildlife populations to protect Nebraska's farmers, ranchers, livestock industry, and public safety. Effective population management requires professional oversight, science-based strategies, and sustained funding. LB1231 represents a fiscally-responsible and targeted solution. By strengthening Nebraska's animal damage control efforts, this bill helps reduce livestock losses, support rural producers, protect local economies, and ensure taxpayer dollars generate meaningful and measurable returns. For these reasons, I respectfully ask for your consideration and support of LB1231, and I'd like to thank the committee for accommodating my testimony today on the senator's behalf.

CLEMENTS: We don't take questions from staffers.

ALYCIA TIEMANN BRADY: That works out just fine for me.

DOVER: Well, I was going to have some fun.

ALYCIA TIEMANN BRADY: Thank you.

CLEMENTS: Thank you. We welcome proponents for LB1231. Good afternoon.

SPIKE JORDAN: Good afternoon, senators. My name is Spike Jordan, S-p-i-k-e J-o-r-d-a-n. I'm a sixth-generation rancher from Sioux County, Nebraska. Whenever Senator Strommen was campaigning, he came up to Harrison, it happened to be my birthday, and so I had the day off. And I asked him if he would like to go out and see some of the north country in the northern part of Sioux County where my family has ranched, as I mentioned, for six generations. I wanted to do that so that way, if I called him with a problem, he could visualize it inside of his mind. Because it's a hell, hell of a big district to go and cover. One of the discussions that we have while we're on that drive is talking about coyote control. In 1965, or in the mid-60s, someplace around there, the Animal Damage Control Fund was established. Unfortunately, it has not been funded since Governor Orr was in office. I would have come down and protested her cutting that funding, but I was about three years old at the time. So I don't think that

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would have worked out so great. But there's a-- if we lose a calf to a coyote or something, it was pretty expensive in 2000-- or 2020 whenever I, I first moved back to the ranch. And nowadays, where calves are selling for about \$2,000 a piece, that's quite a significant loss that you're going to have. And they can start adding up quickly, and if you have more of that creditor pressure on them. And not even to consider the, the loss in weight that they get from being harassed all the time even once they're old enough to kind of fend for themselves. They're still going to run away from that and that's going to lead to lower weights whenever we take those calves to the sale in the fall. So I would support this bill. I think it's great that we can start with this funding. It'll allow us to kind of have a three-legged stool so that all the cost is not specifically falling on the county to go and provide proof for, for this, and it will also help, you know, our feedlot and dairy sectors deal with the startling bird issues that they have. There's going to be a lot more testifiers coming after me, but I just kind of want to give you a background on how we came about getting to this bill. And I'll be happy to answer any questions you have.

CLEMENTS: Are there questions? Do you know how many calves you've lost per year recently?

SPIKE JORDAN: I would say it's about maybe a 2% or 3% loss. And like was mentioned in the opening testimony, if we could avoid that, that's amounting to a pretty significant chunk across the state.

CLEMENTS: Senator Dover.

DOVER: So if you're saying 2-- I'm just, to be more specific. So you're saying a 2 or 3% loss, how many calves would that be?

SPIKE JORDAN: Show out of a hundred head, that would be two calves.

DOVER: OK, so you lost two calves?

SPIKE JORDAN: Well, I didn't say that, but we--

DOVER: No, I realize. I'm just trying to, I'm just trying to find out a number of-- just to get an idea, you said \$2,000, how many--

SPIKE JORDAN: So over the last five years, how many, how much?

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DOVER: Yes.

SPIKE JORDAN: I'd estimate probably close to \$20,000.

CLEMENTS: Any other questions? Seeing none, thank you for your testimony.

SPIKE JORDAN: Thank you.

CLEMENTS: How long does it take to get back to home from here?

SPIKE JORDAN: It takes about eight hours, so it's a significant drive. But I come down here and testify quite a bit on veterans issues. I moonlight as the county veteran service officer.

CLEMENTS: Thank you for coming. That's why we scheduled this bill first.

SPIKE JORDAN: Thank you very much.

DOVER: Nice, nice weather for a drive.

CLEMENTS: Next proponent, please. Good afternoon.

CANDACE MEREDITH: Good afternoon. My name is Candace Meredith, C-a-n-d-a-c-e M-e-r-e-d-i-t-h, and I'm with the Nebraska Association of County Officials here in support of LB1231. I am handing out a primer that we did during the unfunded mandate tour that we had. We had the hearing and had a lot of discussions with all of you. Just had an update and adding these, this LB language to, to the primer for your review. Again, I'm not going to really speak to what Spike spoke to about his personal experience, but I do just want to quickly talk about the unfunded mandate portion of this legislation. So LB1231 is targeted to strengthen Nebraska's animal damage control capacity. The bill states that the legislative intent is to appropriate \$26,000 from-- for fiscal year '26-27 to the Department of Agriculture for the Animal Damage Control Program. So from that budget perspective, LB1231 is also structured in a way that aligns with the Legislature's ongoing focus on easing local pressures. The bill provides a mechanism to move unobligated dollars from the Panhandle Improvement Project Cash Fund into the Animal Damage Control Cash Fund, rather than shifting these increasing costs onto counties and the property taxpayers. And so with that, again, short-- I understand this is quite small dollars. But

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again, a big impact. So with that, I'll be happy to answer any questions.

CLEMENTS: Senator Dorn.

DORN: Thank you, Senator Clements. Thank you for being here. Do you know of any counties who currently, reading this purpose or whatever, the animal control thing, do you know any counties that are implementing this or doing-- giving possible assistance with any matching funds?

CANDACE MEREDITH: No, I am not familiar with that. I know there's a lot of relationships with the USDA that-- I don't know if he's gonna be testifying today, but that might help.

DORN: OK, thank you.

CANDACE MEREDITH: It's a good question.

CLEMENTS: Other questions? I have, I have one question. Is a county required to give a match if requested?

CANDACE MEREDITH: I'd probably refer to someone else behind you on that for sure.

CLEMENTS: All right, we'll wait for that. Any other questions? Seeing none, thank you for your testimony.

CANDACE MEREDITH: Thank you.

CLEMENTS: Next proponent.

MATTHEW MELCHOR: Good afternoon, Chairman Clements, members of the Appropriations Committee. My name is Matthew Melchor, M-a-t-t-h-e-w M-e-l-c-h-o-r. I am testifying today on behalf of Nebraska Cattlemen, Nebraska Farm Bureau, the Nebraska Sorghum Producers, and Nebraska Wheat to express our strong support to LB1231. For generations, Nebraska's beef industry has been a pillar of the state's economy, supporting rural communities, and putting Nebraska beef on tables across the world. However, one of the persistent challenges we face is damage caused by predatory and nuisance animals that threaten our livestock, property, and livelihoods, especially in the western portion of the state. Each year, producers face uninsurable losses

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from livestock "predation"-- predation and property damage. These incidents create unpredictable costs and operational disruptions that producers cannot plan for or prevent on their own. The Animal Damage Control Cash Fund is one of state's most important financial tools to help producers mitigate these losses. This fund supports targeted management solutions such as technical assistance, education and, when needed, direct control measures, allowing us to protect our herds responsibly and effectively. However, damage for these services-- demand for these service has recently outpaced available resources due to growing predator pressure. LB1231 recognizes this challenge by transferring, not increasing, funds from the Panhandle Improvement Project Cash Fund to the Animal Damage Control Cash Fund. It's a tongue twister. This bill provides essential funding stability for the Animal Damage Control Cash Fund. Being that the primary need for this investment is situated in the Panhandle of the state, these dollars are not putting another sector of the state at a disadvantage, but merely reallocation already-- reallocating already-distributed funds to the same area for a different purpose. Every dollar invested in animal damage control is a dollar that protects Nebraska livestock, secures producer income, and helps rural families remain on the land. By maximizing the impact of existing resources, we ensure taxpayer money is used efficiently and for the direct benefit of Nebraska's rural economy. LB1231 is vital for the continued success of Nebraska's cattle industry. It enables us to remain proactive in protecting our animals, sustaining our operations, and supporting the broader agricultural community that is the lifeblood of our state, the beef state. On behalf of Nebraska's cattle producers, I urge you to support LB1231. Thank you for your time, and I'm happy to answer any questions you might have.

CLEMENTS: Are there any questions? Seeing none, thank you for your testimony.

MATTHEW MELCHOR: Thank you all.

CLEMENTS: Next proponent. Good afternoon.

JOSHUA T. SKAVDAHL: Good afternoon, committee. Thank you for your time. My name is Josh, Joshua T. Skavdahl, J-o-s-h-u-a T. S-k-a-v-d-a-h-l. I'm from Sioux County, Nebraska-- from Harrison, Nebraska. I'm here today to offer some testimony in support of LB1231. I'm the chairman of the Sioux County Board of Commissioners, so I'm

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here in that capacity today, and also as a rancher. I've been a commissioner for 18 year-- I'm in my 18th year. I am chairman of the board. And I'll just go through real quick. I've got a couple other guys that are going to do some more testimony as far as numbers and what we've seen. But the genesis of how this came about in Sioux County is last year, about the 1st of March, a neighbor had a group of 100 heifers that he was calving. He had four calves killed, baby calves that were killed by coyotes, and two first-time mothers, first-calf heifers that were damaged in the birthing process beyond, you know, couldn't be saved. They had to be euthanized. So that was kind of how it started. Sioux County has always worked with the-- in the past over time has worked with USDA. That program is very successful early, but then as time went on it's-- it was not seeing as much results as we needed to. So the county took it upon itself, and some private landowners, to contract aerial control of the coyotes. And we-- there was just, there was a lot of coyotes out there. There's a pilot that'll testify as to the numbers. And the other thing I would mention is it affects the cattle industry. In northern Sioux County, we still have a couple pretty major sheep operations. And it's just, those, it's been very, very hard on them. And then also the wildlife. In the last two years, five years, you've seen a market decrease in deer, antelope, especially turkey, and the limited pheasant population, ground roosting birds that we had, and they just have almost been obliterate-- they're almost gone. I think that's all I'd have. If you've got questions, I could answer them. Try to.

CLEMENTS: I had a question about whether the county is required to match funds that are provided. Do you know if that-- is it true?

JOSHUA T. SKAVDAHL: I don't know if they're required, but that was our hope when we started to have this series of conversations over the last seven, eight months with Senator Strommen. My idea was to try to get a month, you know, the county-- Sioux County would be happy to match or double any-- anything's going to help, especially the situation we're in. The most effective way to get it under control is through the air. And you, you get, if you get \$5.00, it's just the money is gonna go a long ways to get it back under control.

CLEMENTS: I see the, the NACO handout says the county match shall not exceed \$1,000 a year for a specifical-- specific program. So there is

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a statute that they quoted. But the-- it does have a limit as to what the county has to put in. So it--

JOSHUA T. SKAVDAHL: We're just--

CLEMENTS: --doesn't look like it would be harmful to your budget then, right?

JOSHUA T. SKAVDAHL: No, I don't think so. And it, it, it's such a problem. I mean, it is a giant problem in the west, in the Panhandle and along the Highway 20. It's, it's a lot of money.

CLEMENTS: Are there any other questions? Senator Prokop.

PROKOP: Thank you, Mr. Chairman. Thank you for making the trip to testify today. Just a question, I know a lot of testifiers have talked, talked-- or spoken specifically to issues with coyotes. But other predator issues that you've had, I don't know if you want to share any information on that?

JOSHUA T. SKAVDAHL: Well there's been some in the, you know, there's probably in Sioux County been seven to ten documented mountain lion problems which, which is a whole other issue.

PROKOP: Yeah, yeah, I get it. Yeah.

JOSHUA T. SKAVDAHL: Yeah.

CLEMENTS: By a problem you mean killing--

JOSHUA T. SKAVDAHL: Killing animals and horses and--

CLEMENTS: Some of the herd?

JOSHUA T. SKAVDAHL: --pets and yeah.

CLEMENTS: Very good. Other questions? Seeing none, thank you for coming.

JOSHUA T. SKAVDAHL: Thank you.

CLEMENTS: Thank you for your testimony.

JOSHUA T. SKAVDAHL: All right.

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CLEMENTS: Are there other proponents for LB1231?

ETHAN JOHNSON: Good afternoon. My name is Ethan Johnson, E-t-h-a-n J-o-h-n-s-o-n. I'm a third-generation rancher from central Nebraska. I am also one of the two pilots that have been flying for Sioux County, and I'm here to support LB1231. Kind of wanted just to give some numbers on the coyotes that we have been seeing. I've been arialing coyotes for four years throughout the state of Nebraska. When those guys called and said they had a coyote problem, I didn't believe them. When I showed up there, I did not bring enough ammunition. The helicopter pilot was the same way. He's been doing aerial work for Wyoming, a little bit of South Dakota and Montana. He said when he came here, he hasn't seen that many coyotes basically per square mile or in one location at a time. I, n last year and including three days this year, the helicopter has flown around seven days. And out of that day, you know, hours can be anywhere from six to eight depending on weather and-- but he's killed over a thousand in seven days. The airplane has not flown this year. Last year we flew a total of four days and killed right around 200, averaging right around 10, 10 coyotes per hour in the airplane and about 15 with the helicopter. In some of those places there was 64 coyotes killed in 45 minutes, and that's all around mostly the cabin grounds. Just the amount of coyotes that we're seeing is astronomical. And even the amount phone calls I've had from other people outside of Sioux County that have been looking for help, that have been losing cattle or calves to the coyote population. And all that flying too, the amount of game that we did not see was, I think out of four days of flying, just say eight hours a day, I seen 10 deer. But I saw over, you know, 300, 400 coyotes. So I do believe it'll benefit both the ranchers and farmers in the state, as well as the state of Nebraska with their deer and wildlife population, especially deer and antelope. And I, I know the Nebraska Game and Parks Commission, some of the commissioners have even talked about the coyotes really are affecting that population. And where we spent a lot of hours in the air looking for coyotes there, there and there's a big problem with them.

CLEMENTS: Are there questions? Yes, Senator Spivey.

SPIVEY: Thank you, Chair. Thank you so much for being here. So I am in Omaha senator, I didn't get a chance to introduce myself, and so this is very foreign to me, and, and Senator Strommen having brought this up. Is this the, like, coyote's natural habitat and folks are living

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there, and that's why you're seeing so many? Or like why is this an issue in this way?

ETHAN JOHNSON: I mean, coyotes are everywhere, I guess. I don't know if I'd be the right person to ask that. But--

SPIVEY: Because it just seems--

ETHAN JOHNSON: --I just think the population--

SPIVEY: I was just wondering, you gave like a lot of numbers, and I'm like--

ETHAN JOHNSON: Yes.

SPIVEY: --that's a lot of-- so I'm just wondering is this their habitat?

ETHAN JOHNSON: I think there's a lot of things that are benefiting towards the coyote spike in population. Mange hasn't been around. Coyotes aren't worth anything anymore. Not very many people are out hunting them as much. But I just think everything is kind of right, and there not being very much game, I think, left out in the hills. And they've been in a drought. There's not very much grass out there. So I think in the winter, they're all coming to congregate because they know there's calves, cleanings, all, and all that.

SPIVEY: Thank you.

ETHAN JOHNSON: You're welcome.

CLEMENTS: Other questions? Seeing none, I guess thank you for your testimony.

ETHAN JOHNSON: Thank you, guys.

CLEMENTS: And for your information. Are there other proponents for LB1231? Good afternoon.

WILLIAM SKAVDAHL: Good afternoon, my name is William Skavdahl, W-i-l-l-i-a-m S-k-a-v-d-a-h-l. And I'm a proponent, and I just want to share with you guys my experience where I grew up. I'm from the same town. My father previously spoke up here, I'm fifth-generation rancher, and just kind of the things that I've seen growing up. I've

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always, during calving season, we always see coyotes everywhere, and just I've had a lot of experiences during tagging in the morning. We go out and there's a dead calf, which just, it's just something that happens. But if we could do something about it to kind of keep that population down, which speaking off of your previous question, people used to trap a lot and so there's lot less coyotes. But they stopped paying money for them, so I think that has something to do with the spike in population. I actually got the chance to fly with Ethan, who was also previously up here, and just looking at those, like at the land, there's a bunch of coyotes. I mean, I'm from the area, and to see from the sky how many coyotes there are. I mean during the middle of calving season, you roll up on a, a herd of cattle, and there's eight coyotes just surrounding them, waiting for them to calf and just, just looking at them. So that's just kind of the experiences that I've had, and if you guys have any questions, I'd be happy to answer any.

CLEMENTS: Any questions? Seeing none, thank you for your testimony.

WILLIAM SKAVDAHL: Thank you.

CLEMENTS: Next proponent. Good afternoon.

JADON SKAVDAHL: Good afternoon. My name is Jadon Skavdahl, J-a-d-o-n S-k-a-v-d-a-h-l. I'm a proponent for this bill. I'm a rancher from Sioux County. And I also got the privilege to fly with Ethan Johnson. And like my cousin William was saying, just seeing the number of coyotes from the air, I am an avid outdoorsman. And I've killed a lot of coyotes, probably more coyotes than many of you guys have ever seen. But just seeing the numbers from the air compared to the ground wasn't saying-- like we shot 76, and we only got to fly for three or four hours over two days just because of the wind. But when-- mostly where we're seeing the coyotes is where we have calves or cattle. They stick around wherever there's food. And just even if they're not killing the calves, just the stress from the predator being around a calving cow, that's just hard on them, hard on the cattle, makes them lose weight, makes them not want to eat or go to water. They kind of mill around. And that's another thing, they'll, they'll kill a calf by just being around the mother when she calves and getting her stirred up, biting at her and getting her to spin around in a circle and she'll stomp on the calf. And then she'll realize it's dead and then she will go get a drink and that coyote will come in and then eat the

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calf. So that even if they're not killing it, just biting it and killing it, they kill it by just harassing the cattle. And then the other thing is the wild game, like when we flew, we, we really didn't see any deer or antelope. And I've noticed that the last five years because I am an avid outdoorsman, I love to hunt. And grouse, like just the native birds and stuff, I, I hardly shoot grouse. I'll shoot two or three grouse a year just because we don't see them anymore. It's-- like I like seeing them too much. It's just hard to hunt them because we just don't have them anymore. And I-- that's all I have to say.

CLEMENTS: Any questions? Thank you for coming. Thank you for your testimony.

JADON SKAVDAHL: Thank you.

CLEMENTS: Are there additional proponents for LB1231. Seeing none, is anyone here in opposition? Seeing none, anyone in the neutral capacity? Seeing none, do you wish to close?

ALYCIA TIEMANN BRADY: No thank you.

CLEMENTS: We waive closing, and we have, we have position comments for the record. Proponents, 1. Opponents, 0. Neutral, 0. That concludes the hearing for LB1231. We'll just wait a minute while the room clears.

[AGENCY HEARING]

CLEMENTS: OK, we'll pass over that one for now. We'll go to LB1070, Senator Dover.

DOVER: Thank you, Chairman Clements. And good afternoon, committee members. For the record, my name is Robert Dover, R-o-b-e-r-t D-o-v-e-r. It's different sitting down at this end of the table. I represent District 19, which consists of Madison County and the southern half of Pierce County. LB1070 intends to ensure all documentary stamp tax revenues specifically dedicated to the Nebraska Affordable Housing Trust Fund are fully available for expenditure for the purposes authorized under the Nebraska Affordable Housing act. A portion of the documentary stamp tax is already statutory directed to the Affordable Housing Trust Fund to support housing affordability across Nebraska. However, under current law, the trust fund is subject

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to a spending limitation that prevents the use of these dedicated dollars once collections exceed the cap. As a result, funds collected for affordable housing purposes may remain unspent, despite ongoing demand for housing assistance or slip to the General Fund. LB1070 does not appropriate, transfer, or rely upon any General Fund dollars. The bill does not create a new revenue source to expand program eligibility or alter how affordable-- Affordable Housing Trust Fund dollars are administered. Instead, it makes a targeted adjustment to the spending limitation to ensure that all available doc stamp-- documentary stamp tax revenues allocated to the trust fund can be put to work as intended. This update is similar to what is done with the tourism commission in the previous biennium. We increased their spending limit to accommodate the influx of lodging tax revenues. Thank you for your time and consideration. I'll answer any questions.

CLEMENTS: Are there questions? Senator Dorn.

DORN: Thank you, Senator Clements. About approximately how much in certain years have there been of greater revenue stream from the doc stamps than what you were allowed-- or the program was allowed to spend?

DOVER: I would refer to Clint.

DORN: Sorry.

CLEMENTS: We can ask him when we debate

DORN: Yeah, he can answer that one later, so.

DOVER: I think--

DORN: But there have been years-- I'll rephrase it. There's been years where there's been more revenue.

DOVER: I think like 8 million.

DORN: OK, thank you.

CLEMENTS: No other questions? Will you stay to close? No, waive closing. Are there proponents for LB1070? Good afternoon.

CAROL BODEEN: Good afternoon again. My name is Carol Bodeen, C-a-r-o-l B-o-d-e-e-n, I'm the director of policy and outreach for the Nebraska

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Housing Developers Association, a membership organization with the mission to champion affordable housing. I am also testifying on behalf of the Nebraska Economic Developers' Association today. First of all, thank you to Senator Dover for bringing this legislation. We appreciate his strong advocacy for addressing our housing issues in Nebraska. This bill to increase the spending authority for the Department of Economic Development to appropriately expend funds that are allocated to the Affordable Housing Trust Fund is especially welcomed. Over these past years, our members have noted that as proceeds from the documentary stamp allocated to the Affordable Housing Trust Fund increased, the spending authority which was attached to it did not increase. Therefore, as application requests for housing projects exceeded the amount available to be awarded out to grantees, the cash balance grew. This then resulted in a higher balance sitting in the Affordable Housing Trust Fund cash account and made it vulnerable to being swept out to other housing funds and the General Fund. The Nebraska Affordable Housing Trust Fund, with over 25 years of proven performance, is a perfect example of something that has increased supply and improved the quality of affordable housing in Nebraska. Grants from the trust fund can be used throughout the state, distributed equally to each congressional district. These funds can be used in many flexible and innovative ways to facilitate affordable housing. Per the eligible uses provided for in the statute, they can go for new construction and rehabilitation for both homeownership and rental, down payment assistance, and housing education programs. We continue to emphasize our support for this housing program that was established in 1996. To quote the statute, it was established to enhance the economic development of the state and to provide for the general prosperity of all of Nebraska's citizens. It is in the public interest to assist in the provision of safe, decent, and affordable housing in all areas of the state. And just to answer your question, Senator Dorn, the-- over the last few years, the spending authority has been roughly about \$11 to \$12 million, and the doc stamp proceeds have ranged from a little over \$13.5 million in 2021, over \$17 million in '21-22, over \$15.5 million in '22-23, in '23-24, over \$14 million, and in '24-25, once again over \$15 million, and about \$16 million estimated for '25-26, so.

CLEMENTS: Very good. Any other questions? Seeing none, thank you for your testimony.

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CAROL BODEEN: Thank you.

CLEMENTS: Are there other proponents for LB1070? Seeing none, any-- oh.

JEWEL RODGERS: Sorry.

CLEMENTS: Good afternoon.

JEWEL RODGERS: Good afternoon, Chairman Clements and the rest of the committee. Hello. Thank you. My name is Jewel Rodgers, J-e-w-e-l R-o-d-g-e-r-s. I'm learning. I want to go on the record as a proponent for LB1070 because, if this were in place, we would have been awarded. And I think that is like exactly the point. That's exactly the point, specifically so helpful that you were able to identify sort of the \$11 million that can be sent-- spent versus the \$13 or \$17 or \$15 that might be there. Our grant application specifically was \$300,000, so that very much would have fit within that cap, again reiterating that we were only two points away. Right? And the limit was there. So, I mean, I do genuinely feel like this bill is a difference-maker for housing in the neighborhood that I live in and am actively developing in.

CLEMENTS: Very good.

JEWEL RODGERS: That's all.

CLEMENTS: Are there questions? Seeing none, thank you for your testimony.

JEWEL RODGERS: Thank you.

CLEMENTS: Are there other proponents for LB1070? Twice, three times. Seeing none, anyone in opposition? Seeing none, anyone in the neutral capacity? Seeing none, Senator, you waived your closing?

DOVER: Yes.

CLEMENTS: We have position comments for the record. Proponent, 1. Opponent, 1, Neutral, 0. That concludes LB1070. As far as bills go, the representative for, oh-- Welcome, Senator. We passed over LB806 temporarily and are now ready for LB844. Good afternoon.

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ROUNTREE: Good afternoon, Chair Clements and members of the Appropriations Committee. This is my first time coming before the committee, so it's an honor to be here today in such distinguished company. Absolutely. My name is Victor Rountree, V-i-c-t-o-r R-o-u-n-t-r-e-e, and I represent District 3, which includes the communities of Bellevue and Papillion. Today, I'm here to introduce LB844, which would appropriate funds from the Site and Building Development Fund for food distribution centers. LB844 creates a new use for the Site and Building Development Fund, allowing appropriations for non-profit organizations that do food distribution in counties of over 100,000 population, but under 300,000 population. The bill states the grant would be for the amount of \$100,000. In Bellevue, there is currently a planned food pantry construction project that's underway to meet the drastic needs of Nebraskans. Eastern Nebraska Community Action Partnership is in the process of expanding their Bellevue Food Pantry and shifting food operations from their north Omaha facility. This new facility will serve as a hub that would not only affect Sarpy County but the entire surrounding area. In 2025, the pantry served 18,941 people from 5,814 households. This was nearly 2,000 more people than 2024. The new pantry will add substantial capacity to the metro area and may help reduce demand on Douglas County. So \$100,000 will help facilitate the purchase of walk-in coolers and freezers. Right now, there's no capacity to take in pallets of essential dairy and meats, household staples. Proteins are among the most requested items at the pantry. Due to a lack of storage, the pantry's shelves fall short of clients' need for balanced meals. This important investment will directly address this nutritional gap, ensuring families, seniors, and military households have consistent, reliable access to the most essential building block of a healthy meal: high-quality proteins needed to maintain well-being. If this is not an appropriate use of Site and Building Development Fund dollars, they would put it towards an allowable portion of the project. We are experiencing great need for food assistance in our state. I worked last year on LB319 to strengthen SNAP benefits for those in need, and during that process, we heard constantly that the current supports for food assistance are being stretch thin. Food pantries are experiencing higher need now, even more drastic than what was needed during the COVID-19 pandemic. In my district, many families were affected by the government shutdown at the end of last year, and were unable to make ends meet. The state must do what we can to support those in need and to make sure that no

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one goes hungry. While I understand the current financial situation of the state makes it difficult to find money for new expenses, I ask that the Appropriations Committee keeps those in need in mind. You have the ability to greatly impact the lives of countless Nebraskans for better or for worse, depending upon what we prioritize in the state's budget. I ask that you work to protect the supports of working families across the state and do everything we can to make lives easier, not harder for our constituents. I do appreciate the difficult work that is before this committee. As a former budget officer, I know that there's never enough money to go around and the hard decisions are before you. Thank you for your attention to this bill. And with that, I will be happy to answer any questions that you have. Thank you.

CLEMENTS: Senator Spivey.

SPIVEY: Thank you, Chair. Thank you so much for being here, Senator Rountree.

ROUNTREE: Yes.

SPIVEY: So for clarification, the money isn't for like the actual purchase of food or their pantry services, it's the actual building to expand their operations, and that's why you're looking at that fund.

ROUNTREE: Correct.

SPIVEY: OK.

ROUNTREE: Currently, they are housed in a 1,000 square foot area down in Old Town Bellevue. And I can say that my basement is larger than the food pantry, my home. But we are procuring the old library in Bellevue since that's moved. And that's going to greatly increase their capacity and make it a premier-type food agency.

SPIVEY: Thank you for that clarity.

ROUNTREE: Thank you, ma'am.

CLEMENTS: Other questions? Seeing none, thank you. Will you be staying to close?

ROUNTREE: I will stay to close. Yes, sir.

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CLEMENTS: All right.

ROUNTREE: Thank you.

CLEMENTS: Next we welcome proponents for LB844. Any proponents? Seeing none, anyone in opposition? Seeing none, anyone in neutral capacity? Seeing none, you're welcome to close.

ROUNTREE: All right. Thank you so much, Chair Clements and the Appropriations Committee. If it's permissible, I'd like to close with a Bible verse out of the book of James 4:2, it says that we have not because we ask not. And so I am asking. But also it goes further to say, you don't receive because you're asking amiss. Well, I'm asking in specifics. I'm asking for \$100,000 for the Bellevue Food Pantry, and I appreciate your consideration. Thank you so much.

CLEMENTS: Are there any questions? Seeing none, thank you, Senator. We have position comments for the record. Proponents, 1. Opponent, 1. Neutral, 0.

ROUNTREE: Thank you so much, sir. Thank you, committee.

CLEMENTS: That concludes the hearing for LB844. All right, we'll now open the hearing for LB1030.

DORN: Thank you, Chair Clements and fellow members of the Appropriations Committee. I am Senator Myron Dorn, M-y-r-o-n D-o-r-n, and I represent the 30th Legislative District. Today I introduce to you LB1030, a bill that would appropriate an unspecified dollar amount to Nebraska's eight economic development districts. This bill was brought to me by the Nebraska Regional Officials Council, NROC, which is comprised of the leadership of the eight districts. These professional organiza-- organizations represent the entire state, and are committed to enhancing the communities and businesses within each region. Each of the economic development districts are engaged in a variety of activities including, but not limited to, community development, business development, housing development, transportation, planning, and grant response development. These strateg-- strategic investments create jobs for Nebraskans, stimulate private investment, and attract investments with-- which support public projects resulting in improved quality of life for our residents. This bill was brought in response to the proposed budget by the Governor and the budget recommendation by the Department of

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Economic Development. These proposals, including striking funds reappropriated each year to the district to the tune of \$700,000. This amount was reduced last year during our work from a million dollars. Further cuts to these districts will have a serious impact on our state's ability to grow, effectively pulling out the welcome mat these organizations help to lay out in every community across our state. These districts are a key part of the effective dissemination of state and federal resources, ensuring communities get connected to resources that are available, that the applications are strong and thoughtful, and that the projects are administered successfully. Local communities invest in these districts, amplifying the state's investment and allowing them to be a force multiplier for the investment in the Legislature makes. Our work to help-- to find savings across states is a ser-- serious one, and we will take hard decis-- we will make hard decisions. However, I ask my fellow committee members to carefully examine these areas that produce a large return on investment to the state, such as economic development districts. Reductions are important, however, we cannot hamper our ability to grow at the same time. I brought this bill to have a conversation outside of the Department of Economic Development's budget because I believe it is that important. Following me will be leaders of some of these economic development districts who can highlight their work, the state's return on investment, and further express how important this funding is to Nebraska, with an eye to the future. Additionally, I would note the support is-- supportive letters submitted online by stakeholders across our state. Thank you, and I'm happy to answer any questions.

CLEMENTS: Are there questions? Senator Prokop.

PROKOP: Thank you, Mr. Chairman. Senator, good to see you--

DORN: Yeah.

PROKOP: --[INAUDIBLE]. Thanks. One, I think development districts are great. And they have a long track record of success. I just want to understand your intent with the bill. So are you-- I know you've got kind of a shell-- or kind of a placeholder in there as far as funds for this. Are you advocating for removing the cut and adding additional funds? Or how, how exactly is that--

DORN: Well, ideally, we'd like all the million back, but we know that's not going to happen because we cut that last year. So this is

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more to, to make sure that we are-- have the ability to have a placeholder for the \$700,000 so that's not cut because of these-- the work that these economic development districts do.

PROKOP: OK.

CLEMENTS: Other questions? Seeing none, will you stay to close?

DORN: I'll probably waive, but we'll see what goes on. Yeah.

CLEMENTS: We welcome proponents for LB1030. Good afternoon.

SYDNEY ERICKSON: Good afternoon Chairman Clements, members of the Appropriations Committee. My name is Sydney Erickson, S-y-d-n-e-y E-r-i-c-k-s-o-n, and I am the business development director for Hastings Economic Development Corporation in the Hastings Area Chamber of Commerce. I'm also here today on behalf of the Nebraska Economic Developers Association in strong support of LB1030. LB1030, as introduced, provides a General Fund appropriation in fiscal year 2027 to Nebraska's eight economic development districts, which collectively serve the entire state. It is our understanding that the budget bill, LB1071, removes \$700,000 in fiscal year 2027 in General Fund support. We sincerely appreciate Senator Dorn bringing LB1030 to respor-- restore this critical funding to our partners in development. Nebraska's development districts play an essential role for both the state and for the work done by economic developers across Nebraska. Each district partners with local economic development organizations to support community development, business development, housing development, and transportation planning. Their role becomes even more critical in rural areas where many communities lack the staff capacity to manage these activities on their own. This regional support structure helps Nebraska communities and businesses secure funding, move major projects forward, and plan effectively for long-term success. Even a modest state investment leverages significant outside funding and technical expertise. Without district support, many communities simply would not have the resources or capacity to compete for funding or carry out essential planning efforts. At the Hastings Economic Development Corporation, we work cloth-- closely with South Central Economic Development District and have seen firsthand the value they bring to Hastings and neighboring communities. Their support through Community Development Block Grant, CDBG, programs has helped businesses like Pacha Soap, Western Reserve, and Bruckman

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Rubber expand in creating at least 47 new jobs over the past five years. More recently, South Central has supported downtown revitalization, critical water infrastructure improvements, and the renovation of a hotel into an outpatient substance abuse treatment facility in our community. In closing, LB1030 strengthens every region of our state by ensuring that communities large and small have access to the professional expertise required to grow and thrive. On behalf of the Hastings Economic Development Corporation and the Nebraska devel-- Economic Developers Association, we respectfully urge you to support this bill. Thank you. And if you have any questions, I'd be happy to answer.

CLEMENTS: Are there questions? Seeing none, thank you for your testimony.

SYDNEY ERICKSON: Thank you.

CLEMENTS: Additional proponents. Good afternoon.

MIKE HELGERSON: Good afternoon. Good afternoon, Senator Clements, Chair Clements and the members of the Appropriations Committee. My name is Mike Helgerson, I'm executive director of the Metropolitan Area Planning Agency. My name M-i-k-e H-e-l-g-e-r-s-o-n. And the Metropolitan Area planning agency, or MAPA, as we're known, serves Washington, Douglas, Sarpy, and Cass Counties in eastern Nebraska. I'm here today to testify in support of LB1030, which would provide for the ability to have a direct appropriation for funds for Nebraska's economic development districts. The work of our economic development districts often goes unnoticed by peoples outside the cities and villages that we serve. The time spent in conference rooms, at village board meetings, on Zoom calls, to translating impractical ideas to a clear path forward oftentimes takes one to two years before a successful project. But it's in this collaborative and deliberative process before projects are started that leads to our most successful projects overall. And this funding that the state provides helps us close that gap. These flexible dollars help match federal funding and help our teams show up in more places more frequently to cultivate projects alongside local leaders. EDDs are proven shared service models built from the bottom up, reflecting the priorities of the communities we serve and the local leaders who shape and lead our organization. In many ways, Mapa is different than a lot of the other economic development districts. Our population is over 41% of the

state's population in the four counties that we serve, living in villages, cities, and the broader counties. Within that region, we have communities of just over 100 people to the largest city in the state. However, the work that MAPA undertakes is really no different than the work that happens at economic development districts across the state, reflecting that approach with timely technical assistance, convening cross-sectoral partners, and then proactively engaging local leaders to pursue projects. At the regional level, MAPA works really closely with the Greater Omaha Chamber of Commerce and the Economic Development Partnership. We recently supported EDA grant applications to support the implementation of the Chambers of Greater Omaha initiative, and have proactively engaged communities on forthcoming opportunity zone designation. Last fall, we hosted the Collaborative Futures Summit in coordination with the Greater Omaha Chamber of Commerce, which brought together MAPA stakeholders and the 6 Region ones-- 6 Regions, One Nebraska initiative to really pursue a broader set of priorities for our region beyond those two initial priority projects. Our recent regional housing symposium scheduled Congressman Flood to talk about his leadership of housing issues at the federal lever-- level and connect him with our local leaders. In one of our smallest communities, Alvo, conversations about dealing with problem properties and nuisance abatement resulted in a \$260,000 community development block grant award to resurface a street and that entrance to the community in a community of just over 130 people. Across the MAPA region, our work on Brownfield's funding helps align redevelopment and economic development priorities. Most recently, our team developed an application for \$500,000 to the Environmental Protection agency to support investments alongside the Omaha Inland Port Authority's Innovation District and Airport Business Park initiatives. In Blair, our work over the last several years has resulted in 17 new housing units funded through a Rural Workforce Housing Revolving Fund that is over a mill-- or around a million dollars from partners, both local and from state investment. We secured a \$1.5 million grant through the Economic Development Administration to support the expansion of a water main to the Blair BioCampus, which supported directly 346 new jobs in that campus. And then a \$7.5 billion BUILD grant created and constructed the Blair South Bypass, a project that had really been planned for 20 years and it was that last push over the finish line to help secure that last in funding to get it constructed. Our economic development work across neighborhoods in our more urban communities complements the regional

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transportation planning that MAPA leads and lays the groundwork for partners like cities and Metro Transit to have meaningful public engagement in their future-- or future planning of transit and neighborhood corridors. As part of this, we secured a 30-month, \$75,000 per year economic recovery core fellowship for the North 24th Street Business Improvement District and have facilitated a thriving communities partnership which is looking at the neighborhoods along the North Freeway from a perspective of traffic safety, redevelopment, economic opportunity and placemaking, which recently was awarded \$1.5 million in Reconnecting Communities Funding. Continued funding for Nebraska's Economic Development Districts is an investment in the efficient and effective development of community projects across the state of Nebraska. These funds leverage the investments made by our member communities to directly impact the lives of Nebraskans and the communities we serve, bring small communities to the table, and provides a foundation for cross-sectoral collaboration at the local and regional level. These flexible dollars help our team show up with the ability in-- or the ability to show up in more places and put to work the building of capacity with our community partners. So thank you for your consideration and your service to the state of Nebraska.

CLEMENTS: Are there questions? Seeing none, thank you for your testimony.

MIKE HELGERSON: Thank you.

CLEMENTS: Additional proponents for LB1030? Good afternoon.

TOM BLISS: Good afternoon. Good afternoon, Chairman Clements and members of the Appropriations Committee. My name is Tom Bliss, T-o-m B-l-i-s-s, and I am the executive director of the Southeast Nebraska Development District, or SENDD. I appear before you today on behalf of SENDD and the Nebraska Regional Officials Council, or NROC, in support of LB1030. SENDD is one of eight development districts in the state, serving 16 counties in the southeast corner of Nebraska including rural Lancaster County, and NROC is the association representing Nebraska's eight economic development districts and provides coverage to all 93 counties statewide. I'm grateful to you and the Legislature for providing essential funding to the districts in previous years. Since 2019, these resources have helped SENDD support over 175 projects, totaling nearly \$67 million across 11 legislative districts. These include constructing and rehabbing 367 houses, assisting 730

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businesses, providing small business financing that resulted in 350 jobs created or retained, and contributed to improving the quality of life for 38,000 Nebraskans. This is a \$66.7 million gain over six years on the state's investment or \$11 million gained annually. Most of this occurs in small towns like Filley and Sprague, David City, Humboldt, Bellwood and Lashara. And nearly all would not occur without SENDD's guidance and support. Presently, SENDD is working on 54 community and economic development in over 30 housing projects. These represent parks, streets, tourism development, water and wastewater, trails, downtown revitalization, emergency interoperability, construction new-- and constructing new houses in some of the state's most rural communities. Several of these projects leverage additional private and federal funds and, once again, these likely would not happen without SENDD's guidance and involvement. Three projects currently underway highlight the scale and impact of this work: a salmon processing facility in Nebraska City, a rail campus in Falls City, and a workforce development center in York. Collectively, these efforts will result in billions of dollars in public and private investment. More importantly, they represent long-term generational change for Nebraska families and farmers, stable jobs, stronger communities, and opportunities that allow people to stay and thrive where they live. Like the state, SENDD takes stewardship of public dollars seriously. Over the past year, our board has taken deliberate steps to reduce operating costs and improve efficiency, including capping overtime, limiting travel, reducing mileage reimbursement and modifying our health insurance benefits. We have redirected these savings back into our work that spurs additional involvement-- rather additional investment in rural Nebraska. We are ensuring that every dollar we receive is working for the communities we serve. I'm extremely proud of Nebraska's development districts and the work we do. And what makes each of us special is we're all unique organizations to add-- working to address local needs and gaps in services. For example, SENDD's priorities are housing, broadband expansion and literacy, small business financing, first responder interoperability, community engagement, capital improvement investments into streets, parks, water, wastewater utilities. However, every district has latitude to identify and determine its own priorities, which reflects Nebraska's shared culture of community and local control. Thank you, Chairman Clements and members for your time and attention to this important issue. We would encourage you to support LB1030 and include this requested funding in the budget so

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that we can continue this important work for Nebraska's community. I would be glad to answer any questions you may have.

CLEMENTS: Senator Dover.

DOVER: So you were cut \$300,000, what did you do to adjust?

TOM BLISS: Say that again.

DOVER: So you were cut-- Senator Dorn said you were cut from \$1 million to \$700,000.

TOM BLISS: So what we did?

DOVER: Correct, and how did that impact?

TOM BLISS: So we, we've limited our mileage. So Mike just talked about being in communities, we're trying to be more strategic, more efficient that way. So my area, we're based in Lincoln, a trip to Falls City or Deshler is about four hours round trip, so we've tried to limit those or maximize the efficiency. We've reduced our health insurance benefits, which saves some money. And as I said, we capped overtime. Most of my staff are hourly, so we really watch overtime closely now. In the past, that wasn't the case. We have a lot of housing inspectors, so they might go down to Thayer County. Once again, it's a two-hour round-- two hours to get down there. And then you're meeting with homeowners to inspect properties. In this case, we've, we've limited that. We've been very, very careful with how we spend our money. But yeah, that's, that's primarily how we've--

DOVER: OK. So if you received the \$300,000 back, what would you do with it?

TOM BLISS: Well, we'd, we'd work-- honestly that, that would be a relief. We probably wouldn't change our insurance honestly, but we'd be just more available. Like last night I was in Schickley at the Fillmore County Development Corporation's annual dinner, and we were talking to communities down there. These are people that, Senator Brandt's district, that don't get a lot of attention from the state or from the federal government. So we'd spend more time down there, you know, spend more in Thayer County, those small communities that, that may be overlooked.

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DOVER: All right, thank you.

TOM BLISS: Yeah.

CLEMENTS: Other questions? Seeing none, thank you for your testimony.

TOM BLISS: Thank you.

CLEMENTS: Next testifier proponent. Good afternoon.

EDWARD DUNN: Good afternoon, Chair Clements and members of the Appropriations Committee. My name is Edward Dunn, E-d-w-a-r-d D-u-n-n. I'm the executive director for West Central Nebraska Development District. We serve 18 counties and 58 incorporated communities in west central Nebraska. Those counties are Grant, Hooker, Thomas, Arthur, McPherson, Logan, Keith, Lincoln, Perkins, Dawson, Chase, Hayes, Frontier, Gosper, Dundee, Hitchcock, Red Willow and Furnas. So we have a very, very large footprint to cover, and I would have piggybacked off of that question that availability would have been one of the things that we would increase if we were able to receive that \$300,000 back. Sorry, I just wanted to piggyback on that question. I, I also echo my fellow executive directors' comments. I wanted to talk briefly on some of our successes that we've had with the CDB-- with specifically in the CDGBG realm. Village of Edison, a community of just over 100 people, we were able to secure a CDBG grant for them to receive a backup well for their municipal well service. That's \$480,000. That community would have never been able to come up with that money if it were not for someone to help them assist in writing that grant. Most of the communities that we serve in our district are villages. There's 700, 800, a little less in population. They don't have the full-time staff. And the staff that they do have are usually clerk and treasurer at the same time, so they need someone in our expertise in grant writing in order to secure those grants for those types of projects, that being a public water infrastructure grant. Lincoln County, yes, Lincoln County is one of-- is our largest county, North Platte being in that county. We assisted them in securing a \$750,000 RAISE grant. Now that is Department of Transportation, but still, without us being there and the funds that you guys provide us through state aid to be in these communities, that would have never happened for them either. Imperial, we secured a \$1 million Rural Workforce Housing Fund. Imperial's just shy of 2,000 people, maybe just over now with the current census and the 2025 estimates that have

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come in now. That was-- that allowed them to build eight brand-new homes and a fourplex. Again, that type of activity does not happen in those smaller communities without our assistance. More recently, we've been focused on planning grants. So we're, we're trying to attend as many meetings as we can in our, in our 58 incorporated communities. If they offer Zoom, we're trying, I've got my staff on a Zoom so we can see what's on their agenda, so we're-- a lot of times if we attend a meeting, we see what's on the agenda. We might be able to say, hey, we have a vehicle for that project. Contact us and we can help you get in the right wheelhouse, whether it's CDBG or, or Rural Workforce Housing or et cetera. In Haigler, we secured a \$23,000 planning grant to assist them in writing their comprehensive plan and as well as a municipal code update. In Hitchcock County, we secured a CDB-- \$23,000 CDBG planning grant to update their comprehensive plan and their zoning regulations. And the other major service that we offer is nuisance abatement. In 2027 will be our 20th year of offering nuisance abatement to our member communities. We operate in anywhere from 12 to 15 communities every year. We are their nuisance abatement officer, enforcement officer. We wrote the handbook on it. And it's something that we pat our back on, but we also like to remind people that we're "hashtag more than nuisance." That's why I mentioned the planning grants before that. All of this work isn't possible without your thoughtful dedication and state aid coming to us. Without that state aid, we'd be-- a lot of the villages in west central Nebraska would be dead in the water for, for grant writing. So I appreciate your time this afternoon, and I would be willing to answer any questions that you might have.

CLEMENTS: Senator Armendariz.

ARMENDARIZ: Thank you, Chair. Thank you for your testimony. The grants that you acquire for these communities, are they federal, federal grants?

EDWARD DUNN: These are state grants through DED, and we, we, we administer the grants for them, which removes the burden on those villages and cities. We have some cities as well, so.

CLEMENTS: Other questions? Seeing none, thank you for your attention.

EDWARD DUNN: You guys are too easy. Thank you, guys.

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CLEMENTS: Other proponents for LB1030? Good afternoon.

CAROL BODEEN: Thanks for putting up with me.

CLEMENTS: We're gonna get a name tag here soon. Welcome.

CAROL BODEEN: Good afternoon, Chairperson Clements, members of the Appropriations Committee. My name is Carol Bodeen, C-a-r-o-l B-o-d-e-e-n, I'm the director of policy and outreach for the Nebraska Housing Developers Association. Our mission is to champion affordable housing. We thank Senator Dorn for introducing legislation to appropriate funding to Nebraska's economic development districts. With one of this year's budget bills, LB1071, removing a \$700,000 appropriation to these organizations, this bill provides opportunity to speak up for the valuable contributions they make to community development. I have the pleasure of working in partnership with those who have spoken before me, so I'll not repeat what has already been said. They said it very well. Development districts have been especially crucial in assisting smaller communities with the administration of programs assisting families with housing needs, such as programs for downpayment assistance, owner-occupied rehabilitation, as well as development of workforce housing. While we acknowledge the success of 6 Regions is not a replacement for these long-established development district organizations. 6 Regions has shown itself to be very effective as a steering-committee-type role, but these development districts are the boots on the ground getting the work done in these communities. And that's-- I'll close with that, and happy to answer any questions.

CLEMENTS: Are there questions? Seeing none, thank you for your testimony.

CAROL BODEEN: All right, thank you so much.

CLEMENTS: Are there additional proponents for LB1030? Seeing none, is anyone here in opposition? Seeing none, anyone in the neutral capacity? Seeing none, Senator Dorn-- Senator waives closing. The position comments for the record. Proponents, 15. Opponent, 1. Neutral, 0. That concludes the hearing for LB1030. Next we'll go with Senator Ibach's representative for LB806.

TYLER MAHOOD: Apologies, I got stuck in Revenue Committee as well, so.

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CLEMENTS: Good afternoon.

TYLER MAHOOD: Hi. Sorry. Good aft--

DOVER: Hello, Tyler.

TYLER MAHOOD: Good after-- sorry, just a second. Good after Chair-- afternoon, Chairman Clements and members of the Appropriations Committee. My name is Tyler Mahood. That is spelled T-y-l-e-r M-a-h-o-o-d, and I am Senator Ibach's legislative aide. Unfortunately, she is unable to attend today as she's in Lexington meeting with community leaders in order to seek ways to address the current climate out there in LB806, which I will introduce today. It could be a toolbox-- tool in the toolbox to help the city move forward. As I'm sure you're aware, last fall, shortly before Thanksgiving, a large packing plant in Lexington announced that they were closing, resulting in the loss of approximately 3,200 jobs in a community of approximately 11,000 Nebraskans. Following this announcement, Congressman Mike Flood spoke of legislative efforts the Legislature took in response to the Tyson closure in Norfolk, and we all know that history can repeat itself. But LB806 aims to help communities avoid what happened in Norfolk back in 2006, where the Tyson facilities shuttered and remain unused to this day. In 2011 when the Site and Building Fund was created, then-Senator Flood introduced AM1136 to that legislat-- that bill, which is largely what LB806 is based upon. Instead of creating a new fund, LB806 simply amends the Site and Building Fund to allow cities of the first class located within a county of fewer than 50,000 residents to apply for a grant to help mitigate the economic impact of a sudden and significant private sector entity-- the sudden and significant closure of a private sector entity for the purposes of improving buildings or infrastructure related to the assets of that entity. LB806 would provide state grant money to a community suffering a similar catastrophic event loss to help regardless of the areas with-- to recruit new businesses and industry to that city. LB806 does have placeholder language to specifically fund this language but, as negotiations remain going-- ongoing between the state, city, and Tyson, it is unknown how much at this time funding-- how much funding would be appropriate. While I'm here, I would also like to note that the Department of Labor and Katie Thurber have done wonderful work with the community, and the community has responded as well. This closure is devastating to the economy, both locally and statewide, and will have long-term effects. A study

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done by the University of Nebraska shortly after estimated that more than 7,000 jobs will be lost statewide, and along with an annual labor income loss of approximately \$530 million. It was estimated that the annual decline in state personal income tax revenue would be about \$32 million a year, and state sales taxes were predicted to decline by approximately \$10 million a year, with a cumulative impact of approximately \$3.28 billion a year. And to say this is a crisis is an understatement, which is why we should be looking at every option on the table as to how to respond, and LB806 is part of that. Now for your records, I will be emailing this opening for you shortly, but with that, I thank you for your time and your consideration of this bill. And individuals from the community will be following to testify.

CLEMENTS: Very good.

TYLER MAHOOD: Thank you.

CLEMENTS: Thank you for opening. We have proponents for LB806, please come forward.

JOE PEPPLITSCH: Good afternoon, Chairman Clements and members of the Appropriations Committee. My name is Joe Pepplitsch, J-o-e P-e-p-p-l-i-t-s-c-h, I am the city manager for Lexington, Nebraska. I'm here to testify today in support of LB806. So Tyler did touch a little bit in the opening on the current situation, but so Tyson Foods announced closure Friday, September 21st, 2025, and, you know, announcing they were going to eliminate 3,200 jobs from the community. So that was a little bit of a, a shock. Analysts have estimated substantial statewide economic losses in labor income, tax revenues, ripple effects across other industries due to the closure. And it's, it's going to get interesting here. But in adversity, there is opportunity. And we've taken that approach. We choose to focus on the potential that lies ahead. So within 24 hours of the closure announcement, we engaged in planning for pathways for recovery. And we understand it's gonna take a lot of work. No question. But Tyson does hold assets that support the pathways that we've been evaluating, and they've been responsive and they've engaged in conversations. And those, those discussions continue. So we remain optimistic. And the benefits of LB806, it supports communities like Lexington for strategic and targeted economic recovery efforts. If you don't have a plan, you're in trouble, but if we can get some targeted investments moving forward, we think that's great. It helps attract new businesses

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to replace lost employment, lost revenue, it mitigates long-term economic impact at both the local and state levels. And it supports diversification of the regional economy, and it also promotes some urban and rural funding balance, getting some of those-- the assistance out to the rural areas. And why this matters for Lexington and why it would be a good, good support of Lexington, over the years-- and Tyson did operate in Lexington for 35 years-- and we were very reactionary. I, I arrived at town in 1997, about six years after the plant had opened. And the community was in a reactionary period. We were short of housing, we were short of utilities, we were short of everything. But over the years, we've, we've built onto that. We've made substantial investments in roads, bridges, utilities, water capacity, wastewater capacity, electric system capacity, industrial-scale electric capacity, transportation access, workforce housing stock. Since 2013, we've built 603 units of, of housing, healthcare facilities, public schools, public safety, tons of things that are out there. You know, so we believe that the, the community really retains that core infrastructure to compete for new private investment, which if you're looking at trying to create additional investment, the underlying core infrastructure in all of those different facilities, utilities, housing, that would take other communities years to build. And we have that capacity, and that's, that's a benefit to us moving forward. So the targeted investments of LB806 would not require building that extra, extra ecosystem support for new investment. And we wouldn't have to do that from scratch. We can hit the ground running and accelerate recovery efforts and, and private investment. So at the end of the day, the assistance contemplated under LB806 would help the community help itself. You know, we're not asking for earmarks and stipends. We want to do the work. If we have a viable plan, we'd like to see it invested and, and help us get kickstarted and get down the road towards recovery. So I'd urge the committee to advance LB806 to General File with favorable recommendations. And by supporting the bill, I think we, we support Nebraska and job growth and long-term uptick.

CLEMENTS: Senator Dover.

JOE PEPPLITSCH: So, thank--

DOVER: I, I-- I was talking to Congressman Smith here a week or so ago. He said they-- he was working with leadership at Tyson, and there

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were some businesses that were interested in, specifically in the, in the building itself.

JOE PEPPLITSCH: It's-- those things are, are unclear, but there are conversations that are happening. And we're certainly supporting Tyson and others in those ventures. As a matter of fact, when we were waiting for the bill to come back up, after we got jumped a couple times and brought it back, I received, I received a message on a, on a lead for that facility. So, you know, those things aren't happening every day, where those conversations are coming. And it does, it is really falling in line with what we're, we're working. We contracted with Olson about less than 24 hours after the announcement, and we began working on plans for pathways forward, various, various plans, and that fits into our overall goal.

DOVER: I guess, [INAUDIBLE], I mean, you have a really current wastewater treatment, or at least Tyson does, right? So that's a big draw.

JOE PEPPLITSCH: Yeah, absolutely. I, I think they have some capacity on the processing side that would certainly benefit the community for future investment.

DOVER: I understand there might be a possible company that is barrel-- that does barrel cheese out of Wisconsin that specializes in coming in looking at buildings to rework them, but the problem is getting, getting the plans from the engineers on the specs of the building.

JOE PEPPLITSCH: I haven't heard those items, but can't really speak to it.

DOVER: OK, thank you.

JOE PEPPLITSCH: But yeah. If there were issues, we would, we would work to remedy those.

DOVER: Do you have any idea what kind of money you're asking for?

JOE PEPPLITSCH: We don't at this time. We won't know-- I think we had, we'd kicked around, depending on certain pathways, around \$5 million, plus or minus.

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DOVER: All right, thank you.

CLEMENTS: Other questions? That was going to be my question. This bill says XX dollars, and \$5 million would be helpful, I, I suppose. Do you know what the property tax valuation of that property is?

JOE PEPPLITSCH: Just the plant itself is around \$25 to \$26 million, it is outside the corporate limits, so.

CLEMENTS: Current assessed value.

JOE PEPPLITSCH: Current assessed, assessed value is \$26 million.

CLEMENTS: Over \$25 million, but it's not in the city limits.

JOE PEPPLITSCH: Contiguous.

CLEMENTS: It's in the county.

JOE PEPPLITSCH: Correct.

CLEMENTS: Very good. All right, well, any other questions? Senator Prokop.

PROKOP: I enjoyed meeting with you earlier. Just a quick question of, you know, some ideas have been floating around what might happen with that plant in the future. What is the city's thoughts or plans? [INAUDIBLE] kind of start thinking about who may be a new tenant there, if you will, as far as job trainings or any you might have there. Would this-- should this be encapsulated in any type of request like this? I know just getting the site right is one thing, but--

JOE PEPPLITSCH: Right.

PROKOP: --any up-scaling or job training things that we should be thinking about too, as a--

JOE PEPPLITSCH: Yeah. Yes.

PROKOP: --Legislature to address what you, what you all are trying to work towards?

JOE PEPPLITSCH: Yeah, I believe so. I think those all go hand in hand. We are working with Central Community College, local school district,

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community leaders just trying to get our, you know-- as, as timing goes. Everything is still pretty fresh, so we're continuing-- continuing to work, build the blocks, keep things rolling. So yeah, job training, re-skilling. We do have Central Community College put out a notice. We do have some former Tyson employees that are now taking welding certifications. So we are seeing some of that happening now. We have seen some absorption in the area with other businesses, but it's still-- we still remain-- we have a gaping hole, so we have to figure out how to make that work. And when we talk about Tyson, we talk about the main facility. They have additional property abutting our industrial tracks, so there's, there's some very attractive things in long-term planning that would really benefit the community. And, you know, we're just trying to figure that out. Tyson has been responsive. We just need to understand it. And again, timing's never perfect. I wish we had all the answers. We don't. But we do have, you know, we are taking the steps and we will have a, a, a very pragmatic and viable plan when we're finished.

PROKOP: Thank you.

CLEMENTS: Other questions? One last question. Is the plant operating on a scaled-down method right now?

JOE PEPPLITSCH: Yeah, the plant will be operating through July of this year with a staff of around 150 individuals, plus or minus. That's my estimate. It's not an official statement.

CLEMENTS: They're projecting to do that through the end of July?

JOE PEPPLITSCH: Yeah, we had a, we had an updated, updated warn notice that they had 220 individuals following January 20th, and then we have some more that will fall off at the end of February. And then they have us about a-- I went down and calculated it. I may have messed that up, I need to double-check it, but it's somewhere around that 150 to 140, 150 people through July. And that's, that's also a moving target. So they could go a little bit longer than that, but it is substantially scale, scaled down. When you drive by and you see, you know, five cars in the parking lot, it's a shock for sure.

CLEMENTS: But it's still a facility that's being maintained rather than just being vacant.

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JOE PEPPLITSCH: Correct.

CLEMENTS: That advantage.

JOE PEPPLITSCH: Yeah, and then talking with, in our conversations, there's no intention to, you know, to-- taking all the steps to all the right precautions to protect, you know, all, all the systems in the, in the facility. There are no-- other stories that have been told about abandoned facilities, that that is simply not the case. They do have an intent to either reuse the facility which they're evaluating, or they would market that and we just don't know what that looks like at this point in time. But we are trying to support them and, and trying to find ourselves a pathway forward as well. If, if they can help us, we'll take all the help we can get.

CLEMENTS: Very good. Any other questions? Seeing none, thank you for your testimony.

JOE PEPPLITSCH: All right, thank you.

CLEMENTS: Additional proponents for LB806. Good afternoon.

JENNIE KOZAL: Good afternoon. This is kind of a tall table. Good afternoon, Chairman Clements and members of the Appropriations Committee. I am Jennie Kozal, J-e-n-n-i-e K-o-z-a-l. I'm here on behalf of Olson in support of LB806 and the city of Lexington. Olson is a nationally-recognized design firm based in Nebraska with over 2,400 employees across 11 states. From Olson's perspective as the city's engineering partner, I want to emphasize the critical infrastructure capacities that position Lexington to recover quickly from this detrimental event that they recently experienced. These are capacities that LB806 would help activate. Lexington began coordinated planning efforts, as city manager Joe Pepplitsch said, within 24 hours of the Tyson announcement. Within about a week, I would estimate, we were all in one room around a table talking through what, what this looked like moving forward, to make sure that the city wasn't just reacting, but they were taking a strategic plan forward to reevaluate where the city was at and how they could move forward in a way that this would be mitigated in the future. There would be less of a chance of it happening again. Joe immediately spoke about looking at this as an opportunity, more than a challenge, at leveraging all of the aspects that the community does have. They have been working hard over

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the last 15 years, at the very least. That's how long I've been around with the city of Lexington. But to update their water systems, their wastewater systems, improve roadway infrastructure, improve their streets. Joe mentioned they had built 603 houses since 2013. That's roughly 50 housing units a year in a town of 11,000. That's impressive. And he kicks himself because he fell a little short of his goal. So I wanted to share that because I wanted to really express how lucky I am to be a part of this, and to be able to aid a community that they've done so much themselves. And now because of that, they're in a position where they can come and ask the Appropriations Committee to support this bill, LB806, and to really understand that any money that the city of Lexington would request would be leveraging things that are already there, leveraging things they're already doing, which would be a much more successful return on that investment for the state as well. I've seen a lot of industrial park due-diligence projects. I'm sure you guys see that popping up a lot right now too as a project manager. My background is in community planning in both-- and civil engineering as well, civil site design. But something that really set, sets Lexington apart is that because they have built that housing, because of this event, they have housing available in the community, which is crazy in rural Nebraska. People are doing it, we're doing better, but it's, it's a great thing to see. But they also, they have a whole separate private wastewater treatment facility there that already exists that they could potentially acquire. And that is huge when you talk about the amount of years that it would take to build out a facility like that and the amount of dollars it would take to support that industrial park. So all of these things coming together, as shocking as it was to have this event happen, it was really great to be able to look at it as an opportunity and to see almost the kismet of everything coming together and everything really falling into place so that they could take this strategic plan forward. With that, and with what everyone else had already presented, I really just wanted to highlight that this will be used to conduct further feasibility and engineering studies, upgrade and prepare infrastructure for job-creating opportunities, and potentially repurpose some of that land that Joe had mentioned as well as that wastewater facility, so that they can leverage to the full ability and create a more diverse economy moving forward. With that, I'd like to thank you for your time and consideration. I am happy to answer any questions you might have.

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CLEMENTS: Are there questions? Seeing none, thank you for your testimony.

JENNIE KOZAL: Thank you.

CLEMENTS: Are there additional proponents for LB806? Good afternoon.

MIKE BACON: Good afternoon. Members of the committee, my name is Mike Bacon. I'm an attorney from Gothenburg, Nebraska. My practice is statewide in community development and economic development. I speak in support of LB806, and I speak as a resident of Dawson County. And in the last 35 years, it's been my privilege of working in over 85 communities, from Scotts Bluff County to Douglas County, to improve economic viability, help them recruit agricultural processing facilities, manufacturing facilities, factories, warehouses, as well as housing. I've served as a local chair of an economic development corporation, as well as chair of the Nebraska Diplomats a while, a while back. I've had first-hand experience in working with communities that have lost large employers. None have I seen in my years of experience that have been as impactful as this one. 3,200 or 3,300 people in Lexington, Cozad, which is 10 miles away, there are 200 paychecks left town-- left a town of 4,000. You're talking about a third of the population of Lexington that got paychecks from that facility, plus spouses, plus families. I'm here to support this site and building fund special allocation. What I'll tell you in, in working with 85 communities doing economic development, it doesn't work to point to an empty 500,000-square-foot building and say, you know, come in and do this. It doesn't work to point to a pasture or a hay field saying, we can get something here. What does work and what the Site and Building Fund has done that I have seen personally is you get infrastructure to a site, and people will come and pay attention to you quickly. When I first started doing this, it was a three-year slog to get somebody recruited. Now we have to respond within less than 10 days with a fully-developed site if we're going to have anybody come in and look at us seriously. So my pitch is this, this was a bad deal. I've also sat on committees that, that have allocated grant funds on behalf of the state. And the thing that I looked that when I did that was, does this-- is this community deserving? Do they have the capacity to deal with the funds that you hand them out? And I will tell you, and Joe is a friend, I've worked with him for decades, that man gets it done. That community gets it down. And if you give them the infrastructure funding, they'll have people come in. Will it

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be 3,300 in one shot? No. But you've got to, got to give them a leg up. My guess is this state lost something like \$15 million worth of revenue taxes at a minimum because of that closure. So this isn't an expense, this is an investment that will rebuild their, their ability. It's a good community, a good county, and well-deserving. Thank you for everything you do. Your, your capacity to sit and listen is amazing. Thank you. Any questions?

CLEMENTS: Are there questions? Seeing none, thank you for your testimony. Are there other proponents for LB806? Seeing none, anyone here in opposition? Seeing none, is there anyone willing to testify in the neutral capacity? Seeing none, we'll not be having a close. So we have position comments for the record. Proponent, 1. Opponent, 0. Neutral, 0. That concludes LB806. And Senator Conrad will be on the-- oh, will be next. We'll now open the hearing for LB1190, Senator Conrad. Welcome.

CONRAD: Thank you, Chair. Thank you members of the esteemed Appropriations Committee. My name is Danielle Conrad, D-a-n-i-e-l-l-e, Conrad, C-o-n-r-a-d. I represent north Lincoln's 46th Legislative District, and I'm here today to introduce LB1190. So LB1190 makes a change to update the eligible uses of an existing annual appropriation of almost \$5 million to the Department of Economic Development that was created by LB261 in section 245 last legislative session. The initial appropriation language was for the Department of Economic Development to provide aid for mentorship programs for non-profit organizations that meet eligibility requirements designed by the Department of Economic Development to improve reading levels for elementary students. So LB90 [SIC] would add language or promote professional growth to ens-- ensure that the goals of this program can meet this objective. The Legislature has a good history of promoting mentorship programs because we know that they're valuable and that they can make a real difference in the lives of young Nebraskans. So when the Legislature decided to appropriate these funds, it was really based upon that knowledge and understanding that there was good mentorship programs happening across Nebraska. There were waiting lists for kids to get paired with a mentor, and that those relationships and activities had positive benefits for the individual and society. So recognizing that we were going to be in a challenging budgetary situation, it seemed unlikely that we'd be able to make a credible claim for additional resources for these very, very worthy programs. But one thing that did come to mind in working with Girl

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Scouts and others who do mentoring programs across the state, is perhaps if we could provide a little bit more legislative guidance to help more organizations qualify for the existing dollars, that that could help to make a positive difference. So that is how the bill came to my office and I wanted to share that background with you as I open it-- on it today. So urge your favorable consideration of LB90 [SIC], and I'm happy to answer any questions.

CLEMENTS: Senator Spivey.

SPIVEY: Thank you, Chair. Thank you so much for being here, Senator Conrad. And I know that there was some conversation in the media about--

CONRAD: Right.

SPIVEY: --the mentoring programs and how this appropriation was delegated to nonprofit organizations, and we also had DED in here earlier. And so, do you feel like this bill is a response to concerns around the administration of the program from Department of Economic Development? I know that there's been some critiques and other programs.

CONRAD: Yeah.

SPIVEY: I talked about 611 and, and just some questions and concerns I had. And so just wanted to get more of your insight around we appropriated this amount of money, we understand the importance of mentoring. Do you feel like this would help create better guardrails for the agency that's responsible?

CONRAD: Thank you, Senator. So a couple of things. I really was wrestling as to whether or not I wanted to pass out this, this news story, because this bill actually came to me way before the news story. The conversation started with the Girl Scouts over the interim period. And the news story was just recently published by the Flatwater Free Press kind of shining additional spotlights on how this existing appropriation is being utilized. So that was definitely not on my radar screen when we started conversations about this. But I knew that it might be subject to discussion on this measure since it opened up that section, so I wanted to at least pass it out for everybody so that you had it for your files, in case you hadn't seen it. So you know what we're talking about. So primarily what the

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reporting demonstrates is that about \$12 million through this appropriation has gone to benefit one nonprofit, the TeamMates mentoring program. And that a few other nonprofits, I think about 10 to 20 other nonprofits, have received much smaller grant awards under this appropriation as well. So what I want to be clear about in sharing the article, and I don't want to become entangled in discussion on this measure, is myself, and I think most Nebraskans, find teamwork-- TeamMates to be a wonderful organization that has a long history working in Nebraska, has made really, really positive difference in the lives of both its volunteers and the students that they work with. So I didn't want this to be somehow perceived as being critical of the good work of TeamMates, because that was not my intention, and I don't think that that would find consensus for anyone who's familiar with their good works and their program. But I think one thing in digging deeper into this was learning that it was a pretty broad grant of authority in the appropriation to DED to administer this fund. And so it's probably a lesson maybe in legislative specificity, rather than broad grants of authority to executive agencies. But I think one thing that maybe we learned through this process was that after that broad grant of authority was made, DED kind of prescribed the grant eligibility requirements in a very narrow way, which may or may not be reflected in legislative intent. So that's something that I think this has the opportunity for us to kind of take a look at. The other thing is there's an almost corresponding fund in the Education Future Fund that hasn't really been funded or utilized. So one thing that we could also do if we want to find, say for example, like a \$5 million General Fund savings, is move things over to the Education Future Fund and that existing cash fund. There's probably some different ideas, ideas there as well. And then I guess the last thing I get, it-- I would just pose generally is like, again, TeamMates is awesome and does awesome work. I don't think they're primarily a reading entity. I know that the mentors may read with the kids or help with homework, they do a, a wide variety of things. But I think that was-- that's an interesting component of the debate. And I'm not quite sure what the metrics are that DED might be using to decide whether or not this \$12 million grant of public resources is in fact achieving the intended goal of boosting mentoring, but also reading scores.

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SPIVEY: Thank you. I appreciate that clarity of just where this came from and then the kind of social context has changed. I appreciate you naming that they weren't mutually exclusive--

CONRAD: Yeah.

SPIVEY: --and some opportunity for us to think about how we appropriate funds to initiatives and what does that look like from legislative intent. So thank you for that clarity.

CONRAD: Sure. Yeah, sure.

CLEMENTS: Senator Dover.

DOVER: Yeah, just two quick questions. One was, how do you define "promote professional growth?" And my second question would simply be, what would be the mentorship programs or the non-profit organizations that you think would benefit from this?

CONRAD: Yeah, thank you, Senator. So we were trying, like you'll all be very familiar with, trying to have, when you're drafting language, to have it be flexible enough that it can apply to, to all of the, say for example, organizations doing good work, but clear enough so that it's not overly broad grant of authority or vague. So in talking with the Girl Scouts, who brought this legislation to me, again, way back in the interim, we were trying to think about kind of what is at the heart of their mission and their work and how they interact with young people in our schools. And I know that there's a bunch here that can testify on that and that they wrote in on this as well. And so it was really trying to tailor an openness in that appropriation more so to the Girl Scouts or other mentoring organizations that have a track record and a waiting list. Kind of trying to tie those together. But I'd be happy to work with the committee, and I know MENTOR Nebraska's here as well. They have some really awesome feedback on maybe even tightening that language or making sure that it, it, it's embedded in best practices that exist in the mentorship world. So I'd be happy to share that with the committee. And then, again, they're going to testify. And that was how we came up with it. But if we need to keep tinkering with that to get it right, I'd would be happy too.

CLEMENTS: Great, thank you.

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CONRAD: Yeah.

CLEMENTS: Other questions? Seeing none, will you stay to close?

CONRAD: OK, thanks.

CLEMENTS: Welcome proponents for LB1190. Good afternoon.

SARAH WALDMAN: Good afternoon, Chairman Clements and members of the Appropriations Committee. My name is Sarah Waldman, S-a-r-a-h W-a-l-d-m-a-n, and I'm here to testify in support of LB1190 on behalf of Girl Scouts Spirit of Nebraska. As the CEO, a former girl scout, a troop leader, I've seen firsthand the benefits of Girl Scouts. LB1190 expands an existing \$5 million grant program so that organizations like Girl Scouts are eligible to apply and receive critical funds to continue our mission of building girls of courage, confidence, and character who make the world a better place. The Girl Scouts Spirit of Nebraska Council serves over 10,000 girls across Nebraska annually. Girl Scouts builds the essential skills needed in today's world and provides a foundation for future success through the steady presence of a troop leader. Over 4,000 caring adults provide support and encouragement to help girl scouts try new things, build confidence, and serve as a trusted advisor. Through the Girl Scouts leadership experience, girls develop the skills needed to thrive today and tomorrow. Girl Scouts programming encourages professional growth at every age, and includes hands-on experiential learning in the areas of STEM, the outdoors, life skills and entrepreneurship. Through our unique curriculum, girls learn leadership and life skills that prepare them for today's classroom and tomorrow's Nebraska workforce, and they improve their communities. School administrators across the state tell us one of the gaps in education is teaching life skills, such as building healthy relationships and positive values, like integrity and respect. And Girl Scouts provides these critical life skills which, in turn, improves girls' academic achievement. Girl scouts report that by participating in Girl Scouts, it helps them feel more confident at school. It provides opportunities for them to try new things and the courage to assume leadership roles. Girl scouts also contribute countless hours of service to their communities with nearly 250 Nebraska girl scouts earning highest awards in recognition for their significant community impact last year alone. Girl Scouts alumni report that participating in Girl Scouts set them up for a path of success and developed their interests in the outdoors, in business,

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and in STEM. Nearly 9 in 10 Girl Scouts alums are satisfied with their lives today. And the longer alums were engaged in Girl Scouts, the more likely they are to be successful and satisfied with their life. Girl Scouts alums achieve higher levels of education, are more likely to volunteer, and are more likely to vote than their non-Girl Scouts peers. Girl Scouts provides tools girls need to succeed in today's schools, and creates a lasting foundation for future success. Supporting Girl Scouts is not only an investment in youth professional development, it is an investment in Nebraska communities. Please consider advancing LB1190 to expand the existing grant program to mentorship programs providing critical youth and professional development skills like Girl Scouts Spirit of Nebraska. I thank you for your time today, and I'm happy to answer any questions.

CLEMENTS: Are there questions? Senator Spivey.

SPIVEY: Thank you, Chair. Thank you for being here. I just wanted to add, I was a girl scout growing up, so--

SARAH WALDMAN: Yeah, thank you.

SPIVEY: --I had my little brown sash, and my mom was my leader and all of that. So thank you for all you do.

SARAH WALDMAN: Well, thank you. And thank you for being a girl scout and for letting me know that. And, and we have girl scouts at every level of leadership of organizations in Nebraska, in government.

SPIVEY: So you're saying I can join again. Got it.

SARAH WALDMAN: Oh, once a girl scout, always a girl scout. And yes, absolutely. We would love to-- we have a great alumni network that does some fun things too.

CLEMENTS: Are there other questions? Seeing none, thank you for your testimony.

SARAH WALDMAN: Thank you.

CLEMENTS: Next proponent for LB1190. Seeing none, anyone here in opposition? Seeing none, anyone wishing to testify neutral? Good afternoon.

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MELISSA MAYO: Good afternoon. It's been worth the wait, I feel like. Yeah. Appreciate the time here. My name is Melissa Mayo. And thank you, Chairperson Clements and members of the Appropriations Committee for hearing my testimony today. Again, my name is Melissa Mayo, M-e-l-i-s-s-a M-a-y-o, and I am here today to provide testimony on LB1190. I live in Douglas County, but as the executive director of MENTOR Nebraska, I represent over 20 mentoring organizations across the state. I am here because we are the designated state affiliate of MENTOR, which is the unifying champion of youth mentoring across the U.S. We are one of 22 state affiliates whose mission is to increase both the quality and quantity of mentoring in our state. And our goal is to close the mentoring gap for the one in three young people growing up without a mentor here in Nebraska. We just learned actually in our most recent national summit that that mentoring gap has actually widened, and it's four in ten. So now there are 40% of young people that are saying that they are growing up without someone outside of their family that can support them. We ensure mentoring programs are trained in research-informed and evidence-based practices, and have access to individualized coaching and resources so young people in their programs are in supportive relationships that meet both quality standards but are also safe and effective. There are over 20 mentoring organizations, you'll find that on the, the last handout that I provided, from across the state that agreed to do the following. They follow the elements of effective practice for mentoring, which is the blueprint for best practices in mentoring, and these are nationally-recognized standards. They submit annual data on their programs and the youth they serve. They participate in collaborative statewide mental recruitment campaigns. They adhere to child-safety practices that go far beyond background checks. And they also agree to complete the National Quality Mentoring System, which is a nationally-recognized assessment of their program once every three years. As we discussed earlier in testimony, there are very few public funding sources that support youth mentoring in our state. So we are grateful for the investment of the READ Nebraska grant. However, we believe it's important to ensure that eligible programs are clearly defined in statute to ensure we are investing our taxpayer dollars into organizations that follow evidence-based practices as stated in the Elements of Effective Practice for Mentoring. I've attached a one-page summary of the latest edition of those standards for your review, so that you understand that when we are talking about mentoring, it is a science. There are over 35 years of research around

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youth mentoring and what quality youth mentoring looks like, and then also what happens when we don't invest in quality mentoring. This bill, if this language is added, would provide unambiguous and clear guidance to the Department of Economic Development for eligible mentoring organizations moving forward. This would provide a better level of transparency and confidence that the READ Nebraska program is indeed a wise investment in the future of Nebraska's workforce. I know I've given you a lot of high-level and summarized information, and I recognize I may be one of the last speakers here today, but I am happy to answer any questions that you have about my testimony.

CLEMENTS: Senator Armendariz.

ARMENDARIZ: Thank you. Thank you for being here. And I have-- what jumped out, the background screenings and beyond, well beyond background screenings. I had a troubling interaction with somebody pretty high up in a mentoring program. I was wondering if you have recommendations of these mentoring programs to review social media content of the mentors on a regular basis to make sure that they're doing what character-wise they would want to be building in the children they're mentoring?

MELISSA MAYO: Correct.

ARMENDARIZ: And living it themselves?

MELISSA MAYO: Right, and I, I say that goes beyond a background screening because I think that people think that young people are safe just because a background check is done. So the screening of mentors are much like what we do for employment. So there are applications, background screening. You will have reference checks and also in-person interviews. And that is-- then you are able to be trained. But other programs, especially those that are happening in the community, will also check social media and other avenues. But we have one of the most comprehensive background screening relationships with One Source, which is a Nebraska company. So that we ensure that every program in our state is at least doing that, but it goes well beyond that.

CLEMENTS: Senator Spivey.

SPIVEY: Thank you, Chair. Thank you so much for being here. And Senator Armendariz, I agree, I feel like with background checks it

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means just-- they just didn't get caught with something, and there's so much more. So thank you for that question. I wanted to get some insight as, as Senator Conrad talked about the READ program is really kind of a combination of literacy with mentoring.

MELISSA MAYO: Correct.

SPIVEY: And she mentioned that you maybe have some thoughts and amendments of how to strengthen this program, knowing that you are a recipient, and she was working on this bill prior to maybe some of the other kind of discussion around the administration. So would you mind maybe speaking to, are there barriers for small organizations that you work with or more rural organizations to access? Are you thinking about some additional changes to this current legislation that she's proposing? Just if you could maybe walk us through that.

MELISSA MAYO: I think, and I wish DED was still here. I know that they were here earlier. But it's, it's highly unusual that there is a youth mentoring grant that is administered in the Department of Economic Development. So when we learned that this money was going to be invested in young people, we approached the Department of Economic Development to let them know that you have a state affiliate in-- oh, that's OK, I-- that can provide the resources that you need to structure a quality competitive grant program. And what we've learned and what has come out in the article that you've received as a handout, is that, that it is not a competitive grant, grant program. It is done on a pro rata basis based upon the number of mentors that a program has. So generally, state grant programs, and in my 18 years and working in the youth mentoring field, they're generally merit-based grants too, that are data-driven, that have identified need. Especially with young people who aren't reading on grade level or who are-- have some academic deficiencies.

SPIVEY: And you're saying that's not in the current process for the READ.

MELISSA MAYO: No.

SPIVEY: OK.

MELISSA MAYO: So, and that's why we saw some disproportionality in how the funds were awarded to one organization, because the biggest is receiving the most. And so what we see with our rural programs who

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have far less resources in terms of fundraising, having philanthropy, you know, in their backyard is that even if they would receive, you know, \$50,000, it would allow them to have more staff to serve more students in their communities. We've heard this from North Platte, we've heard this from Columbus. We work with our friends in Kearney. And so, as it currently stands, the way that the pro rata formula works, it will always go to the largest. And that's problematic when you're thinking about kids.

SPIVEY: Can I ask a follow-up question, Chair? Thank you for that perspective. And so as you think about what Senator Conrad has proposed-- and my computer died, and my internet's not working on my phone to pull up the bill for the legislation--

MELISSA MAYO: Of course. Yes.

SPIVEY: --so I'm like trying to remember the language that's in there. But outside of like what Senator Conrad has proposed, and maybe some of the opportunities in your expertise that you see, so it sounds like there could be an opportunity for how it's administered, just from eligibility. And then is there an opportunity for like the administrator-- like is this, you know, sometimes we'll see a partnership between Department of Labor, because it's more a workforce with economic development. So is there an opportunity to RFP out the administration, or maybe work with NDE, who's looking at literacy? Like do you have any thoughts or feedback on that?

MELISSA MAYO: And early on, I want to be transparent, we did speak with Kenny Zoller and Governor Pillen's Office about this because it was the first time I've ever seen that there is a youth mentoring grant outside of what you may see in the Crime Commission or through Health and Human Services, which are generally federal funds that come in.

SPIVEY: And are about like crime reduction. Not necessarily literacy--

MELISSA MAYO: Crime-- right. So those are very specialized grants that a lot of programs may not qualify for. But I think what we-- what has been somewhat frustrating is just the administration of the grant and making sure that more programs are eligible for this. So Senator Conrad's additional language about, you know, promoting professional growth, mentoring is that. Yes, kids may benefit academically, right,

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especially since some of this funding has really allowed us to dedicate resources to, to reading and literacy initiatives. But it's so much more than that. I mean, I think everyone in this room has had a mentor in their life and can probably name five other things that would expand the scope. So absolutely, I would love to see that. What I would to see, though, is that the programs that are being funded with taxpayer funding are following those best practices. And the 20 organizations, 20-plus organizations that you see on that handout, they have staff of 1 to 2 and up to 40. And the 1 to 2-member organizations do just as much as the large ones. And so it is, it is plausible. It is not an administrative burden. These programs want to do good work. They want to make sure that what they're doing is effective in their programs. And we just want the READ Nebraska grant to reflect that as well, that mentoring all over the state is happening in, in a quality way. And we'd love to see the the, funding kind of reflect where the need is as well.

SPIVEY: Thank you.

CLEMENTS: Senator Dover.

DOVER: I mean, I totally understand. I'm chair at the United Way, and we've got a lot of organizations that they can come up, and it's really in depth. We go through their budgets and everything to make sure there's a need there. I've got a question. What's your history in this field?

MELISSA MAYO: So I've been a part of the mentoring sector for 18 years. 11 of those was actually a program person, matching students, training mentors, facilitating mentoring sessions in schools in Omaha. And more recently, in the last 7 years, I've the executive director of MENTOR Nebraska. So I am connected to our national office, where all of the research is happening, where all the emerging practices are happening. Like Nebraska has a such a wonderful mentoring sector that has a lot of innovation that you don't hear about. So there are peer mentoring programs-- I don't know if anyone is near, lives near Centura Public Schools. But they saw that they needed mentors, and now they are doing a peer mentoring initiative where high school students are mentoring younger students. They're trained as mentors as any other program would be trained. So I think that those are, are things that we want to see in this investment. And, you know, I've talked with Girl Scouts about the work that they do, and that is something

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they know that there's best practices in all types of work that we do and, and they want to do that as well to be eligible.

DOVER: OK, one last follow-up question then. So I was just reading your members here, and you have Big Brothers Big Sisters. You're in Iowa, and we used to have a Big Brothers Big Sisters-- I don't know if we still do in Norfolk, but so is any Big Brothers Big Sisters part of your group-- part of your mem-- is it a member or do they have--

MELISSA MAYO: Mm-hmm.

DOVER: OK.

MELISSA MAYO: Yeah, so they're all done separately. So we know that programs are not all created equal everywhere. And so we have-- they go through the evaluation process. So Big Brothers Big Sisters of Central Nebraska does it separately from Big Brothers Big Sisters of Lincoln versus Big Brothers Big Sisters of Omaha. So the same with TeamMates chapters. They have over 140 chapters, 3 of them are certified and have gone through this rigorous process. And we're looking to work with TeamMates to have more that are certified, because we know that they have some really great chapters in schools across Nebraska. So the majority of those partners that you see on your list are from smaller communities. They are small to medium-sized organizations, and they are doing an amazing job in their communities. They just also need to have the accessibility of this funding so that they can be sustainable as well.

DOVER: Thank you.

CLEMENTS: Senator Prokop.

PROKOP: Thank you for being here, and thank you for what you do. It's so important. Just quite, you touched on it a little bit with-- in response to some of Senator Spivey's questions, but I guess I want to kind of just ask the question directly. So [INAUDIBLE] looking at this, it just seems to be odd to be placed in the Department of Economic Development. Do you know the history as to how it ended up there? I mean, it seems much more apt to be an NDE program, but any background on that?

MELISSA MAYO: I would ask the Governor's Office.

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PROKOP: OK.

MELISSA MAYO: I think that that was a decision that was made there.

PROKOP: OK. Thank you.

CLEMENTS: Senator Dover.

DOVER: I think it was-- wasn't it created in a budget?

MELISSA MAYO: Right.

DOVER: Right.

MELISSA MAYO: Yeah.

CLEMENTS: Other questions? Seeing none, thank you for your testimony. Are there additional neutral? Seeing none, Senator Conrad, you're welcome to close.

CONRAD: Thank you, Chair. Thank you members for your kind attention and good questions. You know, I, full disclosure, I too was a former girl scout. So I should have put that on the table earlier. I'll have to amend my conflict of interest statements, perhaps. But it was a really formative experience for me growing up in a rural community. And I know that it's, it's really touched the lives of a lot of young women across Nebraska and across the globe. So I think their, their good works speaks for themselves as well. So when I think about mentorship, I think about some really sage advice I got when we had our children. And somebody who I consider a mom-mentor told me that you can never have too many people to love your kids. And I thought that was such a good piece of advice, and I think it about it a lot. And I think about how lucky we are in our lives that we have so many caring teachers, family, extended family, neighbors, extracurricular leads, athletic coaches, we have all of these people in my kids' lives that love them and help them along. And I'm so grateful for that. But I know not all families necessarily have a circle that large to provide that extra time, attention, and love for a bunch of different reasons. And so particularly for families who are spread really thin and kids who need an extra adult in their life to make a positive difference, to check in with them, provide support, provide love, help with homework, talk about silly stuff, all of the different things that happen in the precious and effective mentor relationship in all

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of these different programs, I think all of that is valid. And we have to figure out-- we had the courage to start this program, which is great, and this funding stream and opportunity. Now it's time to make sure that we evaluate what's happening with that program initiation. And then I'm really excited to work with you to make adjustments to ensure that this funding stream can be utilized at its best and highest purpose to help meet best practices in mentoring for large and small organizations across Nebraska.

CLEMENTS: Are there other questions?

CONRAD: And there's no fiscal note for new money. How about that? I mean, now that we've opened up the section, if you want to find some. But I know, I know how challenged you are. And I appreciate your, your kind attention.

CLEMENTS: Pour in all the extra dollars you have.

CONRAD: Yeah, start buying lottery tickets. Yeah, exactly. OK.

CLEMENTS: All right, thank you, Senator. We have position comments for the record. Proponents, 13. Proponents, 0. Neutral 0. That concludes the hearing for LB1190. And we have next, we'll open the hearing for LB1167. Welcome, Senator Dorn.

DORN: Thank you. Thank you for all being here. I realize the last day of the week, the last bill, and everybody wants to go. So, no, glad to, glad you-- thank you for all of you being here and, and being a part of the Appropriations hearing, and for all the bills and all the agencies. Thank you very much, and some of you new people. Going through that is quite a learning process. Senator Clements, this is his tenth year, so. Chair Clements and members of the Appropriations Committee, my name is Myron Dorn, M-y-r-o-n D-o-r-n, and I represent Legislative District 30 in southeast Nebraska, and I'm here today to open on LB1167. First, this bill is a backstop for continued funding for the Business Innovat-- Innovation Act, or BIA, in the Department of Economic Development. The Governor has recommitted to BIA with an annual transfer of \$15 million from Department of Labor fund to DED to fully fund all five programs under the BIA that promote successful businesses by providing access to capital in early stages of development and growth. I have included for you a copy of his press announcement last fall. To fully execute this new funding stream for

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the BIA program, Senator Ibach has introduced LB1015 on behalf of the Governor. I am confident that that bill will move forward and will pass this session. But just in case, I have introduced LB1167, which will continue the funding of BIA at the level it utilized in the current year of the biennium budget. The Legislature Fiscal Office provided the numbers contained in the budget we passed last year, and that is what I have included in the bill, \$11 million-- yeah-- 20,352 in General Fund for the overall BIA program. I have also included language that sets a dollar amount for one of those five programs, the Microsoft [SIC] Assistance Program. Why? Because this is the only program in BIA that focuses on, on businesses with 10 or fewer people while also providing technical assistance to new business owners. The Microenterprise Assistance Program is the only part of a-- of BIA that focuses on these small operations that make up 70% of all the businesses in Nebraska. It has a strong track record of proving its worth by attracting additional private and federal capital and creating jobs. I have included language in LB1167 that supports this program at \$3 million annual level, which has been its spending level over the most recent biennium budgets. Although I know the programs could spend more, we all recognize the budget constraints we are under. I do not believe this bill has a fiscal impact, that it was in the budget we passed last year. When Senator Ibach's bill passes, the Legislature Fiscal Office can adjust the funding of the BIA from the General Fund to the new funding stream. Today you will hear testimony confirming the Microenterprise Assistance Program, and why should we be proud of its almost 30-year history. Thank you for your attention to this matter, and I'm available to questions. And I do know Senator Prokop has been working with Senator Ibach, and I think they've merged their bill together. This bill here, we had visits and conversations with them about putting it in that. We left it here and just brought it in through this process so that it also had, I call it, a little bit of discussion and stuff, so.

CLEMENTS: Senator-- let's see, Armendariz.

SPIVEY: It's been a long week.

ARMENDARIZ: We're both from Omaha. So thank you, Chair. And thank you, Senator Dorn. I-- you scared me for a moment when you said the "Microsoft Assistance Program."

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DORN: No, sorry.

ARMENDARIZ: And you corrected yourself later. I just wanted to go on the record saying you did not mean the Microsoft Program.

DORN: Microsoft, no. Microenterprise. Yeah, thank you.

ARMENDARIZ: That would not be appropriate.

DORN: Oh my gosh.

CLEMENTS: Senator Spivey.

SPIVEY: Thank you, Chair, and thank you so much, Senator Dorn, for bringing this. Last year in this committee, we had a lot of discussion, there was a lot testimony. A lot of folks that I work with in the business and innovation space use BIA. Like it is so important, and the work that comes out of that, and just the return to our economy and what we're able to do. So I just appreciate you bringing this and then also Senator Ibach thinking about it and making sure we just have a couple of options as we think about how do we ensure its success. So that was it.

DORN: Oh, thank you. And I saw all the bills the other day about-- or I don't know, maybe it was just yesterday morning that three of them were-- they were pulling them. And I listened intently to some of those conversations and I go, oh, maybe we should have pulled this one. And I go no, it's scheduled and we had to go through some extra things. And just wanted to have a little bit of conversation this afternoon. And like I said, I realize we're towards the end of the week, have a four-day weekend coming up. So unless something, if somebody has questions later on, I'll probably just waive my closing again.

CLEMENTS: All right, we now welcome proponents for LB1167. Thank you for your patience.

AUDRA ESPINOZA: No problem. I will--

CLEMENTS: Good afternoon.

AUDRA ESPINOZA: Sorry, I'll try and speak really quickly. It's been a long day for everyone. Good afternoon, Chairman Clements and members

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of the Appropriations Committee. My name is Audra Espinosa, and I am a senior policy manager at the Center for Rural Affairs. Audra Espinosa is spelled A-u-d-r-a E-s-p-i-n-o-z-a. I am testifying in support of LB1167 on behalf of the Center, as well as the Nebraska Economic Development Association. LB1167 supports the Microenterprise Assistance Program by securing \$3 million in funding for fiscal year '26-27. The Microenterprise Assistance Program is administered under the Business Innovation Act, BIA, and serves Nebraska's smallest businesses, those with 10 or fewer employees, which make up more than 70% of all businesses in the state. As a founding member of the Nebraska Small Business Collaborative, the Center for Rural Affairs works alongside Nebras-- or Catholic Charities, Community Development Resources of Nebraska, and the Nebraska Enterprise Fund to provide business coaching and loans to entrepreneurs who may not qualify for traditional bank financing, especially low to moderate-income clients. The Microenterprise Assistance Program has demonstrated a strong return on investment for nearly three decades. LB1167 reinforces the commitment to the Legislature's intent to fully fund this program, providing stability for entrepreneurs and the organizations that serve them. Through the Nebraska Small Business Collaborative, a cooperative group of organizations that work together to serve clients who aren't yet bank-ready, the Microenterprise Assistance Program helps people achieve their dreams of becoming business owners. In 2024 alone, the collaborative served more than 4,000 entrepreneurs, providing over 12,000 hours of one-on-one business coaching and hosting nearly 350 training sessions that reach close to 6,000 participants in every county of Nebraska. This business and financial coaching translates directly into economic activity. Over the past several years, the Microenterprise Program has consistently multiplied state investment by attracting additional private and federal capital, creating or retaining thousands of jobs, and helping small businesses start, stabilize, and grow in every Nebraska county. In fiscal year '24-25, the collaborative placed 106 loans and leveraged an additional 18 loans, totaling almost \$500,000. 61 of those loans went to low-income clients, and almost 5,000 hours were logged of individual business coaching. This bill takes an important measure to ensure the Microenterprise Assistance Program is fully funded for fiscal year '26-27. Prompt allocation of funds is critical for the continuation of business coaching and direct lending to support our state's smallest business ecosystem. So I respectfully urge the committee to support LB1167 and help secure funding for the Microenterprise Assistance

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Program. Thank you, Senator Dorn-- who's not in that chair-- for introducing this legislation. And thank you to the committee for your time and consideration. I'd be happy to answer any questions.

CLEMENTS: Are there questions? Seeing none, thank you for your testimony and the information.

AUDRA ESPINOZA: Thanks, guys.

CLEMENTS: Are there additional proponents for LB1167? Good afternoon. Thank you for your patience.

TODD KAY: Good afternoon. Good afternoon, members of the Appropriations Committee. My name is Todd Kay, T-o-d-d K-a-y, and I'm the owner of Sarpy County Bicycles in Papillion, which is expected to open this spring, and I'm here in support of LB1167. Owning my own business was not something I expected to do, but last year after the bike shop that I worked for closed its doors, I decided to start Sarpy County Bicycles. When that shop closed, there were no other bicycle shops in Sarpy County, and I saw the need to serve the cyclists in the local community. And I'm not a fan of working for anybody else anymore. I have 15 years of experience in local bike industry, and have the connections and knowledge to understand the needs of cyclists in the area. Sarpy County is a little bit more cycling-friendly than Omaha, since it's not as hilly and the countryside is more accessible. But with no other bike shops in the area, cyclists would have to go outside the community. I learned about the Center for Rural Affairs and their lending program through happenstance from a customer after the bike shop I'd worked for announced it would be closing. After a loan from the bank was denied, I applied for a loan with the center. And I was approved for the loan, and the process of working with them has been extremely helpful. They've been available to answer my questions, any questions I have, and were quick to get back to me. The loan has covered smaller startup expenses that need to be in place for opening day, like the point of sale system, the deposit for the space technology expenses, and all the mechanic tools. I highly encourage you to support LB1167 so other startup businesses like, like myself can continue to have success to resources, guidance, and lending. Thank you so much for your time, and I'm happy to answer any questions.

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CLEMENTS: Are there questions? I wasn't sure if, if the help you've received, is that all loans that has to be paid back, or are some of them grants?

TODD KAY: It is loans that do need to be paid back.

CLEMENTS: All right, at what rate of interest?

TODD KAY: I'm sorry?

CLEMENTS: You know what the interest rate is?

TODD KAY: Uh--

CLEMENTS: It has an interest rate?

TODD KAY: Yes.

CLEMENTS: OK.

TODD KAY: Yeah, I think it's roughly 7.5%

CLEMENTS: Senator Spivey.

SPIVEY: Thank you, Chair. So usually just for the record, because I work with a lot of orgs, it's under market rate, so it's a little bit easier. And with the BIA, I think one of the things that you named as like a new entrepreneur, sometimes it's hard to be banked in the same way. And so they are looking at and have a little bit more flexibility in how they lend. That debt financing versus traditional capital can be a little bit harder to access, and so they're thinking about a lot other different metrics when making their decision that helps underserved or small and emerg-- emerging businesses, so.

CLEMENTS: You think it would have been hard for you to get the same loan from a commercial bank?

TODD KAY: I did try that, yes, and I was denied pretty quickly.

CLEMENTS: All right, that, that explains that. Any other questions? Seeing none, thank you for your testimony.

TODD KAY: Thank you.

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CLEMENTS: Are there other proponents for LB1167? Seeing none, anyone in opposition? Seeing none, anyone in the neutral capacity? Seeing none, you care to close? He waives closing. Do we have-- we have comments for the record. Proponents, 3. Opponents, 0. Neutral, 0. And that will conclude the hearing for LB1167, and that'll conclude the hearings for today. We'll see you tomorrow.