

Transcript Prepared by Clerk of the Legislature Transcribers Office

Business and Labor Committee March 17, 2025

Rough Draft

**KAUTH:** Welcome to the Business and Labor Committee. I'm Senator Kauth from Omaha, representing the 31st Legislative District, and I serve as chair of the committee. The committee will take up the bills in the order posted. This public hearing is your opportunity to be part of the legislative process and to express your position on the proposed legislation before us. If you're planning to testify today, please fill out one of the green testifier sheets that are on the table at the back of the room. Be sure to print clearly and fill it out completely. When it is your turn to come forward to testify, give the testifier sheet to the page or to the committee clerk. If you do not wish to testify, but would like to indicate your position on a bill, there are also yellow sign-in sheets back on the table for each bill. These sheets will be included as an exhibit in the official hearing record. When you come up to testify, please speak clearly into the microphone. Tell us your name and spell your first and last name to ensure we get an accurate record. We will begin each bill hearing today with the introducer's opening statement, followed by proponents of the bill, then opponents, and finally by anyone speaking in the neutral capacity. We will finish with the closing statement by the introducer if they wish to give one. We will be using a 3-minute light system for all testifiers. When you begin your testimony, the light on the table will be green. When the yellow light comes on, you have 1 minute remaining and the red light indicates your time has ended. Questions from the committee may follow. Also, committee members may come and go during the hearing. This has nothing to do with the importance of the bills being heard, it's just part of the process as senators may have bills to introduce and other committees. A few final items to facilitate today's hearing, if you have handouts or copies of your testimony, please bring up at least 12 copies and give them to the page. If you don't have enough, the page will make sufficient copies for you. Please silence or turn off your cell phones. You may see committee members using their electronic devices to access more information. Verbal outburst or applause are not permitted in the hearing room. Such behavior may be cause for you to ask-- to be asked to leave the hearing. Finally, committee procedures for all committees state that written position comments on a bill to be included in the record must be submitted by 8:00 a.m. the day of the hearing. The only acceptable method of submission is via the Legislature's website at [nebraskalegislature.gov](http://nebraskalegislature.gov). Written position letters will be included in the official hearing record, but only those testifying in person before the committee will be included on the committee statement. I

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will now have the committee members with us today introduce themselves, starting on my right.

**RAYBOULD:** Good afternoon, everyone. My name is Jane Raybould, Legislative District 28, which is, like, in the heart of Lincoln.

**McKEON:** Dan McKeon, District 41, central Nebraska. There's eight counties.

**SORRENTINO:** Tony Sorrentino, Legislative District 39, Elkhorn and Waterloo.

**IBACH:** Senator Teresa Ibach, District 44, which is eight counties in southwest Nebraska.

**KAUTH:** And Senator Sorrentino is the vice chair of the committee. He will be taking over as I testify in another committee later this afternoon. Also assisting the committee today, to my right is our legal counsel, Thomas Helget; and to my left is our committee clerk, Julie Condon. We have two pages for the committee today. Pages, please stand up and introduce yourselves.

**EMMA JONES:** Hi, my name is Emma Jones. I'm from Ogallala, Nebraska and I'm a junior at the University of Nebraska-Lincoln.

**LAUREN NITTLER:** Hi, I'm Lauren. I'm from Aurora, Colorado. I'm in my second year at the University of Nebraska-Lincoln and I'm studying agricultural econ.

**KAUTH:** Thank you, ladies. And with that, we'll begin our hearings on LB189.

**M. CAVANAUGH:** It's my first time in here this year. Hello, everyone. My name is Machaela Cavanaugh, M-a-c-h-a-e-l-a C-a-v-a-n-a-u-g-h, and I represent District 6 of west central Omaha and Douglas County. Thank you to Chairwoman Kauth and the members of the committee for having me here today. I'm pleased to be here with you to introduce LB189, which adopts the Paid Family and Medical (Insurance) Leave Act. To those of you who have served on this committee for, for several legislative bienniums, this legislation may feel like a rewrite. It is my hope that today's iteration will bring together a new opportunity for Nebraska to be a leader in workforce development and investment. 75% of Nebraskans voted for paid sick leave initiative, and this is also something that has been equally popular. This act will create a paid family and medical leave program through the Department of Labor to

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provide partial wage replacement for participating workers to care for themselves or a family member experiencing a serious illness, or to care for a new child through birth, foster care, or adoption. Leave can also be taken for military-- I can never say this word-- exigency purposes. I'm probably saying it wrong. LB189 as compared to older previous versions of paid family medical leave bills that I've introduced and that Senator Crawford has introduced, is the program that would be 100% voluntary participation for the employer and employee. The program is financed through employee contributions to the program. Employers can also choose to contribute to the program. Federal family and medical leave is taken concurrently with any state benefits. The employee would have the federal job protection along with the state job protection, plus the state partial wage replacement program. By making this program optional, it is essentially a pilot project. It is my hope that by creating a path for employers to voluntarily participate in a paid program, they will come to see the value and benefit of, of a paid leave program. Page 8 or page 4, line 8 is a qualifying event defined on page-- defined, yeah-- sorry-- addressing the concerns of the small business community. Again, this is optional participation. If a small business does not feel that they can participate without harming their business, then they simply do not need to opt in to the program. However, in fact, some small businesses have asked for a program they could tap into because they realize how important it is to retain employees. This leave is not just about maternity leave, though, it would be covered under this program. It covers illness and military purposes for both men and women. This paid family medical leave program is for all working Nebraskans. Federal family medical leave is a placeholder to keep a job and benefits, but does not have a reimbursement mechanism. It helps to save a job you want to return to or an equivalent job, but it does not help with partial replacement of wage. LB189 proposes a statewide plan that would have many of the same definitions and protections as the federal law, but it includes a partial wage reimbursement. The program and administration agency is the Department of Labor. The Commission of Labor will promulgate rules and regulations, create forums, handle complaints, issue related notices, and make determinations related to the paid Family Medical Leave Act. All individual employees would be eligible for paid family medical leave. There would be a 1 week waiting period that could be granted up to 12 weeks for full time or intermittent, for a serious health condition of a family member, no military exigency leave, or when a new family member arrives. Family members are defined to include the covered individual employee, spouse of covered individual, a child of

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the covered individual or their spouse, whether biological, foster, adoptive, step, legal ward, or person to whom the covered individual or their spouse stood in loco parentis regardless of their age, grandparent, grandchild, sibling, whether biological, foster, adoptive, or step relationship or legal ward of covered individual or the covered individual's spouse, newborn biological child and newly placed foster or adopted child, military family member for qualifying exigency leave, one other person designated by the covered individual as a family member. Benefits for and responsibilities of covered employees: The employee is assured the same job or similar job with equal pay upon return. The employee may take leave under the federal FMLA concurrently with this program. A covered individual found to have presented false statements or misrepresentation is disqualified from family-- this leave program benefits for 1 year. Benefits paid erroneously may be reclaimed by the Commissioner or used as an offset to future payments. The employer responsibilities: Employer must provide information about paid family medical leave to all employees. Participating employer shall maintain health benefits for individual employee if the covered individual continues to pay the covered individual's share of cost as required prior to commencement of leave, employer cannot require an employee to exhaust accrued sick or vacation time prior to taking paid leave. Retaliatory personnel action by employer against employee for taking paid leave is prohibited. An employer found to be in violation of these requirements may, may be issued a citation that could result in a fine up to \$500 for a first violation, and up to \$5,000 for subsequent violations. The employer will have the right to appeal. Self-employed persons could opt in. Calculation of benefits: The benefits are calculated as a percentage of the individual's average weekly wage as compared to the state average wage. For example, if the average state weekly wage is \$671, the benefit wages at or below that would be calculated at 90%. For individual wages above \$671 would be calculated-- the FMLA would be calculated at 90% or 50%, apologize. Paid benefits shall not be paid at the same time an individual is receiving workers' compensation benefits for a total disability or unemployment benefits. LB189 proposes to borrow the start-up costs from the health care cash fund to be repaid when the paid family medical leave fund is sufficiently funded to do so. So I would ask for your support for this bill and I am happy-- I know that was a lot of information-- I'm happy to take any questions.

**KAUTH:** Thank you for your testimony. Are there any questions from the committee? Senator Raybould.

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**RAYBOULD:** Thank you, Senator Cavanaugh. I know that you've been working on this bill for quite some time. Can you help us understand the mechanics of it? How would an employer work with this when they have a paid time off PTO policy already in place, and who holds the donations or funds? Would it be the Department of Labor? How-- like, how, how does that work?

**M. CAVANAUGH:** So the Department of Labor holds the funds. It works kind of like an unemployment fund where it's paid-- it would be paid directly to the Department of Labor, and the employer has to opt in to this program. So they-- but the employee is the one that would be paying into the program if they wanted to, and the employers could choose to pay into it for them as well. But as far as the actual mechanism for the leave itself, that would be the same as how you are determined when you have just FMLA. So if you're an employer that qualifies under FMLA and your employee has a qualifying event under FMLA, then this just means you would-- that your employee would get paid out of this fund for that qualifying event.

**RAYBOULD:** Yeah, so in, in some cases, you know, some businesses have, you know, all businesses have to have FMLA. But you know, I can just speak for our business that you have to go through your PTO, paid time off bank.

**M. CAVANAUGH:** Right. So this would actually supersede that.

**RAYBOULD:** OK.

**M. CAVANAUGH:** So you would not go through your paid time off for an FMLA qualifying event, but you would use your PTO for your vacation or if you're sick, if you've got COVID or something like that. But if you're having, like, a major surgery or you have a child or spouse having a surgery, then you would go through the FMLA process and paperwork, and then you would get this month-- you would get reimbursed from this pool of money, which actually for the employers, it can be a benefit because--

**RAYBOULD:** Sure.

**M. CAVANAUGH:** --then they're not paying you out of the PTO.

**RAYBOULD:** So, basically, for a company that wants to participate, they can have their employees say, hey, I want to opt in for that. And then those that voluntarily want to opt in, does the company then take some out of their paycheck and then forward it on to--

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**M. CAVANAUGH:** Yes.

**RAYBOULD:** --the Department of Labor? OK.

**M. CAVANAUGH:** Yes. I mean, the Department of Labor would promulgate the rules and regulations, but I-- I've modeled it off of other states that have used the unemployment insurance fund, that payroll piece. So it would just be adding kind of that line item to the payroll.

**RAYBOULD:** OK. Thank you.

**KAUTH:** Thank you, Senator Raybould. Senator Sorrentino.

**SORRENTINO:** Chairwoman Kauth, thank you. Thank you, Senator. I've got a number of questions and I'll ask a few and then if you want to go to somebody else and come back to me, that's fine. The bill references the federal FMLA act back in 1993 and incorporates by reference that bill a number of places in the actual bill, specifically starting on page 2. Under FMLA, federal FMLA, an employee, in order to be eligible for that plan has to work 1,250 hours-- excuse me, has to work for at least 12 months and at least work 1,250 hours in that previous 12 months. Is that the case here to be eligible for this plan?

**M. CAVANAUGH:** Well, my-- I, I believe-- you're, you're looking at page 2? Is there--

**SORRENTINO:** Well, page 2 incorporates the whole FMLA by reference. But, specifically, are we stating that in the state of Nebraska, an employee would have to have worked at least 12 months and work at least 1,250 hours to even participate in this voluntarily? Because that's what the federal law says, and that's what we're talking about. So I'm just-- are we making a difference between Nebraska and federal or is it the same?

**M. CAVANAUGH:** I don't believe we're making a difference. If I am, then I-- we can make an amendment to clarify that. It wasn't my intention to change-- to divert from the federal FMLA program. So if you're reading it in a way that indicates that to you, I'd be happy to discuss an amendment to clarify.

**SORRENTINO:** Let me ask another question. Also in that federal law, it only applies-- and it's not optional at the federal level, it only applies to employers who have 50 employees in a 75-mile radius. So that would, basically, exempt 80% of the employers in Nebraska from participating. Is that correct?

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**M. CAVANAUGH:** Well, first of all, there-- everyone is exempt because this is volunteer.

**SORRENTINO:** It's voluntary.

**M. CAVANAUGH:** Yeah.

**SORRENTINO:** But can I participate as a small employer?

**M. CAVANAUGH:** You can.

**SORRENTINO:** But then so the 50 employees and 75-mile radius doesn't apply here?

**M. CAVANAUGH:** No, that doesn't imply. But that employer then would, if they chose to follow this-- actually, that's a great question I hadn't really thought through. If we need to make some stipulation that if they follow this, then they also need to follow the federal guidelines for the use of it, probably is a clarifying point that we would need to make. To Senator Raybould's question about how you determine if you're-- if everybody's using the same handbook, and I understand small businesses, oftentimes this has been a sticking point for them, that this is too hard for them to do. So if they are choosing to do it, then they would also be choosing to follow the guidelines of federal FMLA.

**SORRENTINO:** Thank you. Another question on that same topic. My pet peeve against FMLA, which is now what, 32 years old, it's never been amended that jobs would be held once somebody is on FMLA, unless you are, quote unquote, highly compensated. In other words, highly compensated people don't need leave-- don't need to be paid. I've had a problem with that for 32 years. What is your-- how does your bill address that?

**M. CAVANAUGH:** So that is just a way that you're reimbursed. You're reimbursed at, if you make over the-- sorry, let me go back to my-- I don't want to say this incorrectly. So they're calculated as a percentage of the individual's average weekly wage as compared to the state average weekly range. So if the state average is \$671, and you make \$671 or less, your reimbursement is 90% of your salary.

**SORRENTINO:** And if it's more than that?

**M. CAVANAUGH:** It's 50% of your salary.

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**SORRENTINO:** So there is some level of, I'll call it, discrimination against highly compensated employees.

**M. CAVANAUGH:** I'm happy to change it.

**SORRENTINO:** Just curious.

**M. CAVANAUGH:** Happy to tune it to 100% for everyone.

**SORRENTINO:** What happens to an-- oh, let me back. Why would I, as an employee or an employer, voluntarily put money into this? Because there's not going to be an account with Tony Sorrentino, hey, I deferred this much, I get it back. Why would I voluntarily make contributions, because it says you can?

**M. CAVANAUGH:** So it's-- thank you so much for that question, because this is something I didn't touch on in my opening. In the state of Nebraska, an individual cannot get short-term disability insurance unless their employer sponsors it. And so we have no option if an employer does not sponsor short-term disability insurance, which is what you, oftentimes, use for maternity leave or surgery, then you have no access to it. This would essentially be the state having short-term disability insurance for FMLA.

**SORRENTINO:** Voluntary.

**M. CAVANAUGH:** Yes.

**SORRENTINO:** As an employer, why would I put money into it?

**M. CAVANAUGH:** Because it's a benefit to your employees and you want to use it to recruit and retain employees.

**SORRENTINO:** But if the state, and we'll get to this, if the state's going to put \$5,550,000 into it, I'm going to let my workers draw down on their money instead of mine. I'm not going to contribute. Why would I?

**M. CAVANAUGH:** Well, that's your choice. Exactly.

**SORRENTINO:** I mean-- but I think it's a choice that every employer would probably make. Why should I pay for a benefit the state's going to until that money runs out?

**M. CAVANAUGH:** The state's not paying--

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**SORRENTINO:** \$5,550,000 transfer.

**M. CAVANAUGH:** The money that goes into this is going to be paid back out of this.

**SORRENTINO:** Good. Next question. How do we know that?

**M. CAVANAUGH:** The Department of Labor will--

**SORRENTINO:** Have they allocated or appropriated those moneys to come back, regardless of the success of the program? So it's a guarantee?

**M. CAVANAUGH:** I'm sorry, I don't understand.

**SORRENTINO:** So we're going to put \$5 million in and if I remember, we get it back in like 2030 or something. I guess that's my question. Is that a guarantee we get the money back no matter what, even if the program was a massive failure or it ran out of claim money in the first year?

**M. CAVANAUGH:** Well, if they run out of money, then, no, because there's no money. But if it's-- if the program launches and isn't utilized, then they wouldn't run out of money.

**SORRENTINO:** So from a claim's standpoint, it's first in and first out. Dan makes a claim and I make a claim and, you know, Teresa makes a claim, we're out of money, to bad Teresa.

**M. CAVANAUGH:** You are accounting for some very interesting situations.

**SORRENTINO:** I just want to make sure I vote accurately.

**M. CAVANAUGH:** OK. I don't know what to tell you. I, I--

**SORRENTINO:** That's fine.

**M. CAVANAUGH:** --I get the sense that you don't like this bill and that's fine, but.

**SORRENTINO:** No, I'm big fan, big fan.

**M. CAVANAUGH:** Oh, uh-huh, your questions indicate fandom.

**SORRENTINO:** So how about-- let's go ahead. So FMLA, at the federal level anyway, applies to everybody.

**M. CAVANAUGH:** Yes.

**SORRENTINO:** The state, federal, everybody. So is that the intent of this, because this would apply to the state of Nebraska, too, all our 18,000 employees? Is that correct?

**M. CAVANAUGH:** If they-- if the state chooses to participate.

**SORRENTINO:** If, if the state chooses to participate?

**M. CAVANAUGH:** Yeah, and then it actually, probably-- if just the state participates, then it would be fully funded within a year and it would be great.

**SORRENTINO:** Well, I'm-- but, but that's a number-- that's an expense of the state. And I don't see that reflected in the fiscal note because we don't know if it's going to happen. It could happen.

**M. CAVANAUGH:** Right.

**SORRENTINO:** The cities could and--

**M. CAVANAUGH:** It could.

**SORRENTINO:** --the counties, etcetera.

**M. CAVANAUGH:** Well, do state employees currently get short-term disability?

**SORRENTINO:** I don't know. I know nothing of their plan.

**M. CAVANAUGH:** I don't either, but if they do, then this would be a savings.

**SORRENTINO:** But this is roughly 10 weeks of pay, which is the equivalent of short-term disability. But I'm still stumped as to why I, as an employer and an employer would ever put money into this. It's, it's not a good investment. You talk about the Commissioner, that's the Commissioner of Labor, being the person in charge of this. Has this been run by the Department of Labor and they're all in?

**M. CAVANAUGH:** We have worked with the Department of Labor numerous times over the years. I am not sure where they stand on this iteration. They have not informed me. But so far, this is the most popular outcome. I, I will say that back in 2019, I traveled the state with the State Chamber and Senator Crawford and talked to employers in

different communities about paid family medical leave and having a, a volunteer program that employees could pay into, that employers could choose to pay into, but don't have to. It was one of the things that really seemed to resonate. So, again, it's fine if you don't like the bill. It's, it's voluntary, it's a voluntary program and there is a start-up cost associated with it. It comes out of the health care cash fund, not out of general funds. And, you know, I-- it-- your-- to your, your statement of why-- that it's a bad idea for businesses, that has been disproved in states where this program exists, that it is a really great tool for businesses to keep employees, and numerous businesses in Nebraska already offer paid family medical leave to their employees because it is such a great recruitment tool, and this would end up lowering the cost for those businesses by creating this fund.

**SORRENTINO:** I worry about the "voluntarilyness"-- that's a new word, when something is so popular and one or two or three employers adopt it, it becomes let's keep up with the Joneses. And we got to put into it and we got to put in money. So all of a sudden the "voluntarilyness" of it becomes a mandate and I don't like state mandates. One last question, on page 9 of the bill--

**M. CAVANAUGH:** That is not actually a mandate, it's still voluntary.

**SORRENTINO:** Well, it would be from a competitive standpoint, not literally.

**M. CAVANAUGH:** Well, if you want to be a, a, a competitive employer that lures, recruits, and retains people, then you are going to look to find opportunities to do things that entice your employees. So I don't know that that's a mandate. That's-- what is that, we say the free market decides?

**SORRENTINO:** One last question, I promise. Page 9, information relating to the covered individual's use of paid medical and leave act may be shared with any covered employer that employs a covered individual upon covered employer's request in a manner prescribed by the Commissioner. I want to make sure we're not stepping on HIPAA toes here, because in the real world of HIPAA, you only get medical necessary information. If I'm having psychiatric, you know, duties, that employer never knows what I have. So are we sure we're protecting the employer here?

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**M. CAVANAUGH:** I have all of the confidence in the world in the Department of Labor and the new director, that they will abide by HIPAA regulations as they develop the form.

**SORRENTINO:** Thank you. I'll come back.

**KAUTH:** Thank you. Senator Raybould.

**RAYBOULD:** Can you tell me-- I know you probably don't have a fiscal note, or maybe in the previous iterations you had a fiscal note, what, what does the Department of Labor estimate they need for someone to, to manage and oversee this program?

**M. CAVANAUGH:** So I do have a fiscal note--

**RAYBOULD:** OK.

**M. CAVANAUGH:** --in here. The Department of Labor estimates regarding individual contributions and benefits is based on the assumption that 10% of the covered workforce will apply. Under this assumption, 99,706 applicants would be received. Further, assuming 85% of applications are approved, 84,750 individuals would be eligible, and these payments would be paid from funds contributed by the employees. They estimate \$385 million in benefits annually. And you-- they say they would need 32 FTEs.

**RAYBOULD:** 32 FTEs, OK.

**M. CAVANAUGH:** But that these would have to be funded by the fund itself. So that would be the transfer that Senator Sorrentino was talking about, \$5.5 million, into the paid leave fund on October 1. Assuming the funds are received on this date, the department estimates 76% of the annual amount for '27, cash fund expenditures, 2.4 in '27, annualized beginning in FY '28, 6.6. So, essentially, the-- it's-- the intention is to create a self-sustaining fund like the unemployment insurance fund.

**RAYBOULD:** OK. Thank you.

**KAUTH:** Thank you, Senator Raybould. Other questions from the committee? I have one. You said that other states are doing this currently, which states?

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**M. CAVANAUGH:** Ooh, gosh. I don't know which new states are doing it. It's been-- oh, let's see here. Let me get you a list, because I, I don't--

**KAUTH:** Are there any states that are doing this, the volunteer?

**M. CAVANAUGH:** Oh, yes, yes, there are.

**KAUTH:** The voluntarily?

**M. CAVANAUGH:** Oh, the volunteer part?

**KAUTH:** Um-hum.

**M. CAVANAUGH:** No, they mandate it.

**KAUTH:** OK.

**M. CAVANAUGH:** It's, it's like an actual program.

**KAUTH:** Do you know which states those are?

**M. CAVANAUGH:** I-- I'll, I'll get you a full list. I don't want to miss name the states,--

**KAUTH:** OK.

**M. CAVANAUGH:** --but I know there are-- last time I checked, there were 10. I believe there are more now. So I'll get you a full list.

**KAUTH:** But-- so they're not doing the voluntary program?

**M. CAVANAUGH:** No.

**KAUTH:** I, I share Senator Sorrentino's concerns that you're going to have the first few people jump in because it looks like the state's kicking in \$5.5 million and they won't have to kick in any.

**M. CAVANAUGH:** I'm happy to make it mandatory.

**KAUTH:** Any other questions from the committee? Senator McKinney.

**McKINNEY:** Thank you. There's 13 states that do this.

**M. CAVANAUGH:** Oh, thank you.

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**McKINNEY:** California, Colorado, Connecticut, Delaware, Maine, Maryland, Massachusetts, Minnesota, New Jersey, New York, Oregon, Rhode Island, Washington, D.C.

**M. CAVANAUGH:** Well, I was born in D.C., so I'd like my home state of Nebraska to have it, too.

**McKINNEY:** All right. Thank you.

**M. CAVANAUGH:** Thank you, Senator McKinney.

**KAUTH:** Thank you, Senator McKinney. Any further questions? Seeing none, are you staying to close?

**M. CAVANAUGH:** Yes.

**KAUTH:** First proponent?

**JUSTIN HUBLY:** Good afternoon, Senator Kauth, members of the committee. My name is Justin Hubly, J-u-s-t-i-n H-u-b-l-y. I'm the Executive Director of the Nebraska Association of Public Employees. NAPE/AFSCME Local 61. Our union represents over 8,000 frontline state employees who perform more than 400 jobs in all 93 counties for more than 40 different state agencies, here to testify in support of this bill this afternoon. As Senator Cavanaugh mentioned, I feel like this is from her greatest hits collection. I've been here before on this bill. I wanted to hopefully offer some data points, and I've attached an article from the CT Mirror. The last couple times I've testified on this bill, Connecticut had just passed this and Connecticut took a year or two to seed its fund with some money to start it off, and so you can read that on your own time. It has some data points on how many claims have been filed, how much money has been put in. From a Nebraska perspective, I just wanted to share you, from state employees, our field staff at our union took have 4,000 calls for assistance and questions in some way, shape, or form via email or phone in calendar year 2024. And looking at the data, about 1 in 6 of those calls had something to do with a family medical leave situation for an employee. And for state employees who've been around for a long time, they've earned sick leave, they've earned vacation leave, and they're able to use that to make their unpaid FMLA pay that's used concurrently. But where it really is difficult is for newer employees who don't have that, that leave banked up. And it's particularly difficult for folks who have either a chronic health condition or they're caring for a family member with a chronic health condition.

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And so we hear from our members quite frequently that they're happy that they have the job protection of FMLA, but they had no idea that it was unpaid and the challenge that I would put on our family. Generally speaking, when folks have to use FMLA, it's not a great time in their life or the life of a family member. And so we would like to encourage you to consider this bill, consider an iteration of this bill to try to make things a little bit better for folks who are working on the front lines, who might not have enough time saved up. A couple questions that we're asked earlier. Do state employees get short-term disability insurance? They don't get it. It's optional coverage that they can purchase. I think Senator Sorrentino is maybe doing some math. And why would I support this? Why would I not? Why would I not just buy short-term disability insurance? Frankly, a lot of state employees call and I say don't buy short-term disability insurance if you're a 20-year veteran employee. I can't believe I've been in the workforce for 21 years now. I've taken 10 sick days in my career, mainly because I'm afraid of my mom, but also because I've been very healthy and so I have a lot of sick leave that's banked up. Other folks, why would I need short-term disability, I have enough sick, sick leave to probably cover something in the short term? Not everybody is in that situation. So that's where we're at on this bill. And just wanted to say very briefly, I think this is my last time, if I counted correctly testifying this year, and I want to thank all of you for your public service. I know Senator Sorrentino is here because of the high pay, but for the rest of you, we're doing this on a volunteer basis. We really do appreciate the service. And, Senator Kauth, I wanted to thank you before the session for taking some time to meet with me. Some of your predecessors haven't done that, and I just hope that over the course of the next few years that we'll be working together and we can find some ways to make life a little bit better for working people in Nebraska. Thank you.

**KAUTH:** Thank you so much for your testimony. Questions? Senator Raybould.

**RAYBOULD:** Yes. Thank you, Mr. Hubly. Can you tell me for the paid sick leave, can, can employees donate it to another employee who may not have banked enough up?

**JUSTIN HUBLY:** For state employees-- I appreciate that-- we do have a sick leave sharing program right now, but as of July 1, it's going to change. We came to a new agreement with the governor's office. I think it's, it's going to really help some folks. Right now, state employees can only share leave at their own agency. If you work for DHHS, NDOT

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or Corrections, you probably have a real good chance of, of finding somebody to share with you if you run out and are suffering from a catastrophic illness. If you work for the Blind and Visually Impaired Commission, the Liquor Control Commission, probably not. There's just not enough employees. So starting July 1, state employees suffering from a catastrophic illness will be able to share leave across state agencies and share their sick leave and vacation or comp time.

**RAYBOULD:** That's great. And I believe you said that it's optional for short term, that you, as the employee, would have to pay for that, that fee.

**JUSTIN HUBLY:** Correct. We have negotiated our contract with the state will offer a voluntary program that the employees can then purchase.

**RAYBOULD:** OK. And then what about long-term disability.

**JUSTIN HUBLY:** Operates the same way.

**RAYBOULD:** OK. All right. Thank you.

**JUSTIN HUBLY:** You bet.

**KAUTH:** Thank you, Senator Raybould. Senator Sorrentino.

**SORRENTINO:** Thank you, Chairwoman Kauth. Just one question. Has the, either paid FMLA or voluntary FMLA, has it been a point of bargaining between your group and the state in the past or not?

**JUSTIN HUBLY:** You know, it hasn't specifically. And I think the main reason for that is the state offers pretty generous sick leave benefits which, which we have bargained. And so, like I said, employees can use our sick leave to make their unpaid FMLA paid FMLA. But it's tough if you're in your first 5 years of employment or have had a child or are suffering from a catastrophic illness to bank up time.

**SORRENTINO:** Thank you.

**JUSTIN HUBLY:** You bet.

**KAUTH:** Thank you very much. Any other questions? Seeing none,--

**JUSTIN HUBLY:** Thank you.

**KAUTH:** --thank you for your testimony. Next proponent? Good afternoon.

**ANAHI SALAZAR:** Hello. Hello, Chairperson Kauth and members of the Business and Labor Committee. My name is Anahi Salazar, A-n-a-h-i S-a-l-a-z-a-r, and I am Policy Coordinator with Voices for Children in Nebraska, here in support of LB189. Nebraskans are hardworking and committed to building better futures for themselves and their families, a new baby, a family member returning from military service with a critical injury, a car accident, a parent starting to show signs of Alzheimer's, a child diagnosed with leukemia. These are all common and significant moments for a family that can create challenges for family well-being. Under our current law, these moments can also be a financial crisis. Nebraskans also have a strong value of caregiving, taking care of our children, and taking care of our loved ones as they age. It is important to consider the relationship between caregiving and workforce participation in order to ensure that grown-ups can be there for children during life's most treasured, stressful, or critical moments. Voices for Children in Nebraska supports LB189 because paid family and medical leave means Nebraskans don't have to choose between family and secure employment. Paid leave helps families build secure relationships with their babies that are so important to children's long-term learning and success. Allowing birthing parents to stay home can have a significant impact on Nebraska's infant care and the birthing person's well-being. Since the enactment of paid leave policies in other states, there is ample evidence that paid family leave contributes to lower rates of infant mortality and decreases postneonatal mortality. Paid leave allows parents to stay home and care for their child, which is imperative for both the baby and the birthing person's health and well-being. Adequate time off after birth also results, results in longer periods of breastfeeding, which can have a beneficial impact for both the parent and the baby. The benefits also accrue for children who join families through foster care or adoption. Paid leave ensures families have time to care for new children and seamlessly integrate them into family without sacrificing long-term economic security. Children and families who need paid leave are currently unable to access it. Currently, families across Nebraska have difficult decisions to make. Do they take care of their newborns, new children, sick children, ill family members, even themselves or do they go back to work because they need the money for their basic and medical needs? Only about 40% of families in Nebraska can afford to take unpaid leave under the federal FMLA or Family and Medical Leave Act, and access to leave is highly determined by income, and those in the lowest wage jobs do not have the financial capacity to take the needed time from work. Investing in families is an investment in Nebraska's workforce.

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Employee turnover, the loss of institutional knowledge, absenteeism and presenteeism, and temporary hiring are all-- already affecting businesses' bottom line. Family values are at the heart of Nebraska values. LB189 would ensure that all Nebraskans can be there for the most important moments in our, in our families' lives, and that our children will have the best start to life. Thank you, Senator Machaela Cavanaugh, for your leadership in this important issue. And thank you, committee, for your time and attention. We respectfully urge you to advance LB189. Thank you.

**KAUTH:** Thank you. Any questions from the committee? Senator Raybould.

**RAYBOULD:** Thank you, Ms. Salazar. I don't know if this is a question for you or maybe someone to follow or, or back to Senator Cavanaugh, but so we know that Senator McKinney just reviewed a number of states. What are-- are you familiar with their mechanism of, of acquiring the funds? Like, I'm sure that some states require the employer to make a contribution that's matched by the employee. I'm just thinking that's probably one option that is always voluntary between the employer and the employee and the state entity that would be managing and, and disbursing those funds. Is there another model that you've looked at or could tell us about?

**ANAHI SALAZAR:** Yeah, that's a great question. I do not have those in front of me, but could definitely get back to you and the committee with some of those other models that other states are using.

**RAYBOULD:** OK, great. Thank you.

**ANAHI SALAZAR:** Yeah.

**KAUTH:** Any other questions from the committee? Seeing none, thank you.

**ANAHI SALAZAR:** Thank you.

**ERIN FEICHTINGER:** Hi.

**KAUTH:** Good afternoon.

**ERIN FEICHTINGER:** Good afternoon. Happy Saint Patrick's Day. Nice to see everyone's green. Chair Kauth, members of the Business and Labor Committee, my name is Erin Feichtinger, E-r-i-n F-e-i-c-h-t-i-n-g-e-r. I'm the Policy Director for the Women's Fund of Omaha. We support LB189 to create a paid family and medical leave insurance program because 80% of Nebraska workers do not have access to paid leave to be

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there during a dying parent's last days, to care for a newborn child during those fragile first weeks, or even to care for oneself during an unexpected illness. Access to paid family and medical leave is an important tool for women to help them build and maintain their economic security. In Nebraska, women represent almost half of the full-time workers in the state, and the great majority of children in our state have working moms. Beyond responsibilities to our jobs, women continue to fulfill the role of the primary caregiver within their families. Nebraska women were more likely than their male counterparts to say that an important consideration in accepting a job was having a schedule that fits their needs, access to paid sick leave, and accessible childcare. But that's a different problem. Women must balance these two important sets of responsibilities to our careers and to our families. In a world where most jobs do not offer adequate paid leave, women are often put in the position to sacrifice their career advancement or earning potential to care for their families. And paid leave allows women, allows women to maintain their economic stability while caring for their loved ones without losing ground after they return to work. Women who return to work after a paid leave have a 39% lower likelihood of receiving public assistance, and a 40% lower likelihood of food stamp receipt after returning to work. Research shows that women experience a 7% decrease in pay for each child they have. This is called the motherhood penalty and it is a direct consequence of the wages women lose during unpaid leave. Women who return to work after paid leave are more likely to stay employed years later, benefiting both their careers and the workforce as a whole. Paid family and medical leave is a solution for employees and employers and for Nebraska. It is our hope that employers, as much as employees, want to put their families first and LB189 provides them with a tool to do that. We believe that paid family and medical leave is a critical policy solution that will help provide long-term stability for Nebraska families. And we would urge your support of LB189, as we've urged this committee's support all the other FMLAs that have come over the years. And I'm happy to answer any questions that you may have to the best of my abilities.

**KAUTH:** Thank you for your testimony. Senator Sorrentino.

**SORRENTINO:** Thank you, Chairwoman Kauth. Thank you for your testimony. Real quick, I would assume that we would all agree that employees, whether they work for nonprofits or profits deserve the same rights,--

**ERIN FEICHTINGER:** Yeah.

**SORRENTINO:** --that wouldn't be a point of contention. Do you think this bill, even in its voluntary state, places a, a greater burden on for-profit companies and that, you know, in both cases we're going to be paying employees who are missing time. In a for profit, as the name implies, I have a budget to meet, I have profits to make, I have shareholders, is this bill-- is it fair to expect the same of a for profit versus nonprofit?

**ERIN FEICHTINGER:** It's an interesting question. I know, and I don't have the information right in front of me, but like the breakdown between employees who are working in nonprofits versus for profits. If it's not this bill, if it's not this version of a family medical leave bill, I do think it is-- you know, we know that the research shows that it is an effective tool for employers and employees, like, particularly for employees. We're sort of inching closer to recognizing that folks have lives outside of work that need to be taken care of. And, yeah, we're going to keep working on this.

**SORRENTINO:** Thank you.

**ERIN FEICHTINGER:** You're welcome. I'm sorry I couldn't answer your question

**SORRENTINO:** No, it's good.

**KAUTH:** Any other questions from the committee? Senator Hansen? No? Seeing none, thank you for your testimony. Next proponent?

**KEN SMITH:** Good afternoon, Chairwoman Kauth, members of the Business and Labor Committee. My name is Ken Smith, that's spelled K-e-n S-m-i-t-h. I'm the Director of the Economic Justice Program at Nebraska Appleseed, and we are here in support of LB189. As other testifiers have stated, this is certainly a long-standing discussion, policy discussion in the state of Nebraska. I know the first time I testified on, on a bill like this was in 2017, and I think this is bill number seven that have taken various kind of iterations. This new kind of biggest shift has been to a voluntary program. But I think what has remained the same is the rationale behind these bills, which is pretty straightforward, which is that by refraining from adopting some kind of paid family leave program, people are forced to leave the labor force to take care of their families or to take care of their health. So that's the policy issue that we know exists that the 13 other states and the District of Columbia have tried to address through enacting similar programs, and that we think Nebraska should

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address by enacting programs. I won't regurgitate the same kind of statistics that previous testifiers have laid out, but we, we do know that the vast majority of the Nebraska workforce lacks access to paid leave. One statistic, I think, that, that hasn't been mentioned yet, is that there are over \$330 million in wages that are lost with unpaid or partially paid leave. And so when you think about, you know, the, the benefits that this would have to working Nebraskans, you know, is, is significant. LB189 is a solution that would ease the economic pain caused by not having a paid leave program, an economic pain that comes from a shrinking workforce, cutting workers' income. So I think for, for all of those reasons, we think this is a bill that should be supported. Most of the states, and in response, Senator Raybould, to your question, and I actually, I know this is, I know this is true for a handful of them so maybe I shouldn't say most, but most of the states that I'm aware of that do this, do it through a kind of a payroll deduction similar to what is proposed here. The difference being that most states are mandatory, I think, instead of voluntary. So with that, I think, again, in order to avoid shrinking our workforce and cutting worker income when they have to inevitably take time off to take care of themselves or their families, we would urge you to pass LB189. I'm happy to try to answer any questions.

**KAUTH:** Thank you for your testimony. Senator Raybould.

**RAYBOULD:** You know, I'm-- thank you, Mr. Smith, for testifying. You know, I'm always intrigued by what our neighboring states are doing and what they're up to. And, and I heard Senator McKinney say Colorado was one of the states that have passed something. Are you familiar with that? I mean, how did-- how were they able to get it launched and get, you know, obviously, we're part of the process of getting through our committee and getting more information out there to maybe our voters, it becomes something of a ballot initiative in the future, I don't know.

**KEN SMITH:** Well, and that is-- I pulled out my phone because I was actually just looking at Colorado's before, before coming up here. But-- so I believe Colorado's program is one that's financed through a payroll deduction. It was passed via a ballot initiative by voters, I think, in 2020. So that is, yeah, the only state, a neighboring state that's on the list, Colorado did pass it via a ballot initiative and uses that payroll deduction model.

**RAYBOULD:** Across the board. You can't opt in to have the payroll deduction.

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**KEN SMITH:** That's my understanding--

**RAYBOULD:** OK.

**KEN SMITH:** --because it creates--

**RAYBOULD:** Mandatory everybody. OK.

**KEN SMITH:** Well, I think-- and I'm not sure if there are-- I don't know if it applies to every employer full stop. I'd have to look into that--

**RAYBOULD:** OK.

**KEN SMITH:** --more to see kind of the policy specifics there, but I know that it creates requirements, not, not an opt-in.

**RAYBOULD:** OK. Thank you.

**KAUTH:** Thank you, Senator Raybould. Senator Sorrentino? Any other questions? Thank you for your testimony.

**KEN SMITH:** Thank you.

**KAUTH:** Next proponent? Seeing none, first opponent? No opponents? Anyone wishing to speak in the neutral? OK, Senator Machaela Cavanaugh, would you like to come up? And for the record, we had 29 proponents, and 12 opponent, and 1 neutral online comments.

**M. CAVANAUGH:** Well, in the past there were a lot of opponents so this is a huge shift. So one of the things I just wanted to touch on was the cost to the state. So currently when somebody has to take time off and they are in a certain earning bracket and they don't have paid time off, there is a cost to the state. And if they can't return to their job as a result of, you know, basically taking the time off, then we might see that they have to go on some of the social benefits of, like, SNAP, childcare subsidies, rental assistance, Medicaid. And so there is a, there is a hidden cost to the state currently in not having a program like this. Additionally, there's the cost of, of workforce shortage and Nebraska being a state that doesn't have this and we are trying to get people to move here, young people or not, they're going to look at states and they're going to say the state doesn't have paid leave, why would I move there? And I mean, that's the reality. They can move to Colorado and go skiing, so. But I'm happy to make it mandatory. The feedback I have gotten over the years

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is that people don't want it to be mandatory. To the question of the ballot initiative, I do believe that this will be coming through a ballot initiative in the not too distant future. And like everything else that's [INAUDIBLE] the ballot, I would prefer that we do it legislatively, not through the ballot initiative process. But I do think that if we don't do something with paid leave, there will be a ballot initiative, so.

**KAUTH:** Thank you. Any further questions? I have one. Why, why aren't we advocating that people save their money? Because they would have to contribute to this to actually take out of it, why not just advocate for them to set aside some of their money to save or to buy that short-term disability?

**M. CAVANAUGH:** Well, I mean, if we allowed individuals to buy short-term disability as individuals, then that would be one solve for the problem, but they can't get it unless their employer sponsors it. So--

**KAUTH:** So there are no insurance programs that allow that?

**M. CAVANAUGH:** No, it's actually prohibited by law.

**KAUTH:** So why not try to pass a law that would instead allow short-term disability to be [INAUDIBLE]?

**M. CAVANAUGH:** That's a great question. I've been asking the insurance company for a few years now about doing that, and there doesn't seem to be an appetite for it, so. And who am I to go against the insurance companies?

**KAUTH:** OK. Any further questions? Thank you for your testimony.

**M. CAVANAUGH:** Thank you.

**KAUTH:** That closes the hearing on LB189.

**M. CAVANAUGH:** Have a great afternoon.

**KAUTH:** And LB370. Senator Hunt, go ahead.

**HUNT:** Thank you. Good afternoon, members of the Business and Labor Committee. My name is Megan Hunt, M-e-g-a-n H-u-n-t, and I'm here today to present LB370, an update to our state Student-Athlete Name, Image, and [SIC] Likeness Rights Act. I'm proud to have sponsored the

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original act and worked on some updates along the way. In 2020, we passed my LB962 to create the Fair Pay to Play Act, and I'm proud we were the fifth state to do so. We would have been the second if not for COVID, but based on what other states were doing around that time, we didn't end up coming back until the fall and that's when we got it done, but. That was a really fun experience for me. I'm going to talk about the history, a little bit of the NIL issue, just to put it in context of what this bill does. I'll talk about what the bill does, and then I'll kind of talk about the partners that have worked on this legislation today. So a flurry of states moved to adopt NIL bills shortly after we did, because it's what colleges have to do now to stay competitive. And, eventually, in June 2021, the issue went to the Supreme Court with the case NCAA v. Alston. The court in that case found that student athletes could receive education-related payments, which limited the NCAA's ability to restrict athlete compensation. With new state laws taking off across the country and support for NIL at an all-time high, the NCAA introduced a policy in July 2021 allowing athletes to profit from their name, image, and likeness rights. This was a historic shift, giving athletes the freedom to sign endorsement deals, grow their brands, and earn income without breaking NCAA rules. However, there were various restrictions and conditions around those rights which had to be compliant with NCAA policy. Fast forward to 2024, a landmark case in college athletics, the House v. NCAA case brought by college athletes, argued that the NCAA's rules unfairly restricted student athletes' ability to profit from their name, image, and likeness. The plaintiffs argued that the NCAA's restrictions on NIL payments and control of broadcast TV markets, primarily during March Madness, prevented student athletes from realizing their true market value. The suit was granted a class action certification, and the NCAA agreed to a preliminary settlement of \$3 billion under a revenue-sharing model to allow member institutions to distribute funds to current and former Division 1 players for its prior use of their NIL rights, dating back to 2016. However, the settlement includes a number of restrictions and conditions that would unnecessarily limit athletes' rights to NIL participation and compensation, and could lead to violation of our own statute if Nebraska were to opt in because our statute currently prohibits universities from directly paying NIL compensation to athletes. A ruling could come sometime this year, but the settlement has opened the floodgates to universities and states rushing to compete to recruit the top athletes by reforming their laws and offering direct compensation so they can get the settlement funds. It's my understanding also that even if a ruling comes this year, the

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expectation is that there will be appeals or subsequent denials and a complex legal battle that could take years, leaving states without secure laws flat-footed. Between July and September 2024, the states of Georgia, Illinois, and Virginia adopted NIL laws that explicitly allow their college programs to directly enter NIL deals with and pay NIL compensation to their college athletes like this bill. California has clarified that their NIL law also permits this. In addition, laws in at least 17 other states prohibit universities from complying with the House v. NCAA settlement that seeks to allow the NCAA and conferences to impose NIL restrictions on, or punish their universities and athletes. Therefore, Nebraska must be vigilant in ensuring our NIL law provides college athlete freedoms that are no less than those of college athletes in other states. States that do not allow their college athletes to enter into NIL deals and receive NIL compensation from their athletic programs will be at a significant disadvantage in recruiting and retaining talented college athletes. Universities need states to update their NIL laws to compete and treat their athletes fairly, as well as to ensure their own rights and responsibilities are protected from any liability or potential punishments from noncompliance with conference policies. I'm grateful to the National College Players Association for keeping me informed about this, and working with me and my office on the language to make sure it models best practices for student athletes in universities in other states. Also grateful to University of Nebraska for being a constant partner and contact about this bill. The language reforms our existing NIL law to keep us ahead of an ever-evolving landscape, to provide certainty that regardless of what happens with this or any other future settlement or case, Nebraska's players and universities will be ahead of the game, competitive, and have the freedoms to recruit and participate in NIL activities protected by our state law. Specifically, this bill adopts standards for athlete agents in the absence of college athlete agent certification body, protect student rights to NIL compensation for First Amendment protected speech, requires written agreements and specifies terms and conditions that must be included in those agreements so students know exactly what they're signing up for and have supporting documentation in the case of a dispute, allows universities to provide education around these matters to students, and gives institutions the protection from investigation or punishment for noncompliance with conference restrictions, opens up direct university pay to players, rather than removes the current restriction from that in our statute. But it doesn't require the university to do so, it just says that they can if they want to. And it prohibits the NCAA and other conferences from

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directly imposing NIL restrictions on, or punishing athletes or universities for noncompliance with their policies, and says they cannot investigate or punish institutions or athletes for any activities authorized by state law. I'm grateful for the productive conversations with our University of Nebraska representatives and our advocates with the National College Players Association. We had a great meeting this weekend. And they've been great partners in this effort, and I think we're all on the same page of sharing the goals of, one, wanting to make sure we're both protecting our student athletes from financial predation or manipulation in making these deals while maximizing their opportunities, and, two, giving our universities broad latitude to educate, recruit, retain, and compensate their athletes as they see fit while ensuring they don't risk sanctions for noncompliance with conference rules or disadvantages for recruiting compared to other states. We have such a strong and proud tradition of Husker athletics in our state. LB370 is a necessary step to keep that competitive edge. I understand that the university wants to make sure they are in compliance with state law, and are still reviewing the finer details of the bill, and they've opted not to take any position for today's hearing and are going to continue to monitor the situation for updates. I appreciate their partnership and they have my commitment and promise to continue to wrap them into any developments on this bill, and also toward our shared goal of increasing-- increasing talent, attraction, and retention to the University. As NIL compensation grows and interest in this space has exploded, many universities have reversed course from wanting more restrictions to wanting more freedoms to be competitive. For example, some universities and other states have begun offering NIL advances to recruits. We're seeing many other states leap ahead to make sure their laws are ahead of the game on this, and I do not want Nebraska to be left behind. Thank you. I'm happy to take any questions.

**KAUTH:** Thank you for your testimony. Senator Raybould.

**RAYBOULD:** Thank you, Senator Hunt, for the history on it. It's, it's a topic I'm completely not familiar with. But, OK, so currently does the state of Nebraska just give the athletes educational like funding benefits or do they now permit the athletes to receive compensation directly and they're not an intermediary or how does--

**HUNT:** Right now, the athletes don't receive compensation from-- directly from the university. But because of the NIL bill we passed in 2020, they are allowed to enter contracts with, you know, a restaurant

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or any business to basically do, like, an endorsement deal or something like that.

**RAYBOULD:** And so for recruitment purposes, they-- can the university offer them besides scholarship, like room and board? Are there other things that they can offer?

**HUNT:** No.

**RAYBOULD:** A contract or something like that?

**HUNT:** No. But kind of the work-around that has happened is-- what's this "pede" funded thing? It's called the 1870--

**SORRENTINO:** A collective.

**HUNT:** Yeah, a collective. There's this collective. And so donors can donate to the collective and then the collective can give money to students. And that's not directly from the university, but, you know, it's, it's not part of the university. Yeah.

**RAYBOULD:** OK. Thank you.

**KAUTH:** Senator Sorrentino.

**SORRENTINO:** Thank you, Senator Kauth. I think in light of the upcoming House v. NCAA settlement, whenever that really is settled, these athletes might, might become actual employees of the university. It's not where they're at yet, but leaning towards that. My only question is in the bill, and it refers to athletes, I'm assuming that it's male athletes and female athletes and transgender athletes? Is there any delineation athletes-- in athlete in this bill?

**HUNT:** Athlete is an athlete. We don't specify gender.

**SORRENTINO:** So expectations that there should be some corresponding value based on the revenue for that sport for a female athlete, if she plays volleyball at the University Nebraska, which probably brings in more money than with exception to maybe in football, they should be paid accordingly.

**HUNT:** Well, yeah, what I joked about, not really even joking, but what I said in 2020 was, you know, my original NIL bill, it wasn't for a football team, it was for the volleyball girls. You know, they're the ones who are going to get these great deals because they're crushing

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it. And, yeah, I mean, I think the intention behind NIL legislation and practices is just to allow students to participate in the market, just like any other student. You know, if I went to UNL and I was a music composition major, I could make money doing a YouTube channel and monetize my YouTube channel and say I'm Megan, I go to University of Nebraska, here's some information about how to compose music. But if I was an athlete, I couldn't do that until we passed the NIL bill. So it's really not the university saying here's what men are worth, here's what women are worth, it's just the market. It's whatever kind of deal they can get. And I think that's what's fair.

**SORRENTINO:** I think for down the road, it's important to realize this would only apply to Lincoln, Omaha, and Creighton because NIL doesn't apply to Division 2 schools, but I wouldn't doubt that that is the next step.

**HUNT:** Well, I disagree because, actually, because of NIL legislation, students at Peru State or Chadron or like any, any other, you know, smaller college or University of Nebraska, they can get these sponsorships too, they can monetize their YouTube channel too, they can post a sponsored Instagram ad too. And before they were never allowed to do that. So--

**SORRENTINO:** Well, my understanding is they couldn't get NIL money, Division 2 schools?

**HUNT:** That's from the settlement.

**SORRENTINO:** Right.

**HUNT:** But that's not NIL, in general.

**SORRENTINO:** Thank you.

**HUNT:** Um-hum.

**KAUTH:** Thank you, Senator Sorrentino. Any other questions? Seeing none, will you stay to close?

**HUNT:** Yes. Thank you.

**KAUTH:** First proponent? Any proponents? First opponent? Any opponents? Senator Hunt.

**HUNT:** I waive.

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**KAUTH:** OK. Let me see--

**HUNT:** Actually, do, do any of you have other questions?

**HANSEN:** Neutral?

**KAUTH:** Pardon? Yeah, I'm getting to neutral. I was going to read the--

**HUNT:** OK. Sure.

**KAUTH:** Is there anyone speaking in the neutral? No? OK. Do we have any letters? I don't think we do. Hold on. Oh, there it is, there it is. OK, two proponents, three opponents, and zero neutral. And Senator Raybould has one more question.

**RAYBOULD:** So it's kind of my favorite question today. So what are some of our other states like? What is Colorado up to, or is everyone waiting for the court determination or how can we-- what, what should we be doing to be more competitive?

**HUNT:** I know that there are 17 other states that are in the same position as Nebraska right now, where we're out of compliance with the NCAA law or the, the settlement, I should say, the court finding, and they are going to need to pass bills just like us in order to be in compliance with it. And those states are also seeing bills like this coming through because universities want to be competitive. They don't want the best volleyball player, the best football player, whatever, saying, oh, Colorado passed their law and they're getting the settlement fund so I'm going to go there. And it's just keeping us up to date and compliant with what the NCAA says, what the court has said, and with what it is that the universities want to do.

**RAYBOULD:** So this piece of legislation is stamped and approved by the university?

**HUNT:** They are not taking a position on it,--

**RAYBOULD:** Oh, OK.

**HUNT:** --but we are still in conversation about it. They supported it in 2020. They aren't opposed. They aren't neutral. We're just working out-- you know, I think, I think the ball's kind of in our court.

**RAYBOULD:** OK.

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**HUNT:** Yeah, I think, I think they are supportive and I probably shouldn't say it on the record. But I'll say, I'll say this, they've been a really, really positive partner in the process.

**RAYBOULD:** OK. Thank you.

**KAUTH:** Thank you. Any further questions?

**HANSEN:** Yes.

**KAUTH:** Senator Hansen.

**HANSEN:** Thank you. I was curious about why the addition of property, and on page 7, it's athletes' name, image, or likeness property rights. I don't know why the addition of property. Was there a specific reason why? I just don't know.

**HUNT:** I think that this is an issue that came up in another state. And so it's another one of those things that's just covering bases to avoid having, like, an amendment or another bill next year or something like that.

**HANSEN:** OK. Yeah, that's maybe all I had. Yeah, thank you.

**HUNT:** That's a good question.

**HANSEN:** Yeah. Yeah. Thanks.

**KAUTH:** Any other questions? OK. Seeing none, thank you for your testimony.

**HUNT:** Thanks, everyone. Appreciate it.

**KAUTH:** And closing out LB370 and opening up on LB336.

**CONRAD:** Good afternoon, Chair Kauth, members of the Business and Labor Committee. My name is Danielle Conrad, it's D-a-n-i-e-l-l-e, Conrad, C-o-n-r-a-d. I represent north Lincoln in the Nebraska Unicameral Legislature, and I'm pleased to introduce LB336 to you today. If this is familiar to returning members of the committee, I had the honor and opportunity to pick up this piece of legislation from my friend and our former colleague Senator Lynne Walz. She brought forward a very, very similar measure in the last biennium and in assembling my legislative agenda for this year, it seemed like an important bill whose business was unfinished and so it would be good to lift up. The

measure that Senator Lynne Walz brought forward in the last biennium was referenced to the Executive Board, rather than the Business and Labor Committee, and it did advance from the Executive Board last biennium, 6-1. This measure has a \$0 fiscal note, and what it would do is that it would create a task force on supported employment. This is a really important opportunity to figure out ways to remove barriers for Nebraskans with intellectual or developmental disabilities, so that we can continue to make progress in terms of their opportunities to participate in our workforce. We in Nebraska, as you know, historically, have very, very low unemployment. We have significant challenges when it comes to workforce development and Nebraska, not that many years ago, was actually very, very low in terms of having supported services for Nebraskans with intellectual disabilities or medical needs or developmental disabilities from participating in the workforce effectively. And so the experts in these fields came together, they developed some really smart analysis and reporting about kind of where Nebraska was that in terms of our sister state, states, what barriers existed. And then they helped to really raise the profile on these issues to a statewide level. So there was a 126-page report published about 2 years ago, in 2023, that helped lay out these issues very nicely. Part of that called for a statewide action plan to follow up on the report that came out that happened in 2024 under the leadership of Lieutenant Governor Kelly, and was very well attended and put forward an additional, I think, 21, 25 page kind of action plan to figure out how to keep Nebraska moving in the right direction when it came to removing barriers, either in Medicaid or DD services or vocational rehab to figure out how we can continue to make improvements for workforce participation for Nebraskans with medical needs, intellectual disabilities or developmental disabilities. So what this task force would do would be to continue that trajectory and to continue that work by pulling together a host of experts in both policy, business, and working with the the impacted populations to figure out how we can continue to make progress in the areas, areas of more full integration. I will also tell you that in addition to addressing our workforce challenges and needs, I think that it's important to really center the human experience in this discussion as well. And I've had the opportunity to talk to Nebraskans who love working outside of their house in a variety of different contexts, and about the interactions they have with neighbors, about their pride in earning a paycheck and being active participants in community and our economy. And we know that there's great health, economic, and mental health impacts that come along with allowing each Nebraskan to achieve at their best and highest potential, even if they are working with

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disabilities, either developmental or intellectual. We also know that for many family members and caretakers, when their loved ones who have intellectual disabilities or developmental disabilities have an opportunity to work productively, that that can provide great peace of mind for them or respite for them as well. But there's also a lot of red tape that families and individuals have to jump through when figuring out how they can work productively without impacting their ability to receive benefits that help them to keep their head above water and access medical services and otherwise. So it's always a little bit of a push and pull to figure out how to help more people work, and more people with special-- in the special populations be able to work without negatively impacting their, their benefits that are a critical lifeline for them and their family as well. So the task force would continue that, that progression in that workforce to identify barriers and suggest additional policy reforms in the future. Happy to answer any questions.

**KAUTH:** Thank you for your testimony. Are there any questions from the committee? Senator Hansen.

**HANSEN:** I think you answered my question--

**CONRAD:** OK.

**HANSEN:** --because you have the report, one of the requirements says, "Ways in which any negative impact in benefit eligibility or benefit reduction--

**CONRAD:** Right.

**HANSEN:** --can be minimized by the state." And I was wondering why that was in there because if we're talking about employment, you know, trying to find new employment or kind of keep people in the workforce, but that--

**CONRAD:** Yeah.

**HANSEN:** --makes-- OK, makes sense why you said--

**CONRAD:** Yes.

**HANSEN:** --I'm assuming that's the reason why you had that in here.

**CONRAD:** It is.

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**HANSEN:** OK.

**CONRAD:** Thank you, Senator, and you'll be familiar with these issues from your service, of course, on Health and Human Services as well, where you know that there are a lot of Nebraskans who are differently abled that are excited to work outside of the home, but they have to figure out how to navigate maintaining eligibility for other programs and services as their incomes may, may rise or change. And so it's giving a nod to that dynamic.

**HANSEN:** OK. Push and a pull as you-- is the right answer.

**CONRAD:** Yes.

**HANSEN:** Yeah.

**KAUTH:** Any other questions?

**CONRAD:** A legal term of art.

**KAUTH:** I have one.

**CONRAD:** Yeah.

**KAUTH:** So there's no fiscal note on this.

**CONRAD:** That's right.

**KAUTH:** So is there-- it's set up by the state, there's no fiscal note, no, it's just all a voluntary group?

**CONRAD:** Yes. That's right. So the task force itself would have a variety of different representatives from business, from labor, from impacted communities and policymakers and educational professionals as well. They would be selected, I believe, by the governor in some instances. And then they are convened for a few-year period to do the additional kind of next steps in planning, put together a report to the Legislature, and then the task force would terminate. But, of course, I'd be happy to work with the committee if they see fit to moving this forward to changing composition of the committee or changing timelines.

**KAUTH:** So it's-- so there's no actual authority, they're just providing [INAUDIBLE].

**CONRAD:** That's right.

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**KAUTH:** How come they can't do this on their own? I mean, just this group get together and say, hey, listen this is important. We can present a report.

**CONRAD:** Yes.

**KAUTH:** They can't do that on their own, they need a law?

**CONRAD:** Well, that's a great question, Senator Kauth, and I think it could happen either way. We have had task forces much like this codified in statute in other instances with specific timelines, with specific policy directives. It could also happen more informally in the community or through a legislative resolution or interim study as well. So if the committee sees fit to not move forward with this measure, I think those would be other wonderful ways to explore the conversation continuing outside of the confines of a legislative bill.

**KAUTH:** OK. Thank you very much.

**CONRAD:** Yeah.

**KAUTH:** Any further questions? And are you going to stay too close?

**CONRAD:** I'll be here.

**KAUTH:** OK. First proponent? And if you guys are testifying for this bill, you can start scooting up, so. Good afternoon.

**KRISTEN LARSEN:** Hi. Good afternoon.

**KAUTH:** Go ahead.

**KRISTEN LARSEN:** Well, good afternoon, Senators. My name is Kristen Larsen, K-r-i-s-t-e-n L-a-r-s-e-n, and I represent the Nebraska Council on Developmental Disabilities, testifying in support of LB336. Although NCDD is appointed by the governor and administrated by DHHS, we are-- we operate independently. And our comments do not necessarily reflect the views of the governor's administration or the department. We're a federally mandated independent council. We focus on advocating for systems change and quality services for individuals with developmental disabilities. And when necessary, we take a nonpartisan approach to provide education and information on legislation that will impact individuals with developmental disabilities. LB336 establishes that task force and supported employment to address persistent barriers individuals with I/DD face in securing and maintaining

employment. Despite advances in disability rights, changes such as-- or challenges such as accessibility, stigma, and inadequate employer education persist. Very pleased that Senator Conrad has introduced a bill, and I thank her, especially since the bill wasn't able to advance last year. But I want to share some background information. So to address the issues of employment and underutilization of supported employment, the council state plan had an employment goal, and we contracted with Dr. Lisa Mills in 2021 to study supported employment outcomes in Nebraska. Her report, *Necessity or Luxury*, published in 2023, provided strategic recommendations. Following the release of the report, efforts of the state agencies and stakeholders shifted to supported employment services, or I'll say SE to shorten it, as a critical starting point for improving workforce participation rates among individuals with I/DD, this focus recognizes the essential role that high-quality, cost-effective, supported employment services have in increasing competitive, integrated employment for people with I/DD. In response, NCDD did co-host in September 2023 a supported employment summit that gathered over 100 stakeholders. With additional funding from the council, our Dr. Mills facilitated the summit. And then later developed the action plan, outlying-- outlining solutions and key actions. So you're receiving handouts of the actual published report in 2023. The most updated version of the February Supported Employment Action Plan that's abbreviated, as well as a report from Dr. Mills from-- that she recently gave us, because after the second year that we contracted with her. And the major takeaways, we need an individual to keep facilitating that work. The Council's hired Becki Koehler, who's an in-state subject matter, matter expert to do that work. So we've done the heavy lift, but we still need-- we feel like it's important to have the time-limited task force to make sure that efforts do continue. We do have a lot of collaboration going on. Senator Kauth, you mentioned that earlier, but what we need is everybody at the table. And really we do need a little bit more accountability with it. And I think this is the way to do that is by having that task force. I think right now the council has been trying to take the lead, but I can't tell VR what to do or we can't tell the Division of Developmental Disabilities what to do. We're just advocating for those,--

**KAUTH:** OK.

**KRISTEN LARSEN:** -- you know, improvements.

**KAUTH:** Thank you for your testimony. Are there any questions from the committee? Gave us a lot of stuff. Are you available if--

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**KRISTEN LARSEN:** I gave you a lot of reading.

**KAUTH:** --if after we've "dugged" through this a little bit, are you available for individual calls?

**KRISTEN LARSEN:** I sure am.

**KAUTH:** OK. Thank you very much.

**KRISTEN LARSEN:** Thank you. Appreciate it.

**KAUTH:** Next proponent? Jump right up there. Good afternoon.

**STACY PFEIFER:** Hello. Good afternoon. Oh, yeah. I'm sorry. Thank you. Happy Saint Patrick's Day.

**KAUTH:** Thank you.

**STACY PFEIFER:** Members of the Business and Labor Committee, my name is Stacy Pfeifer, S-t-a-c-y P-f-e-i-f-e-r. I'm the Director of the Enable Savings Plan for the state of Nebraska, and here, and here today to testify in favor of LB366 [SIC]. So a little background on Enable, it authorizes individuals with disabilities to open tax exempt savings accounts without it impacting their eligibility for resource-based benefits. We are part of the State Treasurer's Office. We have helped individuals with disabilities open 4,458 accounts and hold a little over \$49.8 million in assets under management. We are honored and humbled to be able to help individuals in this way. And we look forward to helping more. Enable can be a place for individuals with disabilities who are working, where they can invest assets and not worry about losing their benefits. They are asset protectors, not income protectors, but they do allow individuals to work more hours or not have to turn down a raise because they're worried about losing their benefits. This can also be a benefit for employers, as they can give their employees the raise that they deserve. They can have them work more hours and can easily retain individuals with disabilities as employees. And so that is why we are a part of this task force or would like to be. There may be some who think that we don't need to create yet another task force group, etcetera, but this group is unique that it includes individuals from the Chamber of Commerce and employers, as well as other groups who have experience significantly with helping them-- specifically with helping employee individuals with disabilities. Having these groups with a specific goal of employment and having all the players at the table go a long way in helping us solve this issue. It can-- having the chamber there

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specifically can help really get that buy-in from employers. I know working with Enable, trying to reach out to employers and working with them, it's sometimes hard to get that buy-in from them and get them to understand what we're working on and what we're trying to do. So I think that that buy-in is really important, and getting that connection with other employers and helping them understand the importance of being inclusive in their employment for people with disabilities. So, in short, this could help with several issues. And we would love for you to consider moving this forward.

**KAUTH:** Thank you for your testimony. Are there any questions? Senator Hansen.

**HANSEN:** Thank you. Did you say you have somebody-- I'm looking at who's going to be making up this committee, did you say there is somebody from the chamber that's supposed to be on there?

**STACY PFEIFER:** Yes.

**HANSEN:** I don't see that in here on the bill. Anyway, specifically, from the State Chamber of Commerce or from the Chamber of Commerce. I think it's a bad idea. I think it's good.

**STACY PFEIFER:** I thought--

**KAUTH:** Section (e).

**HANSEN:** Section (e), they say.

**THOMAS HELGET:** Line 19, it's page 2.

**HANSEN:** OK. I'm looking at page 3: The task force shall consist of the following nonvoting members.

**THOMAS HELGET:** There's voting members [INAUDIBLE].

**STACY PFEIFER:** Yeah, they're voting and nonvoting members.

**HANSEN:** Oh, gotcha. OK. I missed the nonvoting members. OK, great. Thanks.

**STACY PFEIFER:** Perfect. Yes.

**KAUTH:** Thank you. Any other questions? Seeing none, thank you for your testimony.

**STACY PFEIFER:** Thank you.

**KAUTH:** Next proponent?

**BRAD MEURRENS:** Good afternoon, Senator Kauth and members of the committee. For the record, my name is Brad, B-r-a-d, Meurrens, M-e-u-r-r-e-n-s, and I am the Public Policy Director for Disability Rights Nebraska. We are the designated protection and advocacy organization for persons with disability in Nebraska, and I'm here in strong support of LB336. People with disabilities make up about 12.7%, if not a little more, of our state population. So we're not-- they are employed also at far lower rates than their nondisabled peers. The gap between those without disabilities and those with disabilities employment rates is around 30% points. It is the gap. So there is definitely a need for increased employment. And for some folks, they just might need a little support to make sure that they're efficient and they're, and they're productive and they're a good, a good worker. We know we have, we have a blueprint, Dr. Mills's study, the expertise and the will. The task force would be an opportunity for stakeholders and individuals with disabilities to share knowledge of pertinent programs, systems and lived experience, all of which are fundamental to develop comprehensive policy solutions, increasing the employment of Nebraskans with disabilities who just need some job supports. And if I might go off just a little bit. A couple of issues that were talked about earlier. I'm glad you mentioned-- Senator, I'm glad you mentioned the public benefits income issue. That is a very significant issue. The problem is that the lower-- the low eligibility rates for Medicaid, often if, if your personal goal is to get a job, you will most likely make enough money to become, you know, ineligible. And so a lot of folks were just-- were avoiding going to work or not taking a 25 cent raise because that amount would push them over eligibility for Medicaid. And what we know is that Medicaid is often a better fit for [INAUDIBLE] employer-based insurance or a private market plan, because those tend to have more significant limits on services, and they have a more limited coverage of different services. One of the ways which we, we put a, a solution to that was LB323 from several years ago, the Medicaid Insurance for Workers with Disabilities program (MIWD). That allows individuals with disabilities who utilize Medicaid to go back to work and earn up to 2.5% of federal poverty and not-- and to retain, retain their Medicaid. But those [INAUDIBLE] at the top end of 240% to 250% would pay a sliding scale premium. So there are ways which we can avoid the, the benefit, benefits cliff. There are ways in which we can avoid that. And, lastly, I wanted to leave you with this. A couple of years ago, we had a couple of interns working with me on

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looking at the previous supported employment bill. And what really stuck with me was one of the interns was saying, you know, I, I like working because it makes me independent. I can buy, I can, I can buy a cab ride, I can buy an Uber, I can buy a car, I can go where I want, when I want, with whom I want. I can buy, buy a CD that I want. I can go and I'm also more independent. So employment has, has benefits beyond just making a paycheck, and I'd be happy to answer any questions.

**KAUTH:** Thank you for your testimony. Are there any questions? I actually have one. Would you give us, for the record, the definition of supported employment and what that includes?

**BRAD MEURENS:** Well, I think-- that's a good question-- I think there are a variety of different supports and it's based on a person's need. You know, some-- sometimes they may need a job coach where they kind of remind them to stay on task, you know, kind of reminding them what the steps are if they need, whatever supports that they might need. And those will differ person to person. So I don't, I don't, I don't have a definition for you.

**KAUTH:** OK.

**BRAD MEURENS:** I don't have, I don't have, I don't have an, an exhaustive list of examples for you. But I think there's-- but Dr. Mills's study is excellent, and I bet you'll, you'll find it in there.

**KAUTH:** OK. Thank you very much for your testimony.

**BRAD MEURENS:** Sure.

**KAUTH:** No more questions. Thank you.

**BRAD MEURENS:** Thanks.

**KAUTH:** Next proponent? Good afternoon.

**ANDREW FOUST:** Good afternoon, Chairwoman Kauth and members of the Business and Labor Committee. My name is Andrew Foust, A-n-d-r-e-w F-o-u-s-t. My family and I would like to extend our appreciation to Senator Conrad for introducing LB336 and addressing the challenges faced by individuals with disabilities and their families within the Nebraska workforce. I'm testifying today on behalf of my nephew, Tyler [PHONETIC], a 25-- a 23-year-old intellectual-- individual with intellectual disabilities. LB336 is significant to our family as it

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aims to gather stakeholders in the fields of developmental disabilities, behavioral health and labor to discuss the barriers that individuals with developmental disabilities encounter when seeking and engaging in competitive, integrated employment. Prior to my current, my current position, I worked for ENCOR, now DUET, as a residential manager in Omaha, Nebraska. Although I left the agency in 2002, I have remained involved in, in services-- with services, excuse me-- having been a legal guardian of an individual until his passing in 2019, and now currently serving as a legal guardian of my nephew. In 2016 or since 2016, changes in the Nebraska resources, such as self-directed services, have led to agencies closing their workshops and transitioning to community integration. Supported employment services such as job coaching are no longer provided. Instead, individuals participate in group activities in their community, which may not align with their preferences. Day services have essentially become daycares. My nephew wishes to work but faces concerns about losing his services. Our family supports LB336 as we believe Nebraska has a potential to improve the opportunities for individuals with intellectual and developmental disabilities to live, work, and lead meaningful lives. We again, we again express our gratitude, gratitude to Senator Conrad for her commitment to all families affected by this issue. And I thank you for allowing me to speak today, and I'll be happy to answer any questions that you might have.

**KAUTH:** Thank you very much. Are there any questions? Seeing none, thank you for your testimony.

**ANDREW FOUST:** Thank you.

**KAUTH:** Next proponent? Mr. McDonald.

**EDISON McDONALD:** Hello. Hello. My name is Edison McDonald, E-d-i-s-o-n M-c-D-o-n-a-l-d. I'm here today on behalf of the Arc of Nebraska to support LB336, which seeks to establish a Task Force on Supported Employment. This task force will play a crucial role in addressing the barriers faced by individuals with intellectual and developmental disabilities in attaining and maintaining employment in our state. As the Executive Director of the Arc of Nebraska, an advocacy group dedicated to supporting people with disabilities, I've witnessed firsthand the challenges that many individuals with intellectual and developmental disabilities encounter in the workforce. Despite their potential and desire to work, they often face significant barriers, including discrimination, lack of accommodation, and insufficient support services. I came to this work because I was a private employer

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who hired a young lady with a disability. She showed up early. She stayed late. She worked harder than anybody else. So one day I said to her, Lynn [PHONETIC], I want to give you a promotion. And she said, no, I can't risk losing the \$60,000 a year that provides my 30 medications that helps to keep me alive each day. And that was a big eye-opener for me, ended up leading to a friendship, and to me working with more people with disabilities, and, and into me working in this role. Those sorts of barriers are all over the place. As Mr. Meurrens mentioned earlier, that ended up with us working on the Medicaid buy-in bill that helped to expand the opportunities for people with disabilities to work without losing those benefits. However, those buy-in cliff or those benefits cliffs across a large variety of areas. So you've got LIHEAP, SNAP, SSI, SSDI, and so really making sure that you're able to keep all of these pieces together. While there are other disability communities that the state has, the reason why it's so important to have this one is because in terms of employment, we need to keep those pieces together and make sure that we're able to keep that focus on that specific function. Let's see, anything else? Yeah, other than that, I think that especially making sure that we're able to get that participation fully from the state, from the Department of Labor, from entities like the Chamber of Commerce, those are entities that are not traditionally on some of the other disability advisory committees that are out there. So that would make this one a significant benefit as we're looking towards moving towards more employment. Thank you for your consideration and I'll take any questions.

**KAUTH:** Thank you very much. Are there any questions? Seeing none, thank you very much.

**KAUTH:** Next proponent? Next-- or first opponent? Seeing none, is there anyone here wishing to testify in the neutral? Seeing none, Senator Conrad, as you make your way up, for the record, there are 14 proponent and 3 opponent and 1 neutral statements online.

**CONRAD:** It's Monday. I'm dropping everything. Thank you, Chair Kauth. Thank you, members of the committee, for your kind consideration of this measure. I just wanted to jump up quickly to thank everybody for testifying today and to be responsive to the chair's question in regards to trying to provide a better understanding about what supported employment looks like or is defined as. So my understanding, and I'm an enthusiastic student, not an expert in the field, but what we're thinking about when it comes to supported employment is when somebody with intellectual disability or developmental disability or

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medical need is working in a job that's a competitive job. So we're not talking about day services, employment for groups of individuals with, with disabilities, but we're talking about working in an integrated position out within the community and supported employment, in order to achieve that, looks like things like assistance with job search, assistance with job training, job coaching, and helping to arrange for assistive technology on the job if needed or required. So it's those kinds of supported services that allow a Nebraskan with, with intellectual disability or developmental disability or medical need to be successful in a, a competitive employment kind of context, if that's helpful.

**KAUTH:** Are there any questions?

**CONRAD:** And I'm happy to answer any other--

**KAUTH:** Senator Hansen.

**HANSEN:** Thank you. This-- so this-- this would be similar to any other kind of task force we set up, similar to, like, LB298, I think we're recently doing right now. So we set up a task force to say we have a problem. We're trying to find solutions to it. And so we kind of incorporate different individuals and then the Legislature, as well, to kind of find any policy solutions to it. That's similar to what you're trying-- what we're trying to do here, right?

**CONRAD:** Yes. That's right.

**HANSEN:** Is there any way-- I don't know if we can or not, it seems like-- you probably know me, there are certain things I think we should prioritize taxpayer money for, you know, property tax relief,--

**CONRAD:** Yes.

**HANSEN:** --public safety, welfare, property rights, etcetera. And one of them is also, I think we need to prioritize if we're going to be spending taxpayer money on assistance or helping of individuals, it's always been my philosophy to prioritize those who have a more difficult time taking care of themselves with no fault from their own, which I think is-- which would be the aspect of this community.

**CONRAD:** Yes.

**HANSEN:** Is there any way we can put in there in the list of maybe what we're requiring out of this organization, any policies-- I don't know

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if you can or not, but we have some, you know, you have some involvement from the legislative branch. Any kind of reasonable policy solutions or specific Nebraska policy solutions that might prioritize taxpayer money for this purpose, because it seems like we always get hung up when we start making recommendations that have a General Fund, you know,--

**CONRAD:** Yes.

**HANSEN:** --impact, right?

**CONRAD:** Yes.

**HANSEN:** Are there some other ways saying, hey, look, we think money that we spend here might be best spent this way to help this community? I don't know if there any way they can include that in what they're trying to accomplish so we have actually a bill we can maybe put forward if we need to that's done in a responsible way, maybe, you know, fiscally responsible way? I don't know. I'm just trying to think of something because it seems like we always get hung up on [INAUDIBLE].

**CONRAD:** No, that's a great question. Thank you, Senator. So the first thing is there's no fiscal impact for the creation and the work of the temporary task force. So it wouldn't expend-- require General Fund or cash fund expenditure to accomplish the endeavors contemplated in the legislative bill. Second, we could definitely, and I'd be happy to work with the committee if you want to move forward with changing the parameters on what the report might require, for example. And that could include a fiscal analysis of, for example, successful models in other states that figure out a way to lessen reliance on public services and boost employment options and opportunities, right, which would be a net win for Nebraska taxpayers and the overall budget. I do think that, overall, what you saw from some of the reports that I mentioned briefly that are contemplated in the bill and that you've received via excerpts or in full in handout materials here today. A few years ago, when we first started to kind of develop a landscape about where we're-- where Nebraska is in terms of participation and policy in this regard, we were kind of at the bottom of one of those lists you don't want to be at the bottom at. We, we were really falling behind our sister states when it came to figuring out how to integrate Nebraskans with intellectual disabilities and developmental disabilities into the workforce competitively. We put the-- the leaders in this space, put together these initial reports, which then

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started to catch the attention of the business community and other state policymakers like state senators and the lieutenant governor. Then we started to make some changes in public policy that has helped us to increase participation in recent years amongst these, these target populations. So what this task force is meant to do is to just continue the work, continue the trajectory. But I'd be happy to work with you and any members of the committee if you'd like to change the reporting requirements to be more specific on policy outcomes.

**HANSEN:** Just a thought. Thank you.

**CONRAD:** It's a good idea.

**KAUTH:** Thank you. Are there any other questions?

**CONRAD:** Thank you.

**KAUTH:** Seeing none, thank you very much. That will close our hearing on LB534 [SIC]. Senator Sorrentino, I'm going to turn it over to you.

**SORRENTINO:** All right, our next bill is LB534, in place of Senator Kauth, you'll have Mr. Tom Helget.

**THOMAS HELGET:** Thank you, members of the committee. As you may very well know, my name is Thomas Helget, T-h-o-m-a-s H-e-l-g-e-t, and I am Legal Counsel for the Business and Labor Committee. As the senator had to run to present in Revenue, I am now taking up LB534. This is a bill introduced by Senator Kauth. It appropriates funds from a variety of funds, the General Fund, cash fund, state insurance fund, and the Workers' Compensation Revolving Fund to pay for claims against the state of Nebraska and its agencies. A list of, of different testifiers behind me will offer a great deal of specifics about the claims that have been made that deal with discrimination claims, workers' compensation claims, tort claims involving a variety of, of accidents or other things that have occurred. There's a, there's a, a, a car accident that a number of claims have been paid out as part of the identification of that, as well as some other automobile accidents involving both police and accidents with state employees. That is a significant amount of the money requested to be paid out, mostly out of the General Fund, workers' compensation court claims would be paid out of the Workers' Compensation Revolving Fund, the tour claims would be paid out of the state insurance fund. Additionally, we'll have a number of testifiers from a variety of different state agencies that are seeking to write off certain accounts that have been approved by

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the State Claims Board, the State Claims Board has approved most of these settlements or claims, and those state agencies will provide testimony about the debt write-out-- write-offs that they're requesting to be paid. This is not all of the claims. State claims are due to the Speaker's office the sixtieth day in the Legislature, which is April 11, which is a Friday. We will have to come back at some point after that day, once all the claims have been given to us by the different agencies in order to fully have a public hearing-- and have another public hearing to fully deal with all the claims. But we wanted, since these are the claims that have been currently brought to myself and to the committee, wanted to have a public hearing about these claims so we can hopefully make the second date whenever we may have it a little bit faster. And with that, I would open into questions if you would like and I will do my best.

**SORRENTINO:** Thank you, Mr. Helget. Mr. Helget has indicated he would be open to questions. Do we have any questions?

**THOMAS HELGET:** Just Senator Hansen.

**SORRENTINO:** Yes, Senator Hansen.

**HANSEN:** Maybe someone will come up afterwards and discuss it a little more. But in Section 1, the first we have \$340,000 Nebraska Press Advertising Service, do you know what that's for?

**THOMAS HELGET:** I believe it's related to the publishing notice of the 6 ballot measures during the last election cycle.

**HANSEN:** That's what I thought. That seems like a lot of money. Maybe not, maybe that's [INAUDIBLE].

**THOMAS HELGET:** I would agree. I mean, I imagine if you divide that by 6, it's a little bit less. So it's about what, it's \$57 million, \$58 million-- or \$58,000 per. But, yes, that is a substantial amount of money.

**HANSEN:** OK. I was just curious. OK. Thanks.

**SORRENTINO:** Are there any further questions for Mr. Helget? Seeing none, thank you. Will you stay to close?

**THOMAS HELGET:** Of course.

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**SORRENTINO:** Thank you. We will have our first testifier as a proponent, please. Welcome. I do that all the time.

**SARAH SKINNER:** All right. Good afternoon, Vice Chair Sorrentino and members of the Business and Labor Committee. My name is Sarah Skinner, S-a-r-a-h S-k-i-n-n-e-r, and I'm the Interim Risk Manager for the State of Nebraska. LB534, commonly referred to as the claims bill, provides for the payment of claims against the State of Nebraska. In my testimony, I'll summarize the types of claims that can be filed against the State of Nebraska and the statutory process by which those claims are reviewed, and I may run out of time if anyone's feeling gracious about a question. The statutory mission of the Department of Administrative Services Risk Management Division is to identify and minimize financial risks to the State of Nebraska. That mission involves managing the preliminary administrative filing of claims against the state, including claims against the state insurance fund and the state workers' compensation fund. It also involves administering the operations of the state claims court. To file a claim against the State of Nebraska, a claimant must file a claim form with Risk Management. The statutory claims filing process allows the state to pay claims for which it likely bears liability, without engaging in costly litigation. Risk Management's role in that process is largely administrative, and our division relies heavily on agency investigations and the advice of the Nebraska Attorney General's Office. In general, the types of claims available to claimants include tort, miscellaneous, contract, and line of duty claims. With some exceptions, tort claims are any claim against the State of Nebraska for money only on account of damage to or loss of property, or on account of personal injury or death caused by the negligent or wrongful act or omission of any employee of the state while acting within the scope of his or her office or employment under the circumstances in which the state if a private person would be liable to the claimant for that damage, loss, injury, or death. The Risk Manager preliminarily reviews tort claims based on agency recommendations made on behalf of the Attorney General's Office. If the Risk Manager denies a claim based on an agency's assessment of the state's liability, claimants may ask the State Claims Board to review their claim. Claimants may file suit in district court for claims denied by the State Claims Board. In most cases of tort claim approvals, the settlement of tort claims with a value up to \$5,000 can be approved directly by the Risk Manager upon the agency's recommendation. Any settlement of a claim with a value of more than \$5,000, but less than \$50,000, must be approved by the State Claims

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Board. The State Claims Board must unanimously approved claims settlements with the value over \$10,000. Any claim settlement with a value of more than \$25,000 must be approved by the District Court for Lancaster County. Claims with the value of more than \$50,000 must be reviewed by the Legislature and are, therefore, part of the claims bill. Miscellaneous claims, which are any claim for which the state bears liability but for which there is no specific provision of law follow a similar process to tort claims. The Risk Manager may direct payment on miscellaneous claims with a value of less than \$5,000 if the director of the agency against which the claim was asserted agrees to liability. The State Claims Board may direct payment on claims with the value of more than \$5,000, but less than \$50,000 if the director of the agency against which the claim was asserted agrees to liability, and the agency has sufficient funds to pay the claim, settlement of miscellaneous claims with the value of more than \$50,000 must be reviewed by the Legislature. I see my time is up so I will stop and see if you have any questions, so.

**SORRENTINO:** Thank you. Are there questions of Ms. Skinner? Seeing none, thank you for your testimony.

**SARAH SKINNER:** OK.

**SORRENTINO:** Can we have the next proponent, please?

**PHOEBE LURZ:** Good afternoon, Vice Chair, members of the committee. My name is Phoebe Lurz, that's P-h-o-e-b-e L-u-r-z, and I am an Assistant Attorney General for the State of Nebraska in the Civil Litigation Bureau. I also serve as the legal advisor to the State Claims Board and the Risk Manager. And I am here to talk about the claims that have been settled other than Section 5. So I think it's a total of 12 claims. I may run out of time. If you'd like to know more, I'm happy to take questions. So Section 2 of the bill covers 3 indemnification claims owing by the State of Nebraska. The first is claim CI 23-1587. This is a settlement entered into by the Attorney General's Office on behalf of the state and the Department of Health and Human Services. Amy Eidenmiller filed a claim of employment discrimination against the state and NDHHS. A total amount-- or the settlement-- the claim was settled in the total amount of \$135,000, \$50,000 has already been paid to Ms. Eidenmiller, and the remaining amount of \$85,000 has been placed into LB534 for review and appropriation. The second indemnification claim is Claim 7:22-CV-5002. This is a federal suit which was settled by the Attorney General's Office on behalf of the Department of Health and Human Services. This is a claim that was

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filed by Rachel Ritke. It was a 1983 claim against a Department of Health and Human Services employee. The total amount of the settlement was \$212,500, \$50,000 has already been paid, and the remaining amount of \$162,500 has been placed into LB534. The third indemnification claim is CI 22-2662. This is a settlement with Gerald Krolikowski that was entered into by the Attorney General's Office on behalf of the state. Mr. Krolikowski filed a claim of employment discrimination against the state, and settled for a total amount of \$235,000, \$50,000 has been paid, and the remaining \$185,000 has been placed into LB534 for review and appropriation. Section 3 of the bill covers 3 workers' compensation claims. These 3 claims are all settlements entered into by the Attorney General's Office, and which have already been approved by the Nebraska Workers' Compensation Court. The first claim listed is a settlement on behalf of Matthew Nicholas. He filed a workers' comp suit against the Patrol, alleging he sustained accidental injury arising from his employment. This settlement represents a full resolution of all claims for indemnity and past and future medical expenses. The total amount of the settlement was \$375,000 under the workers' comp statutes, \$100,000 has been previously paid, and the remaining \$275,000 remains for review and appropriation. The second claim under Section 3 is a claim by Janice Myers. She filed a workers' compensation claim against the Youth Rehabilitation and Treatment Center, and I see that I am out of time.

**SORRENTINO:** Ms. Lurz, if, if you've wrapped up your testimony, let me ask if there are any questions. Are there questions of Ms. Lurz? Yes, Senator Raybould.

**RAYBOULD:** Can you please complete the review of all these claims so we understand them better. Thank you.

**PHOEBE LURZ:** Yes. Thank you. I'd be happy to do that, Senator Raybould. The second workers' compensation claim is a suit-- a workers' comp suit filed by Janice Myers. She alleges she sustained accidental injury arising from her employment. This is a full resolution of all claims for indemnity and past, future-- past and future medical expenses. The total amount of that settlement was \$275,000, \$100,000 has been previously paid, and the remaining \$175,000 is placed into LB534. The third and final workers' compensation claim currently in the bill is a lawsuit filed by Jessica Bock against the state of Nebraska and the Department of Correctional Services. She alleges she sustained accidental injury arising from her employment with NDCS. This settlement is a full and final resolution of all claims for indemnity and past and future medical expenses as

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well. The total amount of the settlement was \$315,000, \$100,000 has been paid and \$215,000 remains for review and appropriation. Section 4 of the bill covers tort claims, 6 of them, that are to be paid from the State Insurance Fund as they all arise out of automobile accidents. Claim Number 2025-0053 [SIC] and Claim Number 2024-00213 are tort claims that were approved by the State Claims Board. They were filed by Progressive Universal Insurance for payments made to or on behalf of their insureds, and by Charlotte Huebert for injuries that she sustained in a motor vehicle accident involving an NDOT or Nebraska Department of Transportation employee. These 2 claims, as well as the 6 other on your chart, were all related to the same automobile accident, and as a result, the amount approved by the Claims Board is aggregated to \$87,394.24. Because they arise out of the same set of facts and circumstances and the aggregated amount equal-- is in excess of \$50,000, Nebraska statute requires that we submit all of them for approval and review and appropriation by the Legislature. So the first \$50,000 of those 8 claims has been paid, which results in only these 2 claims still needing to be paid out. \$10,894.24 is to be paid on Claim 2025-0053 [SIC], and \$26,500 is to be paid on Claim 2024-00213. Let's see. The next is Claim 2023-22634. This is a settlement entered into by the Attorney General's Office on behalf of the State of Nebraska. Filed-- Ricky Tice filed suit against the state pursuant to the Tort Claims Act for injuries sustained in a motor vehicle accident involving a Department of Military employee. The total amount of the settlement was \$66,250, \$50,000 has been paid, and the remaining \$16,250 has been placed into the bill. Claim 2023-22442 is a tort claim for \$17,983-- \$17,983.05. Excuse me. This was approved by the State Claims Board. It was filed by Traveler's Insurance for payments made on behalf of their insurer to repair a vehicle involved in a motor vehicle accident. This motor vehicle accident is the same accident I referred to in the prior claim, 2023-22634. The total amount approved by the Claims Board and/or settled on behalf of the Attorney General's Office exceeds \$50,000, which is why they are both in the claims bill. Claim Number 2022-21941 is a settlement entered into by the Attorney General's Office on behalf of the state. Clementine Hernandez filed suit against the state pursuant to the State Tort Claims Act for injuries she sustained in a motor vehicle accident involving a Nebraska State Patrol Trooper. The total amount of the settlement was \$1 million, \$50,000 has been paid, and the remaining \$950,000 has been placed into LB534. The state had excess automobile liability insurance coverage at the time this claim arose in 2022, following payment by the state of the full \$1 million, the state's third-party administrator, Nebraska Risk Management

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Association, will submit a claim for reimbursement to our excess carrier. We expect that that will be paid within 30 days from the reimbursement request. So of the \$1 million, the state will be reimbursed \$400,000 for-- from our excess carrier on this claim. So the total that we will pay out is \$600,000 after our reimbursement. The last claim that I'm going to touch on is 2022-21220 [SIC], is a settlement entered into on behalf of the state by the Attorney General's Office. Jay Krejci filed suit against the state for injuries sus-- injuries and property damage sustained in an accident that involved an alleged police pursuit by the State Patrol. Pursuant to Nebraska Revised Statute 81-8,215.01(1), the state is strictly liable for all injuries caused to innocent third parties resulting from a vehicular pursuit. Based on the evidence that was presented throughout the suit, the state admitted that the Patrol was involved in an accident at the time-- involved in a pursuit at the time of the accident, and that that pursuit was a proximate cause of the accident. The total amount of the settlement was \$428,5-- \$428,500, \$53,500 has been previously paid, and the remaining 375 is placed into LB3-- LB534 for review and appropriation. We would recommend that each of these claims be approved and appropriation made. Therefore, I appreciate your time listening to me say all of those, and I'm happy to answer any questions that any of you might have.

**SORRENTINO:** Any questions of Ms. Lurz? Yes, Senator.

**RAYBOULD:** Thank you. And maybe Senator Kauth explained this, but so once we approve, does it go to Appropriations or once we approve, it gets--

**PHOEBE LURZ:** So once this bill comes-- if, if the committee votes it out, it goes to General File for debate is my understanding of past practice. I do believe that Appropriations is aware of this via the fiscal notes submitted alongside. I do know that there are likely 6 to 7 claims that either settlements have been made since this bill was drafted or we are continuing to engage in settlement negotiations. I, I know there are several that have already been finalized that will need to be included in an amendment. Last year we had a hearing on that amendment, and so I anticipate it would be a similar process this year.

**RAYBOULD:** And then if we approve this legislation, LB534, then disbursement of the settlements will happen when?

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**PHOEBE LURZ:** Typically, it's-- well, in all of the settlement agreements that the Attorney General's Office enters into, we say within 30 days of the governor signing the bill into law.

**RAYBOULD:** OK. Thank you.

**SORRENTINO:** Any further questions of Ms. Lurz? Yes, Senator.

**IBACH:** Thank you, Vice Chair. I noticed or if I heard you right, one of them went back to 1983.

**PHOEBE LURZ:** A 1983 claim, yes.

**IBACH:** Is that typical? I remember doing this last year, but I don't remember any claims being--

**PHOEBE LURZ:** You know, we have different types of claims that get settled every year. Some years we have a 1983 claim that gets settled and we-- it's settled for enough money that we come to the Legislature for review and appropriation. Sometimes the settlements are smaller. I believe the last 1983 claim that would have come before the committee would have been a, a lawsuit where an inmate died in custody of NDCS. That was a 1983 claim that was settled that the Legislature needed to appropriate the money for.

**IBACH:** Is there any type of statute of limitations on--

**PHOEBE LURZ:** On a 1983 claim?

**IBACH:** No, on, on any claim. I mean with the state, any claim with the state?

**PHOEBE LURZ:** Yes. So it depends on what type of claim. For a 1983 claim, it's generally 4 years from the date it arose. For a tort claim, it's 2 years. Line of duty claims are 3 years. And general employment claims are 4 years.

**IBACH:** Perfect. Thank you very much. Thank you, Vice Chair.

**SORRENTINO:** Any further questions?

**PHOEBE LURZ:** Oh, and if I may, the one question about that I can speak to the, the Nebraska Press Association claim, that was for the 6 ballot measures. I know that in past general election years that the costs for reimbursing the Press Association for printing those notices

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has previously gone on the claims bill because of it, it's, it's hard to estimate how much that will cost, because it's hard to estimate how many ballot measures there are going to be in any given election cycle.

**SORRENTINO:** Could I ask you to please furnish a copy of your speech to the committee?

**PHOEBE LURZ:** Sure. I'm happy to do that.

**SORRENTINO:** Thank you very much. Thank you for your testimony.

**PHOEBE LURZ:** Yes. Thank you.

**SORRENTINO:** Next proponent? Welcome.

**JERRY RAEHAL:** All of this talk about the Press Association, I figured I'd come up. Thank you, Vice Chair Senator Sorrentino and members of the committee. My name is Jerry Raehal, spelled J-e-r-r-y R-a-e-h-a-l, and I am the Chief Growth Officer of the Nebraska Press Advertising Service. I'm here to speak and to answer any questions regarding LB534, specifically, the Miscellaneous Claim Number 2025-00685, in the amount of \$348,654.28. This claim represents the publishing cost to fulfill the constitutional statutory publishing requirements outlined in Article III, Section 2 of the Nebraska Constitution and Nebraska Revised Statute 32-1413 for constitutional amendments and the initiative measures that were on the ballot for the November 5, 2024 election. There were no constitutional amendments and 6 initiative measures proposed by the people. Initiative measures included two abortion-related Measures 434 and 439, a repeal regarding school funding, Measure 435, paid medical leave, Measure 436, and 2 cannabis-related Measures 437 and 438. The notices are published in 141 legal newspapers in Nebraska for 3 consecutive weeks in the month prior to the election. The weeks of publication are October 14, 21, 28, 2025, and 8 of those newspapers, the constitutional amendment and initiative measures were also published in the Spanish language pursuant to the Voting Rights Language Act Assistance Amendments of 1992. Nebraska Press Advertising has compiled actual tear sheets, which is the physical page containing the notice from each of the 3 weeks of publication from each of the 141 newspapers, along with notarized affidavits of publication from each newspaper. This ensured that the full legal publishing requirements were met. All electorants were indexed, boxed, delivered by the NPAS staff to the Office of Nebraska Secretary of State as required, which completed the legal

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process for the proof publication and fulfillment of these statutes. Through this process, the ballot language for each constitutional amendment and initiative measure was made available to citizens across Nebraska, which made for a better informed electorate on issues important to them and to the future of the state. I would note in every other year, it's been about 300, between 310 to \$390,000 on the even years, and about \$71,000 on the odd years. With that, I'd be happy to answer any questions.

**SORRENTINO:** Thank you. Are there questions? Seeing none, thank you for your testimony.

**JERRY RAEHAL:** Thank you so much.

**SORRENTINO:** Next proponent, please. Do we have-- we do have a proponent. Welcome.

**MICHAEL GREENLEE:** Hello. Good afternoon, Chairwoman Kauth, members of the Business and Labor Committee. My name is Michael Greenlee, M-i-c-h-a-e-l G-r-e-e-n-l-e-e, and I'm an Attorney with the Department of Health and Human Services. I'm here to testify in support of LB534. The total debt for which DHHS is requesting write-off authorization is in the amount of \$1,424,360.66. The requested write-off amount relates to debts owed-- excuse me-- to DHHS by way of assistance provided through 16 different programs. The debts are due to overpayments made or for services provided for which we have not been reimbursed. Prior to submission of these debts for write off, the agency pursued recovery through one or more of the following efforts: regular billing statements, recoupment, demand letters signed by the program or by one of the agency directors and/or by one of the agency attorneys, and litigation. Approximately 99.98%, or \$1,424,111.70, of the debt submitted for write off is being submitted because either the debtor or a company has passed away or is no longer doing business anymore, because a debtor has a debt discharged in bankruptcy, or because the applicable statute of limitations has passed to include money owed from persons who remains or remained on needs-based assistance. The majority of this year's submission, just over 92%, falls within a third category, which is debt that is uncollectible as past the statute of limitations. Much of the debt is owing from persons who are on needs-based assistance at the time of their debt went past the limitations period. The remaining 2/10 of 1% of this year's total write-off requests involve 11 individual counts of less than \$100, averaging approximately \$22.63 each, where we have sent billing statements, mailed demand letters, and made telephone calls to no

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avail. At this time, we respectfully request that the committee advance the bill to General File. Thank you for your time. I'd be happy to answer any questions regarding this bill.

**SORRENTINO:** Thank you. Any questions? Yes, Senator Raybould.

**RAYBOULD:** So is this sort of a, a, a clean up of a number of debts going back a certain amount of years or is this, like, the standard typical \$1.4 million that comes through for this type of requests for payment obligations?

**MICHAEL GREENLEE:** So I've been doing this for about 7 years. I want to say the lowest one I've ever had was in the 800, just under \$900,000, I want to say. And about the highest was when we included that, that we never submitted before. If I recall, it was for the Medicaid Rebate Program, and that went back to 1993 or 1994 or something like that, so that one was closer to \$2.5 million. So I want to say this is fairly average.

**RAYBOULD:** OK. All right. Thank you.

**SORRENTINO:** Any further questions? Thank you for your testimony, Mr. Greenlee.

**MICHAEL GREENLEE:** Thank you.

**SORRENTINO:** Next proponent, please?

**KENNETH LACKEY:** Good afternoon. My name is Kenneth Lackey. I'm Agency Legal Counsel for the Nebraska Department of Motor Vehicles. It's K-e-n-n-e-t-h L-a-c-k-e-y, and I'm here to testify in support of LB534. I would like to thank Senator Kauth for introducing LB534 on behalf of state agencies requesting debt write offs. This serves as an annual write off for the Department of Motor vehicles. Specifically, the DMV is requesting to write off \$14,296.88. This amount includes uncollectible fees assessed pursuant to the International Registration Plan. These uncollectible fees represent plate and registration fees for commercial motor carrier apportionable vehicles required to register under that plan. The total uncollectible amounts span from dates of 2017 to 2021, involving over 20 accounts. The DMV's Motor Carrier Service Division will issue a temporary registration to a motor carrier, and then we'll bill that motor carrier for that registration fee. These uncollectible fees are the result of those delinquent motor carriers not paying after several notifications have been sent to them, and then the Motor Carrier Service Division will

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also revoke that registration for nonpayment. The DMV has deemed these accounts as noncollectible at this point, and the motor carriers are no longer in business due to their revoked accounts. After the November 13, 2024 State Claims Board hearing, the Board approved this debt amount for the DMV. I respectfully urge the committee to advance the legislation. Thank you, and I can answer any questions you may have.

**SORRENTINO:** Thank you, Mr. Lackey. Any questions for Mr. Lackey? Seeing none, thank you.

**KENNETH LACKEY:** Thank you.

**SORRENTINO:** Do we have more proponents, please? Welcome.

**LILY KATHEE:** Thank you so much. OK. Good afternoon, Vice Chair Sorrentino and members of the Business and Labor Committee. My name is Lily Kathee, L-i-l-y K-a-t-h-e-e, and I serve as the Chief Financial Officer for the Nebraska Department of Transportation, NDOT. I'm here today to testify in support of the department's annual write-off claims as outlined in LB534. The department respectfully requests your approval of the write-off requests specified in Section 6 of LB534, totaling \$120,741.50 for request Number 2025-00590. The Nebraska Department of Transportation is entrusted with the critical responsibility of maintaining and protecting Nebraska's 10,000-mile state highway system, as well as NDOT's numerous maintenance yards and other facilities across the state. From time to time, that infrastructure gets damaged due to the actions of others. Most of the items that make up the write-offs involve motor vehicle crashes that damage highway guardrails, traffic signs, right-of-way fences, or state vehicles. NDOT follows a rigorous process to assess damages and recover the costs necessary to repair, reconstruct, or replace state property damaged by the public. NDOT works hard to attempt to collect every dollar of damage caused to state property, and collection efforts include letters from the state property damage coordinator, as well as phone calls and letters from our legal division. NDOT's attempts to collect for this damage are sometimes unsuccessful for multiple reasons, including but not limited to, the responsible party cannot be identified or located, the party has no insurance or insufficient insurance limits, the party has insufficient assets to pay off the indebtedness, or sometimes the responsible party is in bankruptcy or deceased with no assets. The items deemed uncollectible have been thoroughly reviewed and approved for write off by our legal division, by the Traffic Engineering Division Engineer, or by the

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Deputy Director of Operations, depending on the monetary threshold. Given these circumstances, NDOT believes these amounts found in LB534 are now uncollectible, and as such NDOT respectfully recommends the approval of these write-offs as reflected in LB534. Thank you for the opportunity to testify. If the committee has any questions, I'll be more than happy to answer them at this time. Thank you for your time.

**SORRENTINO:** Thank you. Senators, any questions? Seeing none, thank you for your testimony.

**LILY KATHEE:** Of course. Thank you.

**SORRENTINO:** Do we have any more proponents, please? Welcome, Ms. Thurber.

**KATIE THURBER:** Thank you. Good afternoon, Vice Chairman Sorrentino and members of the Business and Labor Committee. My name is Katie Thurber, K-a-t-i-e T-h-u-r-b-e-r, Interim Commissioner of Labor. I appear before you today in support of LB534. For Claim Number 2025-00592, the Department of Labor is seeking to write off \$90,339.82 in unemployment insurance benefit overpayments. This number consists of 46 individual accounts with overpayments of unemployment benefits that the department has determined uncollectible on account of them being discharged in bankruptcy. The Department of Labor filed a Proof of Claim in each bankruptcy case. Debts such as these unemployment overpayments, however, are considered unsecured debts and, ultimately, they were discharged by the bankruptcy court. Once a debt is discharged, the debtor is no longer liable for it and once discharged becomes uncollectible. The department makes every effort to collect all outstanding debts. It has statutory authority to collect through civil action, offset against future benefits, setoff against any state income tax refund, and setoff against federal income tax refunds. All the debts proposed for write off were the subject of multiple collection efforts prior to being placed in the automatic stay protection under U.S. bankruptcy law. Nevertheless, the department is seeking to write off these debts for unemployment insurance benefit overpayments because they've been discharged under U.S.C. Code, United States Title 11, Section 727. This concludes my testimony, and I'd be happy to answer any questions you may have.

**SORRENTINO:** Thank you. Are there questions of Ms. Thurber? Seeing none, thank you for your testimony.

**KATIE THURBER:** Thank you.

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**SORRENTINO:** Next proponent, please?

**TERESA ZULAUF:** Good afternoon, Vice Chair Sorrentino and members of the Business and Labor Committee. My name is Teresa Zulauf, T-e-r-e-s-a Z-u-l-a-u-f, and I'm the Controller of the Nebraska Public Employees Retirement Systems, Agency 85, and I'm testifying in support of LB534. I'm asking for permission for an agency write off of \$49,591.34. The need for these write-offs stems from retirement benefits that were paid out to three deceased members in months after the member passed away, and the agency had not received timely notification of death, so the payments continued. Members' retirement benefits cease following the month the member passes away. And these payments were made in months following after the member had passed and were, therefore, not due to the member. There is also an overpayment to a member who received a refund. The employer incorrectly calculated the member's retirement contribution, and NPERS was not made aware until after the refund had been processed. NPERS staff and agency legal counsel have made multiple attempts to correspond and collect the moneys from the beneficiaries and the member who received the refund without success. Documentation of the attempts to collect the overpayments was submitted with the request for write-off forms. NPERS feels that all options have been exhausted to collect, and believes the overpayments to be uncollectible. Do you have any questions?

**SORRENTINO:** Any questions? I have one.

**TERESA ZULAUF:** OK.

**SORRENTINO:** Is it typical that there are overpayments uncollectible beyond death because you were never given notification of that death?

**TERESA ZULAUF:** Um-hum. Yes.

**SORRENTINO:** So this would be an annual occurrence?

**TERESA ZULAUF:** There-- yes.

**SORRENTINO:** All right. Thank you.

**TERESA ZULAUF:** Thank you.

**SORRENTINO:** Thank you for your testimony. Next proponent? Seeing no proponents, we will move to opponents. Anybody in opposition to LB534? Anybody testifying in the neutral? Seeing none, for the record, we

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have one proponent, zero opponents, and zero neutral. Mr. Helget, would you like to close?

**THOMAS HELGET:** Sure.

**SORRENTINO:** Thank you.

**THOMAS HELGET:** Thank you. Senator Raybould, so my understanding of how this is handled, so we'll have the second hearing sometime after April 11, we'll get the additional claims, and then, you know, we have to vote to whether or not we want to move it out of committee or not. It's my understanding, the Speaker, because he knows these are coming because it's an annual occurrence, will make this a priority and get it on the floor. This does not require an Appropriations Committee approval or bid or anything involving Appropriations. It's my understanding that it will just be entered into the floor like any other bill. But the expectation that these are typically, and I think every year are, in fact, improved-- approved by the Legislature. Obviously, if the committee has issues with specific payments in here, and I think that's something we can have further discussion on, but it is my understanding of the practicality of once we get all the claims, a lot of these are already pursuant to settlements that the Attorney General entered in in good faith. And, and that money is, essentially, earmarked to be used. But, obviously, if the senators have a problem with any of the payments that is for the Legislature to decide.

**SORRENTINO:** Yes, Senator Raybould.

**RAYBOULD:** So, typically, for budget purposes, do we normally put a placeholder amount that we understand can vary from year to year so it's already in the budget for these type of debt write-offs?

**THOMAS HELGET:** I believe so. I think we have some expectation of what claims costs will be from year to year, and that requires us to make educated guesses about what they will be. I will let you know a lot of these claims were filed multiple years ago, so we have some indication of what-- you know, there's risk assessments for an individual case, especially involving the Attorney General, workers' comp. Without speaking with absolute knowledge, you know, in private practice, when insurance providers or-- make decisions about how much they're going to budget for a particular case, I would imagine that similar discussions and calculations are being done at the state level.

**RAYBOULD:** OK. Thank you.

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**SORRENTINO:** Any further questions? If that-- if not, then that ends our testimony on LB534. And we will move forward with LB618 also by Senator Kauth. Mr. Helget, will you be opening?

**THOMAS HELGET:** Yes, sir.

**SORRENTINO:** Thank you. Mr. Helget, you're free to open.

**THOMAS HELGET:** Thank you, Vice Chair. My name is Thomas Helget, T-h-o-m-a-s, Helget, H-e-l-g-e-t. And once again, I, as you know, I am Legal Counsel for Business and Labor Committee. LB618 is a bill-- shell bill. This one involves claims against the state. There are often requests to disapprove certain claims. We don't have any, any claims to disapprove at this time. But because the claims are not due to the Speaker until April 11 or the sixtieth day of the Legislature, we might have some to disapprove, but we don't currently have any. Since we-- if we do get some by the sixtieth day, we would need to have another hearing about those. But in order to provide a mechanism for disapproving claims after the State Claims Board disallowed certain claims, which would-- we have-- don't have any currently, we need to have a mechanism to allow for those just-- that disapproval of those certain claims.

**SORRENTINO:** Thank you. Are there any questions of Mr. Helget? Seeing none, thank you. Are there any proponents? Are there any opponents? Is there anyone here to testify in the neutral? For the record, we have one proponent, zero opponents, and zero neutral. Mr. Helget, you're free to close.

**THOMAS HELGET:** I would waive my close-- closing.

**SORRENTINO:** Close waived. That concludes our testimony on LB618, and that includes-- concludes the business of the Business and Labor Committee today. Thank you.