

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate February 23, 2024

DORN: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the thirty-third day of the One Hundred Eighth Legislative [SIC] Session-- Second Session. Our chaplain for today is John Nelson, Jr., of Christ Lutheran Church, O'Neill, Nebraska. Senator Barry DeKay's district. Please rise.

JOHN NELSON, JR.: Let us pray. Dear God, Heavenly Father, the giver of all good gifts, we thank you for the opportunities of a new day. Thank you for protection through the night. We come before you this day to ask your blessing upon the work of this assembly. We thank you for the gifts and skills of all our senators. Bless them with a spirit of cooperation based on what is best for the people of Nebraska. Thank you for all the support staff who assist the smooth operation of government in our state. We are truly blessed in Nebraska with a diversity of talents even as our state is diverse in its bounty of resources. Grant your favor upon all the branches of our government, our Unicameral, our Governor, and our judicial system. Protect and uphold all those who are entrusted to enact and carry out the laws of our state. We thank you for the freedoms we enjoy. Even this time of prayer is one of the blessings of those freedoms. We humbly ask your continued blessing upon us as we serve you and one another. Grant success to all God-pleasing commerce in our state. We ask that you would give us favorable weather and protection from storms and calamity. In your mercy, please bless us with more rain and less snow, more warmth and less cold. We entrust ourselves in this day to your divine protection and mercy. May all that we do this day honor you and your will for our lives and our state. Make us quick to listen, slow to speak, and rich in understanding and compassion. Respecting all faiths here present, I humbly offer this prayer in the precious and holy name of Jesus. Amen.

DORN: Leading us in the Pledge of Allegiance today is Colonel Shane Martin of the National Guard Bureau, Army, of Seward, Nebraska.

SHANE MARTIN: I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.

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

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

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

CLERK: I have no corrections this morning, sir.

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

CLERK: There are, Mr. President. Communication from the Governor concerning the appointment of Lisa Lunz to the Beginning Farmer Board, as well as communication from the Governor on the reappointments of John Walvoord, Britt Anderson, Bradley Lubben, and Wade Thornburg as reappointed members of the Beginning Farm-- Farmer Board. Additionally, your Committee on General Affairs, chaired by Senator Lowe, reports LB926 to General File. Your Committee on Enrollment and Review reports LB130 and LB358 as correctly engrossed and placed on Final Reading. Agency reports electronically filed with the Nebraska Legislature can be found on the Nebraska Legislature's website. Report of registered lobbyists for February 14 [SIC], 2024 was found in the Journal. Additionally, the Business and Labor Committee will have an Executive Session in Room 2022 at 10:00 a.m.; Business and Labor, 2022, 10:00 a.m., Exec Session. That's all I have this time, Mr. President.

DORN: Thank you, Mr. Clerk. We will now proceed to the first item on the agenda. Mr. Clerk. Senator Hughes would like us to recognize the doctor of the day underneath the north balcony, Pat Hotovy. Also underneath the north balcony, Senator DeKay would like-- has a guest, John Nelson, Sr., who is the father of our chaplain for the day. Please stand and be recognized. Now we'll proceed to the first item on the agenda. Mr. Clerk.

CLERK: Thank you, Mr. President. General File, LB771A, introduced by Senator Sanders. It's a bill for an act relating to appropriations; appropriates funds to aid in the carrying out of the provisions of LB771; and declares an emergency. The bill was read for the first time on February 21 of this year and placed directly on General File. There is an amendment, Mr. President.

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

BREWER: Thank you, Mr. President. Good morning, colleagues. Senator Sanders has asked me to open on this bill. This is a bill that did come through the Government Committee. LB771 establishes a 1-year pilot program for a partnership between the University of Nebraska and the Defense POW/MIA Accounting Agency, also known as DPAA. To clarify, the Department of Veterans Affairs will administer a grant to a pilot

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program. This is a \$200,000 that has been set aside and cleared to appropriate from the interest off of the Nebraska Veterans Aid Income Fund. This program provides resources for the University of Nebraska to partner with the DPAA mission. LB771 provides students at the University of Nebraska the opportunity to utilize their knowledge in forensic science and STEM to bring closure to families of our missing heroes. And along with that, the, the amendment simply clarifies a typographical error that was in the original LB771. Thank you, Mr. President.

DORN: Thank you, Senator Brewer. Mr. Clerk.

CLERK: Mr. President, Senator Brewer would move to amend LB771A with AM2689.

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

BREWER: All right. Again, what happened was there was an error that was determined to be in LB771. The amendment simply clarifies that. Thank you, Mr. President.

DORN: Thank you, Senator Brewer. Seeing no one in the queue, Senator Brewer, you're recognized to close. Senator Brewer waives. Colleagues, the question before the body is the adoption of AM2689. All those in favor vote aye; all those opposed vote nay. Have all of you voted who wish to? Mr. Clerk, record.

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

DORN: The amendment is adopted. Seeing no one in the queue, Senator Brewer, you're recognized to close on LB771A. Senator Brewer waives. Colleagues, the question before the body is the adoption of LB771A. All those in favor vote aye; all those opposed vote nay. Have you all voted that wish to? Mr. Clerk, record.

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

DORN: The bill is advanced. Mr. Clerk, for next item.

CLERK: Mr. President, next item, new A bill, LB1394A, introduced by Senator Brewer. It's a bill for an act relating to appropriations; appropriates funds to aid in the carrying out of the provisions of LB1394. The bill was read for the first time on February 21 of this year and placed directly on General File. There is nothing at this time on the bill, Mr. President.

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

BREWER: Thank you, Mr. President. Just as a quick refresher to everybody on LB1394. What this is, is a bill that would "detax" the drill pay or the, the annual training for National Guardsmen. This is a bill brought to me with the Governor. And part of it is that right now we're having challenges filling the ranks. As a result of that, we're nearly a battalion down on our numbers. We have no federal program to give bonuses or incentives and this is really the only tool that we have in the toolbox to try and enhance that recruiting of National Guardsmen. So this would be for both the Air and the Army National Guard and it would be to "detax" their drill pay. I would ask for your support on LB1394. Thank you, Mr. President.

DORN: Seeing no one else in the queue, the question before the-- Senator Brewer, you're recognized to close. Senator Brewer waives. The question before the body is the advancement of LB1394A. All those in favor vote aye; all those opposed vote nay. Have all voted who wish to? Mr. Clerk, record.

CLERK: 35 ayes, 0 nays, Mr. President, on advancement of the bill.

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

CLERK: Mr. President, next item, Select File, LB992A. Senator, I have nothing on the bill.

DORN: Senator Ballard, for a motion.

BALLARD: Mr. President, I move that LB992A be advanced to E&R for engrossing.

DORN: You've heard the motion. All those in favor say aye. All those opposed same-- say aye-- say nay. The motion-- the motion advances. Mr. Clerk, next item.

CLERK: Mr. President, next item, Senator McKinney would move to withdraw LB1137.

DORN: Senator McKinney, you're recognized to open.

McKINNEY: Thank you, Mr. President. I'm moving to withdraw LB1137. It was a cleanup bill that we introduced that we didn't have to introduce and we're just trying to get it withdrawn. So if I could get your green vote, I would appreciate it. Thank you.

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DORN: Seeing-- oh-- Senator McKinney, seeing no one else in the queue, you're recognized to close. Senator McKinney waives. Colleagues, the question before the body is the motion-- the motion to withdraw LB1137. All those in favor vote aye; all those opposed vote nay. Have you all voted that care to? Mr. Clerk, record.

CLERK: 34 ayes, 0 nays, Mr. President, on adoption of the motion.

DORN: The, the motion to withdraw has been adopted. Mr. Clerk, next item.

CLERK: Mr. President, next item, the Natural Reeses-- Natural Resources Committee would report favorably on the gubernatorial appointment of John Hoggatt and Donna Kush to the Game and Parks Commission.

DORN: Senator Bostelman, you're recognized to open.

BOSTELMAN: Thank you, Mr. President. Good morning, colleagues. Good morning, Nebraska. The Natural-- the Natural Resources Committee held a confirmation hearing on February 14, 2024 to consider gubernatorial appointee John Hoggatt. Mr. Hoggatt is a reappointment to the Nebraska Game and Parks Commission to serve a term from January 16, 2023 until January 15 of '27. Mr. Hoggatt serves as a District 4 agriculture member of the board. The Nebraska Game and Parks Commission is comprised of 9 member-- of a 9-member board, 8 of the commissioners serve districts across the state. The ninth serves at-large commiss-- as an at-large commissioner. Commissioners serve in a voluntary capacity. The mission of the Nebraska Game and Parks Commission is stewardship of the state's fish, wildlife, park and outdoor recreation resources and the best long-term interests of the people in those resources. The Game and Parks Commission was tasked with this mission when the Legislature created the precursors to the organization in 1879, first with the Nebraska Fish Commission, followed by the Nebraska Game and Fish Commission in 1901. Management of our state parks would later be added to the mix. Nebraska Game and Parks Commission is funded primarily by the sale of hunting and fishing licenses, as well as through sale of park permits and, and goods and services at state parks and recreation areas. Mr. Hoggatt is from Kearney and is a Kearney market president for Pinnacle Bank. He has been in the banking industry for almost 40 years. He also has a small farm in southeast Lincoln County. He earned a BA in business administration and finance from the University of Nebraska at Kearney, as well as a graduate degree in banking in Boulder, Colorado. He is married and has a son and daughter and 5 grandchildren. He is an

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active outdoorsman and conservationist with hunting, fishing, and AKC retriever trials being his primary passions. He appeared in person at the hearing and the committee voted 8-0 to advance his confirmation. Next, the Natural Resources Committee held a confirmation hearing again on February 15, 2024 to consider, consider the gubernatorial appointee, Donna Kush. Ms. Kush is a reappointment to the Nebraska Game and Parks Commission to serve a term from January 16, 2024 until January 15 of '28. Ms. Kush serves as a District 2 member of the board. The Nebraska Game and Parks Commission is comprised of a 9-member board; 8 of the commissioners serve districts across the state, the ninth serves at large. Commissioners serve on a voluntary basis. Ms. Kush is from Omaha and is the president and CEO of the Omaha Community Foundation. She, she earned both her bachelor's and master's degree in journalism mass communications from the University of Nebraska-Lincoln. She has served on the Game and Parks Commission since 2020, and is currently the executive-- on the executive committee. She has also served on rotating committees on the commission, including parks, planning, and currently chairs a wildlife committee. Other boards she serves on includes Invest Nebraska and Greater Omaha Chamber of Commerce. She appeared in person at the hearing and the committee voted 8-0 to advance her confirmation. I would ask for your green vote on both the confirmations. Thank you, Mr. President.

DORN: Oh, Senator Erdman, you're recognized to speak.

ERDMAN: Thank you, Mr. President. Good morning. I was wondering if Senator Bostelman would yield to a question?

DORN: Senator Bostelman, will you yield to a question?

BOSTELMAN: Yes.

ERDMAN: Senator Bostelman, in your opening on Director-- Commissioner "Huggert"-- "Haggatt," [SIC] you said that he was the agricultural representative. Is that what you said?

BOSTELMAN: Yes.

ERDMAN: So how is he an agricultural representative? He's involved in the banking industry. So how does that work?

BOSTELMAN: He does have agricultural land and farms in southeast Lincoln County, I think it is.

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ERDMAN: Could you speak into the mic, sir? I didn't hear what you-- what did you say? Could you speak into the mic?

BOSTELMAN: Sure. I said that he has a farm and, and farms in the southeast, I think was the southeast portion of Linc-- Lincoln County. Oops, wrong one.

ERDMAN: OK. So what are--

BOSTELMAN: Yeah, he has southeast Li-- he has farm ground and he has [INAUDIBLE] farms in southeast portion of Lincoln County.

ERDMAN: All right. I appreciate that. So what, what are the requirements to be considered an agricultural representative? Do you have to earn a certain amount of your income from agriculture or is there a requirement as to what you have to be inv-- how much you have to be involved in agriculture to be called an agricultural member?

BOSTELMAN: No, there's not.

ERDMAN: So-- OK, that's all the questions I have. So what we-- what we have, ladies and gentlemen, is we have people that serve on the Game and Parks Commission who don't realize a significant portion or very little of their income from agriculture but they own a farm or they own farm ground and so then they're considered an agriculturalist, which is not true. And so what we have on the Game and Parks Board is a lot of people who are big game hunters, who are interested in more wildlife that damage property that are owned by the private landowners in the state and they take total disregard for the damages that these animals cause-- cost these people. And for some reason, you have to be an agriculture-- and you have to have some degree of agricultural involvement and that is an insignificant amount. And we need to make a change to the requirements so that they have to ease-- at least get 50% of their income from agriculture so we have people who understand the damages that these animals cost. So I'm going to be voting against both of these people because agriculture is the most significant industry in the state and we're taking property from these people without compensation and I've tried to figure that out for years. And so because the management of Game and Parks does a poor job, and the commissioners are responsible for the management, so I hold them responsible for doing a poor job of managing Game and Parks and the natural resources that they are entitled to manage. And so I would encourage you to vote no on both of these people. Thank you.

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DORN: Thank you, Senator Erdman and Senator Bostelman. Senator Jacobson, you're recognized to speak.

JACOBSON: Thank you, Mr. President. I feel like I need to, maybe, speak up here as it relates to Mr. Hoggatt. John Hoggatt-- I hired him many years ago when I was working at the National Bank of Commerce. I managed the correspondent banking division at that time, which was the lard-- large ag division. So John was an ag loan officer, at that time, handled a lot of the larger ag operations because we bought a lot of loan participations from community banks across the state. He then went out west to, to Kearney and-- which is really not west but west of Lincoln-- and he worked really at, at the old First National Bank of Kearney and spent most of his years-- when you're in rural Nebraska, you do a lot of lending your-- a lot of it is ag-related or, or directly to producers themselves. So John has been a lifetime avid hunter and fisherman. He's also been very engaged in, in financing agricultural operations and has Pinnacle Bank, although they're a very large family-owned bank and [INAUDIBLE] states now and do a lot of other lending. They are still predominantly ag lenders. The Dinsdale family, of course, huge ag cattle producers and have a significant amount of farmland. So John certainly knows his way around agriculture and is someone who I think would be well suited to serve on the Game and Parks Commission, largely because of the fact that he has-- he understands the hunting and fishing side and he has a significant exposure to agriculture. And so I was en-- I was encouraged to see that he was on when he was first appointed and I was pleased to vote for his confirmation the second time around. So I'd encourage you to continue to, to vote for these, these two applicants and, and appointees. Again, I know John personally and I think he'll do a fine job, will continue to do a fine job there. Thank you, Mr. President.

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

WAYNE: Thank, thank you, Mr. President. Thank you for those who are doing cardigan Friday with me. I really appreciate that. So this is one of these situations where I don't know a whole lot about all of these individuals who are in the Natural Resources. I-- this is one of those [INAUDIBLE] that after you build a relationship over time, you just start to lean on people and I'm going to lean on Senator Erdman on this and I'm going to support Senator Erdman's not voting for them. Thank you, Mr. President.

DORN: Thank you, Senator Wayne. Senator Lowe, you're recognized to speak.

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LOWE: Thank you, Mr. President. Senator Erdman and I rarely disagree but this time I think I need to stand up for Commissioner Hoggatt. John has been a good friend of mine for many, many years since he moved to Kearney and then moved away to Grand Island where he was president of First National Bank there and then he moved back to Kearney again and is president of the Pinnacle Bank. And John does know about agriculture, and he and I have spoke many times about the rights of the farmers. And, and he agrees with us and he's trying to find a way to make sure that, that the farmers do get their just and, and he is an avid hunter but then so am I. So being an avid hunter should not be something that we should discount a person for, for, for becoming a, a commissioner on the Game and Parks Commission. Thank you, Mr. President.

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

ERDMAN: Thank you, Mr. President. Let it be clear-- I want to be clear on this. I'm not speaking against these individuals as individuals. They're in the wrong place. We need agricultural producers who actually understand what it is when you lose 100-- \$125,000 damage to your property from wildlife. These commissioners are responsible for that. I have tried, Senator Brewer has tried to get a distribution plan put in place to restore some of these damages and make distributions to these people for the damages that are caused. These two individuals have served on the commission long enough that they understand the issues that should be taken care of and they have neglected to do that. So I'm not saying anything about their character or their ability. I'm saying the job they're doing is not sufficient to be reappointed. And we continue to do this over and over again, and we expect Game and Parks' management to change and become more responsive to those people who they are taking resources from without compensation. And as I've tried to make that distribution model available so that we can make a contribution to those who suffer damages, they have fought me all the way. They have total disregard for private property. These animals are animals of the state and if they belong to the state then the state should be paying to feed them. People in my district have lost hundreds of thousands of dollars of livestock to their mountain lions. And these commissioners know that and they let it continue. And so I'm not saying that these people are bad people or about their character or about their ability, they're making the wrong decisions and it needs to change. And the only way you can change the course of that agency is to change the commissioners. And when we stand back and we approve these people year after year every time they're up, we continue to get the same results

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we've always gotten and there's a definition for that. So irregardless of what Senator Lowe said and what Senator Jacobson said, I'm not trying to tell you that these people are disqualified because of their position in a bank or whatever they've done. What I'm telling you is they're doing a poor job of managing Game and Parks and that's who we are voting on today. We're voting on those who manage and direct the management of Game and Parks. And I, for one, believe that this organi-- this agency can be managed better if we had different people in charge. So I, again, ask you to vote against both of these confirmations. Thank you.

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

MOSER: Thank you, Mr. President. Well, it is unusual when I disagree with Senator Erdman but this is one of those times. Mr. Hoggatt appeared at our hearing and answered all our questions. He interviewed very well and he is a small-time farmer. He, he, at least, knows how the system works and he'd be one of the few that could multiply 50 elk times 160 acres and come up with \$125,000 in damage. He's going to be able to calculate those kind of numbers. I'm going to vote for him. I think he interviewed very well. I think he's eminently qualified for the job and I don't think we want to get into-- drag in our battles we've had with various agencies into the discussion of whether we approve a nomination of the Governor. Thank you.

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

ERDMAN: Thank you, Mr. President. I wonder if Senator Moser would yield to a question?

DORN: Senator Moser, will you yield to a question?

MOSER: Sure.

ERDMAN: Senator Moser, if I'm not supposed to drag this-- them into this discussion, when am I supposed to do that?

MOSER: I'm talking about the discussion about damage from wild animals and, and expecting this particular nominee to be voting in the opposite direction of what you believe. I, I don't know what you know about this guy. You know, how could you say he's not your choice when you-- I mean, have you ever met him?

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ERDMAN: I have, and I have nothing against this gentleman. What I have-- my opposition is they, the commissioners, have had an opportunity over the last, at least, 4 years that these people have served to make a difference. So in your hearing when you interviewed these people, did you also have people come and talk about the damages they sustained from the wildlife? Did those people come in and speak about these people?

MOSER: I'm sorry, I couldn't hear what you're talking about. Can you repeat?

ERDMAN: When you interviewed these people for reconfirmation, did anyone come in and speak about the damages they sustained from the wildlife that the state owns?

MOSER: Not at this hearing. I've heard those people come in and testify other times but not--

ERDMAN: Right.

MOSER: --not at this gentleman's hearing.

ERDMAN: So this is the opportunity, and I believe this is appropriate for me to bring these discussions today, because you see up there on the board, it says confirmation. And so if I'm not to bring up the things that I'm concerned about Game and Parks and about those who are appointed this position, I'd like to know when I'm supposed to do that. That's a rhetorical question, sir. I'm done asking you questions. So you and I have disagreed on this issue. That's fine with me. But the point is, it does not and will not solve the issue with a lack of concern that the Game and Parks Commission takes for these private landowners that are suffering under the damages of wildlife, that these commissioners have authority to authorize management to take care of and to make restitution or try to help them. They continually allow those wildlife to take property that does not belong to the state with no compensa-- compensation. And so what I've-- what I'm trying to tell you is we have to change direction in leadership. And the only way you can change direction in leadership is change those who make that decision and these two people make that decision. That's the purpose for my being against the confirmation of these two people. They've been there long enough to make a difference and they have not. Thank you.

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

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BOSTELMAN: Thank you, Mr. President. Thank you, Senator Erdman. I think you're right. You know, the opportunity you have is now to speak on these individuals. We actually asked these questions during the committee hearing to, to these-- both these individuals about what's being done, what has been done, do they understand the issues of wildlife damage and that and they did. I will tell you, over the last several years, we have done extended permits. We have had new depredation seasons. We've gave landowners permits to actually address this where we do have issues within those areas. We've done nesting depredation type of-- those animals that depredation against "naist"-- nesting birds. We've, we've changed statutory language on that. We've extended-- Game and Parks has extended seasons, provided assistance in those areas. Both of the members that came before us have done work in this area, have worked with the local property owners. I asked specifically, you know, how have you addressed this with your meetings and hearings you have across the state? They go specifically to areas where they have had issues and talked with the landowners, talked with the property owners, are working with them and continue to work with them. And, again, there was no opposition. There was no opposition to either of these members-- either of these individuals for the confirmations. They have-- we had extensive discussions during the confirmation hearings. I was really pleased, actually, this year with our committee because we did ask a lot of questions. We did dig in a lot on these individuals when they came before us and the committee was satisfied with the work that they've been doing and work that they're committed to do into the future is moving Game and Parks, definitely, in the right direction; definitely doing the things that we need to do. Is there more that needs to be done? Perhaps. There-- that's what they're willing to do and they're looking at that and they're willing to, to work with landowners and those out in those areas. That's one of those things that Game and Parks is responsible for. If you remember former Senator Hughes, Dan Hughes is now on the commission. He's-- talk with him. These are all areas that are moving forward that they're working with to ensure that we address those issues and Game and Parks has an active role in that, and both of these commissioners are committed to do that. So I'd ask for your green vote on both of the individuals. They're both-- Mr. Hoggatt is very much so involved in agriculture on multiple levels and Ms. Kush is very much so involved in the outdoors as well coming from the Omaha area. So I ask for your green vote and I appreciate the confirmation on both of these individuals. Thank you, Mr. President.

DORN: Thank you, Senator Bostelman. The, the question is the adoption of the confirmation report from the Natural Resources District. All

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those in favor of vote aye; all those opposed vote nay. Have you all voted that care to? Record, Mr. Clerk.

CLERK: 25 ayes, 5 nays. Mr. President, on adoption of the committee report.

DORN: The confirmation report is adopted. Senator Brandt would like to recognize a group of people in the north balcony, the Nebraska Dental Hygienists' Association and also Central Community College dental hygiene students out of Hastings. Please stand and be recognized by your Nebraska State Legislature. Items for the record, Mr. Clerk.

CLERK: Thank you, Mr. President. New A bill, LB905A, introduced by Senator Riepe. It's a bill for an act relating to appropriations; appropriates funds to aid in the carrying out of the provisions of LB905. Additionally, new A bill, LB204A, introduced by Senator Riepe. It's a bill for an act relating to appropriations; appropriates funds to aid in the carrying out of the provisions of LB204. New LR, LR307, introduced by Senator DeKay; that will be laid over. Amendments to be printed: Senator DeKay to LB1105, Senator Conrad to LB1027. New LR, LR308, introduced, introduced by Senator Jacobson. That will be laid over as well. That's all I have this time, Mr. President.

DORN: Thank, thank you, Mr. Clerk. Next item, Mr. Clerk.

CLERK: Mr. President, next item on the agenda. The General Affairs Committee would report favorably on the gubernatorial appointment of John Stinson to the State Racing and Gaming Commission.

DORN: Senator Lowe, you're recognized to open.

LOWE: Thank you, Mr. President. The Nebraska State Racing and Gaming Commission-- the Racing and Gaming Commission is a 7-member commission. Prior to 2020, the Racing Commission was created in 1935. After the voter initiative in November of 2020, the Racing Commission was changed into the Racing and Gaming Commission and the membership of the board increased to 7 members. The, the commission is appointed-- the commission members are appointed by the Governor to serve 4-year terms. This year, we heard from one new appointee, John Chris Stinson, and he goes by Chris, of Grand Island. Chris is a new appointee to the commission. He holds a business degree from UNL and worked in the stock and commodities market. He has been around and worked with horses since his childhood and has had clients throughout his career who had horses. His brother is also very involved. He is

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very supportive of the racing-- horse racing in Nebraska and wants to see it grow and thrive again. Thank you, Mr. President.

DORN: Thank you, Senator Lowe. Seeing no one else in the queue, Senator Lowe, you're recognized to close. Senator Lowe waives. Colleagues, the question before the body is the advancement of-- the adoption of the General Affairs Committee report. All those in favor of vote aye; all those opposed vote nay. Have you all voted who care to? Record, Mr. Clerk.

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

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

CLERK: Mr. President, next item, the General Affairs Committee report favorably on the gubernatorial appointments of Brian Botsford, Zachary Cheek, Jana Goranson, Jon Gross, Clark Roush, and Lovell James Wright to the Nebraska Arts Council.

DORN: Senator Lowe, you're recognized to open.

LOWE: Thank you very much, Mr. President. Everybody sit back and relax, we got-- we have to do six of these appointments for the Arts Council. The Nebraska Arts Council was created by the Legislature in 1974. The council was made up of 15 board members who are appointed by the Governor to serve 3-year terms. Our first is Zachary Cheek. He is a reappointment. This will be his second term on the council. He currently works in Senator Deb Fischer's office in Washington, D.C. and he flew back for our committee hearing. He's very dedicated. In 2022, he graduated from UNL and obtained his master's degree from the London School of Economics. He was named the most outstanding fine arts student at UNL in April of 2022. He represent-- he represented the Fine Arts and Performing Arts College in student government. He also served as a volunteer band teacher for the Gretna Public Schools, Lincoln Public Schools, and Elkhorn Public Schools from 2020 to 2022. That was our first. Next, is Jon Gross. He is a new appointment to the Arts Council. He holds a degree in finance from UNL. He works at Union Bank in Wealth Management Division. He has served on the board of Lincoln Symphony Orchestra and the Sheldon Art Museum. Number three is Clark Roush, a reappointment to the Arts Council. He lives in York, Nebraska and works as a professor of music at York University. He has twice received York University's Top Faculty Teaching Award. He has served on the boards of the Iowa Music Educators Association, the Nebraska Music Education-- Educators Association, and the Nebraska

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Choral Directors Association. He is scheduled to, to conduct a concert at Carnegie Hall in New York City during the summer of 2025. He has also served on the Board of Leadership York and the Editorial Advisory Board of the York News-Times newspaper. Number four is Jana Goranson, a reappointment to the Arts Council, lives in Gordon, Nebraska, and is a retired guidance counselor, has a bachelor's degree in music education from UNL. She thinks it's important to have board members from the Panhandle of Nebraska to voice their opinions and to provide insight. Number five is Brian Botsford. He has been an educator for 24 years, teaching instrumental and vocal music in Lexington, Nebraska. He was appointed in 2023 to fill a remainder vacated spot on the council. He is being reappointed this year, his first full term. He has also worked for Crane River Theater in Kearney and has had 12 seasons as a professional-- as a professional theater at Kearney at that location. He has worked for the Arts Council in the past as a recipient of grant money at Crane River Theater. And, finally, number six, Lovell James Wright, a new appointment to the council. He lives in Omaha and works for Congressman Don Bacon. He is currently on the Board of Trustees for Omaha Community Playhouse and the Board of Directors for the Nebraska Lutheran Outdoor Ministries. He has formerly served on the board of Nebraskans for the Arts and Friends of Big Brothers and Sisters. He also has experience as a touring actor and as theater director. He has performed with Nebraska Shakespeare Festival, Omaha Community Playhouse, John Beasley Theater, Blue Barn, Magic Theater, and many others. This concludes my list for the Arts Council.

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

M. CAVANAUGH: Thank you, Mr. President. Would Senator Lowe yield to a question?

DORN: Would Senator Lowe yield to a question?

LOWE: Yes, I will.

M. CAVANAUGH: Thank you, Senator Lowe. The first individual for the Arts Council's name that you mentioned-- because I'm looking at the list and I, I think you go in in a different order.

LOWE: It was Zachary Cheek.

M. CAVANAUGH: OK. Does he not live in Nebraska?

LOWE: He still lives in Nebraska, but also works in Washington.

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M. CAVANAUGH: But his primary residence is Nebraska?

LOWE: I believe so. Yes.

M. CAVANAUGH: OK. That was just-- that kind of was a red flag for me for a second. And I was, like, I think we should make sure that they live in Nebraska. Thank you so much. I appreciate his willingness to serve on the council.

DORN: Thank you, Senator Machaela Cavanaugh and Senator Lowe. Seeing no one else in the queue, Senator Lowe, you're recognized to close. Senator Lowe waives. Colleagues, the question before the body is the adoption of the General Affairs Committee report. All those in favor vote aye; all those opposed vote nay. Have you all voted that care to? Mr. Clerk, record.

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

DORN: The report is adopted. Next item, Mr. Clerk.

CLERK: Next item, Mr. President. The General Affairs Committee would report favorably on the gubernatorial appointment of Cameron Arch, Kelly Lambert, and Claudia Moore to the Nebraska Commission on Problem Gaming-- Problem Gambling. Excuse me, Mr. President.

DORN: Senator Lowe, you're recognized to open.

LOWE: Thank you, Mr. President. The General Affairs Committee is a very diverse committee. So now we're doing the confirmation reports on the Commission of Problem Gambling. The Commission on Problem Gambling was created by the Legislature in its current form in 2013. The commission is made up of 9 members who serve 3-year terms. We received 3 letters for reappointments this year. The first is Cameron Arch, reappointed to the commission. He fills the legal position on the commission. He has served 2 terms so far. He lives in Omaha and works as an attorney for BlueCross BlueShield of Nebraska. Our second appointment is Claudia Moore, a reappointment to the commission. She lives in Omaha and works as an addiction medicine physician at UNMC. She is board-certified in addiction medicine, emergency medicine, and medical "toxology." Kelly Lambert, our third and final appointment, reappointment to the commission, and she has served for the past 4 years on the board. She lives in Trumbull, Nebraska and fills a position on the commission of a recovering gambling addict. She has been clean from her gambling addiction for 22 years-- good for her-- and was able to become free of her addiction because of the Commission

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on Problem Gambling. And that concludes my appointments, Mr. President.

DORN: Thank you, Senator Lowe. See-- seeing no-- oh-- seeing no one else in the queue, Senator Lowe, you're recognized to close. Senator Lowe waives. Colleagues, the question is-- before the body is the adoption of the General Affairs Committee report. All those in favor of vote aye; all those opposed vote nay. Have you all voted that care to? Mr. Clerk, record.

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

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

CLERK: Thank you, Mr. President. If I could quickly, a few items: notice that the Business and Labor Committee will meet now in Room 2022; Business and Labor, now in 2022, Executive Session. Additionally your Committee on Banking, Commerce and Insurance, chaired by Senator Slama, reports LB1176 and LB1416 to General File, both having committee amendments. Additionally, new LR, LR309, introduced by Senator Riepe; that will be laid over. And an amendment to be printed: Senator Brewer to LB43. That's all I have this time, Mr. President. Concerning the agenda, General Affairs would report-- the General Affairs Committee would report favorably on the gubernatorial appointment of Bruce Bailey to the Nebraska Liquor Control Commission.

DORN: Senator Lowe, you're recognized to open.

LOWE: Thank you, Mr. President. And my final appointment for the day is in the Nebraska Liquor Control Commission. The Liquor Control Commission was created in its current form in 1965 for the purpose of regulating and controlling the alcoholic beverage industry and beverages within and into the state of Nebraska in an efficient, effective manner in order to promote the public health, safety, and welfare. The commission is made up of 3 commissioners who serve 6-year terms. This year we have Bruce Bailey, a reappointment, he was confirmed in 2023 to fill the remainder of a vacated term, and is now up for reappointment to the seat for his first full term. Currently serves as the chair of the Liquor Control Commission and represents the 1st Congressional District on the commission. He lives in Lincoln, worked for an architectural engineering firm until he retired last year. He wants the commission to increase education and training of license holders and feels they can offer this through their new

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computer system they're bringing online in a month. Thank you, Mr. President.

DORN: Thank you, Senator Lowe. Seeing no one else in the queue, Senator Lowe, you're recognized to close. Senator Lowe waives. Colleagues, the question before the body is the adoption of the General Affairs Committee report. All those in favor vote aye; all those opposed vote nay. Have you all voted that care to? Mr. Clerk, record.

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

DORN: The report is adopted. Mr. Clerk, for next item.

CLERK: Mr. President, next item on the agenda, LR298, introduced by Senator Arch. The resolution would create a special committee appointed by the Executive Board to be known as the Legislative Oversight Review Special Committee of the Legislature. Membership shall include the Speaker of the Legislature, Chairperson of the Executive Board, Chairperson of the Health and Human Services Committee, Chairperson of Judiciary, 2 at-large members of the Executive Board, and 3 at-Large members of the Legislature. The resolution was read for the first time on February 5 of this year and referred to the Executive Board. The Executive-- the Executive Board reported the resolution to the Legislature for further consideration with amendments from the Executive Board, Mr. President.

DORN: Senator Arch, you're recognized to open.

ARCH: Thank you, Mr. President. Excuse me. Morning, colleagues. Today, I bring for your consideration LR298. In brief, LR298 calls for the formation of a special committee to be known as the Legislative Oversight Review Special Committee of the Legislature. As we are all aware, the Attorney General issued an Opinion on August 16, 2023 that resulted in the unprecedented action of our Offices of Inspector General and our Office of Public Counsel being denied access to information vital to carrying out our constitutional duty of legislative oversight. The Offices of Inspector General were originally created in statute pursuant to various constitutional provisions granting it that authority to carry out the Legislature's obligation to exercise oversight over two areas that provide services that carry a high level of risk for the population served: Child Welfare and Corrections. That responsibility and the Legislature's intent to exercise that responsibility did not change with the

Attorney General's Opinion. Over the past several months, the focus of the Executive Committee has been to address the constitutional concerns raised by the Attorney General's Opinion in a way that fulfills the Legislature's responsibility and authority to exercise oversight. Soon after the Opinion was raised-- was issued, the Executive Committee engaged outside counsel to assist in the process. As part of the process, the Chairman of the Executive Board, myself as Speaker, the counsel to the Executive Board and outside counsel have had discussions with the Office of the Attorney General, members of the Executive Branch, the Public Counsel, the Inspectors General, and several members of the Legislature. While the initial focus of the discussions was on the role of Inspectors General, it became obvious that the issue of oversight by the Legislature was more complex and multifaceted. The legislative oversight function involves various entities and individuals, including the Public Counsel, Inspectors General of Corrections and Child Welfare, Legislative Performance Audit Office, and two standing committees, Judiciary and Health and Human Services, all of which are not directly related or organizationally coordinated. The statutory authority is described in various sections of law with some overlap of language and scope of duties. Our current organizational structure in the Legislature has been the result of many years of responding to various calls for increased oversight, most often precipitated by critical incidences. Over the years, this effort to provide greater and more effective oversight has now become an opportunity to step back and have a broader assessment of the oversight function of the Legislature and how to better coordinate that function. The formation of a special committee, as proposed in LR298, would establish a process to consider the broader issue of legislative oversight, provide for additional input from multiple sources and stakeholders, and allow for thoughtful deliberation over the course of the legislative interim. The concern is that if we simply address the immediate issue of the Inspectors General, we will need to return and address the additional, broader issues that have now been raised of other legislative oversight functions again in the near term. It is also an opportunity that will be lost to better coordinate oversight and have a greater impact. A special legislative committee will provide the entire Legislature with an opportunity to better understand and coordinate our role of legislative oversight with the goal of achieving a greater impact for the citizens of Nebraska. Multiple issues have been raised during our consideration of changes to the Office of Inspector General that need to be addressed. The concern is that rushing to fix the Inspector General issues is shortsighted and could lead to serious unintended consequences. It is simply not possible to do this work during a short

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session while also tackling the larger, more immediate issues currently before the Legislature. The interim is better suited to address these larger, more complex issues. In addition to the formation of a special committee, we have worked with the executive branch to jointly develop a document that clearly delineates the required information in the process for gaining access to the information necessary for the Legislature's Office of Public Counsel and Inspectors General to fulfill their current statutory obligations. This document memorializes the information in the process to ensure the ongoing functioning of these offices while further consideration of legislative oversight proceeds over the interim. A memorandum of understanding was completed and signed by the Executive Branch and Senator Aguilar and myself on behalf of the Legislature on February 14, a copy of which is being passed out by the pages. This MOU will allow the work of the Office of Public Counsel and the Offices of Inspector General to proceed while the interim study is conducted and further legislation is developed. While it has been pointed out that the MOU does not have the force of law, I do appreciate the administration's cooperation to ensure that we engage with each other in the, quote, spirit of dynamic compromise and in the, quote, tradition of negotiation, which was urged by the AG in his Opinion. As written in the MOU, its provisions and those of the accompanying interim information sharing agreement become effective upon the passage of LR298. The agreement set forth in the MOU would remain in effect until the end of next session. Regarding the specifics of LR298 as introduced, the resolution calls for the special committee to be appointed by the Executive Board with membership including the Speaker of the Legislature, the Chairperson of the Executive Board of the Legislative Council, the Chairperson of the Health and Human Services Committee and the Judiciary Committee, two at-large members of the Executive Board and three at-large members of the Legislature. Upon further consideration, the Executive Board recognized that because this issue is about our Legislature as an institution and oversight is a concern of this entire body, the committee delegated to manage-- managing functions of the Legislature the Executive Board should be fully engaged in this endeavor. As such, a committee amendment will be offered that changes the makeup of this special committee to include all members of the Executive Board, the Chairpersons of Health and Human Services and Judiciary Committees, and three at-large members of the Legislature. This is very similar to how we organized the Saint Francis LR29 Committee. Though not done through the formal draft of the LR29 resolution, the Health and Human Services Committee, being the committee with jurisdiction over DHHS and child welfare, was folded into the investigative committee. There were-- there were 14

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members total at that time and that gave us a wide spectrum of perspectives as well as a core group with subject matter background. With the committee amendment to LR298, this is the same idea. There will be 15 members, including members who have been delegated with the task of managing the Legislature and members with sub-- with subject matter experience in Child Welfare and Corrections. LR298 calls for the special committee to conduct a full review of the oversight functions of the Legislature. In addition, it may consider the current structure and organization of legislative oversight functions of the Legislature, oversight functions of other state legislatures, current oversight conducted by any statutorily-created board or commission, the interface with the executive and judicial branches, and any remaining issues raised related to the Attorney General Opinion issued on August 16. LR298 provides the Legislature with an opportunity to consider the best organizational structure and process to fulfill its complete oversight responsibilities. Rather than operating a structure that has been built over the years in reaction to events, the Legislature can now enter, enter a deliberative process to structure a proactive system to provide the information needed for the body to legislate more effectively and to serve the citizenry of Nebraska -- its ultimate duty. That concludes my opening. I encourage you to vote green on the upcoming committee amendment and to vote green on the underlying resolution. Thank you, Mr. President.

DORN: Thank you, Senator Arch. As the Clerk stated, there are committee amendments by the Executive Board. Senator Aguilar, you're recognized to open.

AGUILAR: Thank you, Mr. President and members of the Legislature. The committee amendment, AM2637, provides that all members of the Executive Board, both voting and nonvoting, would be members of the Legislative Oversight Review Special Committee. With the amendment, the committee would be a 15-member committee consisting of all 10 members of the Executive Board, the Chairperson of Health and Human Services Committee, the Chairperson of the Judiciary Committee, and 3 at-large members of the Legislature. I would ask for your support and a green vote to adopt AM2637. Thank you, Mr. President.

DORN: Thank you, Senator Aguilar. Senator Wayne, you're recognized to speak.

WAYNE: Thank you, Mr. President. Colleagues, I don't know how I really feel about the resolution. I do have some concerns about a memorandum of understanding that was signed. One, I don't know if there's authority for that. While I have all faith in legal counsel to look at

those things, I don't think this body, any body, including the executive branch, has the ability to interpret statutes, nor come to an agreement of what statutes mean or whether a statute should be delayed or should be entered into after another study is done. I think if there is a law on the books, that law has to be followed as-is. If there are challenges to that, those can be dealt with in the court. That's just the purist in me. If you are a constitutional person and you say you are a constitutionalist and you believe in the constitution, then you need to think hard about voting on this. And, again, it's not the-- I understand the intent. I understand a lot of things, but too many times I hear in this body over the last 8 years, whether this is constitutional or whether we should have an AG's Opinion and whether we should wait till the courts to decide, et cetera. The reason that concerns me is, our constitution says when it comes to the Department of Corrections, this body-- the Legislature-- has complete oversight, complete management. It says "general management" of the Department of Corrections. And it says-- actually, it says mental or punitive institutions where it talks about prisons. So if we wanted to-- if we wanted to, we could say the prisons are directly-- our Corrections is directly underneath the Legislature. That's not me saying that, that is in the constitution. So I think you have to be careful when talking about Office of Inspector Generals to combine both the conversation around HHS, the conversation around juveniles, and the conversations around the Department of Corrections. The one place that we have clear constitutional authority, and the one place that even the Attorney General's Opinion does not address is Corrections and the department-- and the OI-- Office of Inspector General overseeing Corrections. We have clear constitutional authority to manage it. If we have the ability to manage it, we have 100% the ability to oversee it. So I think this delicate game of separation of powers has already been decided by the voters. The voters have already decided and placed in the constitution that the Legislature shall oversee the Department of Corrections. We have created an agency, the Department of Corrections, by a vote of more than 30 people in this body to pass the statute to say we will let this agency-- and the Governor appoints that person, and the agency be under that pers-- under the Governor. We allow that through statute per our own constitution. What that also means, per our constitution, is we have direct oversight of any agency, but particularly the, the constitution gives us oversight of the Department of Corrections. So I think that is on statute, that is in our constitution. You can't delay the implementation of that. You can't say we will keep things as status quo when the status quo is, we can go in right now and review anything we want when it comes to the Department of Corrections. That is our

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constitutional obligation. So for every conservative, when I say conservative, I don't necessarily mean fiscal conservative. I don't mean social conservative. I mean, if you are a conservative when reading a constitution, you have a constitutional obligation to manage--

DORN: One minute.

WAYNE: --Corrections. That is 100% it. So I don't-- I'm probably going to vote no on this because I don't like the idea of Corrections being lumped into HHS oversight. Those are two different obligations. And to conflate the two, I think, does a, a disservice to this body and, and the purpose of the separation of government and the purpose of our constitution that says we directly oversee it. So unless somebody can help me understand if that constitutional provision is somehow null and void, which I have yet to see that, why we have to give up anything when it comes to the Department of Corrections and our oversight. We don't. In fact, the constitution is on our side when it comes to the Department of Corrections. Thank you, Mr. President.

DORN: Thank you, Senator Wayne. Senator Fredrickson, you're recognized to speak.

FREDRICKSON: Thank you, Mr. President. Good morning, colleagues. Good morning, Nebraskans. I rise today-- I am not yet determined where I'm going to fall with LR9-- LR298. Certainly, will likely support AM2637. I do want to say I really appreciate Speaker Arch and his work on this, as well as the Executive Board's work on, I think, this-- like, really, certainly, important issue. If anything, I'm leaning towards supporting this, if only to allow for the Inspector Generals to continue to do the work that they are doing, that they have-- since this Opinion was issued-- have been prohibited from, from doing. And that is something that is, I think, gravely concerning. I want to highlight some of the important work they do, obviously, for some of the most vulnerable populations. This past year, the OIG on Child Welfare, for example, released a very comprehensive and robust report with recommendations based on suicides that we saw within Nebraska children who were within the child welfare system. And so I actually brought a bill this year as a result of that report, LB927, which is going to be heard today in HHS, that is hopefully going to improve some of the processes that we have in place to ensure that some of our most vulnerable populations remain to be safe and taken care of. So, you know, it's-- we can debate the mechanisms around this, but I just kind of wanted to bring our attention back to the really crucial, important, invaluable work that our Inspector Generals do every day.

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And I want to ensure-- and I think we're all in agreement with, with that and, and the work that they do. I also want to take a bit of a larger look at what's been happening since this Opinion was issued. I think if you take the issue out of it, take out the Inspector General, take out, you know, Corrections, take out Child Welfare, we need to really have a sober look at what has been happening in our state, which is that we currently have statute that exists. We have law in place that exists that some code agencies are not following. So the law has been broken. And I'm not saying the law as it exists is right or wrong, but-- and, and perhaps the law needs to be updated; perhaps we need to have a discussion as a Legislature to improve that law to make things more efficient, make things work better. But that doesn't change the fact that the law exists as it currently does now. And just because there's a problem with the law does not mean we can just break the law. We can change the law. We have that great privilege in this body to do that. But we should have grave concern when we have branches and, specifically, some code agencies who are deciding to not follow the law. Because once that starts happening and becomes normalized, that strips all of our power as a legislative body. And so taking the topics, taking the subjects out of it, I think we really need to consider this from a principled perspective of what's been going on in our state. I'm appreciative that it seems that there is some agreement to continue to move forward in some way to allow access for the OIG. But I do want to underscore that this permission is not, under current law, needed. We are conceding a great deal of power by engaging in this process. So I am inclined to support this under the principle of ensuring that our Inspector Generals can continue to take care of these most vulnerable Nebraskans. But I do have grave concern about everything that has transpired with this process. I'm incredibly grateful to the Speaker, to the Executive Board under Senator Aguilar for their work on this. Senator Wayne, Senator Conrad, a number of folks in here have done a lot of really important--

DORN: One minute.

FREDRICKSON: --work related to this. Thank you, Mr. President. And I'm going to continue to listen closely to this, but I am appreciative of the opportunity for us as a legislative body to have this discussion today. I think it's a very important discussion to have and we need to ensure that we are operating in a way as a state that maintains the trust and responsibility that Nebraskans expect out of their government. Thank you, Mr. President.

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

JACOBSON: Thank you, Mr. President. Well, as you know, I, I do serve on the Executive Board and have been a part of the, both closed sessions and open session meetings that we've had with regard to this issue. I want to follow up a little bit on Senator Fredrickson's comments because I think he's, he's correct in that Speaker Arch and, and Chairman Aguilar have done a wonderful job of really trying to navigate the issues here and try to methodically deal with this issue without blowing things up. As you all know, we're going to be-- we're past the halfway point in this legislative session. There will likely need to be some legislation ultimately to clean up some of the issues that we're dealing with here. But that can better be done when we have a better understanding of the issues, when we can have time to really methodically think through what the permanent fix is to this. But we need to recognize that right now, we've been shut out, and this memorandum of understanding will allow us to continue to engage and get us entry into the areas that we need to be looking at and we're doing that with agreement of the executive branch. So however you come down on constitutional issues or any other issues, I like to think about the practical issues. All of my years in business, I found that you can always sue, but you never quite know what that answer is going to be when you go to court. But I can tell you that if you can work out these differences by negotiating and working together, and everybody figures out what they absolutely need and what you can give up and try to move together while you work at a more global fix, I think that's a better way to approach it. And I think that's what Speaker Arch has tried to do. And believe me, he spent an immense amount of time working through this, along with Senator Aguilar, to be able to come up with a compromise with the administration that we can all live with until we can come up with a better comprehensive fix. So for that reason, I would encourage all my colleagues to vote yes, let's move this forward. This is not the permanent fix, but this is a path forward and I think it's the right path forward. Thank you, Mr. President.

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

M. CAVANAUGH: Thank you, Mr. President. Good morning, colleagues. I definitely support creating an oversight committee within the Legislature. It's something that I think is long overdue that we take a comprehensive approach to oversight. I do want to share a lot of concerns with you colleagues today. I know it is no secret that I am a great advocate of government oversight and conducting our business in the light, not the darkness. I have concerns about the MOU because it is not a thing that has any standing or authority at all. I have

concerns that it makes it permissible for the administration to break the law and have no consequences for that. And not to just break the law when it comes to the OIG, but to break the law in other areas. There was a bill this week in HHS that Senator McDonnell brought that he has brought numerous times before to try to get the administration to enact a law that has been enacted. This is not singular to the OIG, but the OIG is our oversight, especially in avenues that we all don't have the capacity or access to. So I am concerned about the dilution of our own oversight. But I want to take you all through some things. This is my sixth year in this body. Since my freshman year, starting in my freshman year, we had the Youth Rehabilitation Treatment Centers that required a special oversight committee to be created to ensure that DHHS and DAS were doing their jobs. And I don't even-- I couldn't even in an hour delve into fully what that looked like. At the same time that we had the YRTC-- Youth Rehabilitation Treatment Center-- crisis happening, we had the state engage in a fraudulent contract with Saint Francis Ministries. Those two things were happening simultaneously. However, the debacle that was Saint Francis Ministries did not come to light until over a year later, and it was because of my ferocious, tenacious, aggressive oversight. It was because I made request after request and went through document after document. And, colleagues, I invite you and encourage you to come to my office and look at the materials from that, the materials that I gathered before I brought a resolution to ask this body to create a special investigative oversight committee into Saint Francis Ministries. So I appreciate Senator Jacobson's comments about doing due diligence, not rushing to anything, going through the process. I have done it. I have done it and it is laborious and it is serious and it needs to be treated as such. But if we allow our authority to be diluted, we will not be able to combat things that are eventually going to happen like Saint Francis--

DORN: One minute.

M. CAVANAUGH: --Ministries again. One minute, and I didn't even get through very much on my list at all. On February 13-- I'm going to start with this and I'm going to come back to this-- on February 13, my office made a request to the Department of Administrative Services requesting the Procurement Exception/Deviation Form that led to the emergency contract with Epiphany Associates this year. They have violated the law in not responding to me. It was 10 days ago and I have received zero response. We all know it's a 4-day window. No response. This is where we are at, colleagues. They thumb their noses at us. They violate the law at every turn. We need to stand together and we need to stand strong for the people of Nebraska. I will get

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back in the queue. I have a lot more to say about this. Thank you, Mr. President.

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

CONRAD: Thank you, Mr. President. Good morning, colleagues. I want to thank Speaker Arch and the Executive Board for bringing forward this resolution to establish a thorough and comprehensive review of all aspects of legislative oversight with the goal in mind at the end to ensure that Nebraska is meeting best practices and that the Nebraska Legislature will put forward a plan to ensure that we maintain and continue and strengthen robust legislative oversight moving forward. So I rise in support of the resolution and the Executive Board amendment in that regard. That being said, I've had a host of concerns about how we found ourselves in this position that created the need for LR298 in the first instances. And to echo my friend, Senator Machaela-- Senator Cavanaugh's comments, Senator Wayne, Senator Jacobson, and others who have spoken, let's be clear and break it down from a fundamental perspective when it comes to the power that the Legislature has inherently to carry out its work, which undeniably includes legislative oversight of the other branches of government. This emanates from Article II, which delineates our separation of powers in the Nebraska State Constitution, a host of important provisions within Article III, which delineates the boundaries of legislative power. And then it has additional components as Senator Wayne noted in Article IV, particularly Section 19, regarding the state institution's management and control as being vested in the Legislature, and Article IV, Section 23, which relates to additional tools and components of oversight and information sharing between the Executive and the Legislature. So from a Civics 101 perspective, everyone knows there's three branches of government. They are independent and coequal, and they cannot and should not intrude upon the powers vested in each branch of government. That is separation of powers. However, also fundamental to our democracy was the right and appropriate skepticism that when any branch operates in an unchecked or "unpowerful" manner, that could be problematic for the people. So in addition to a separation of powers, we also have, as part of the elegant design within our democracy, checks and balances. And that includes things like legislative oversight to ensure that the people have an ability to check unchecked power, waste, fraud, and abuse and other issues that happen in the other branches of government. The Office of Inspector Generals were created after a history of our state's largest agencies fleecing the taxpayers and hurting vulnerable Nebraskans, including little kids in foster care. This pattern and

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practice of waste, fraud, abuse, and harm went unchecked by Attorney Generals, went unchecked by Governors. So the Legislature, after years of--

DORN: One minute.

CONRAD: --deliberation-- thank you, Mr. President-- came together to figure out best practices for providing additional oversight of these troubled agencies. And that is how the Inspector General Offices came to be. They have operated in good faith, professionally and appropriately, for over 10 years or almost 10 years, respectively, when you look at Child Welfare and then Corrections, until 6 months ago when our Attorney General put forth a politically-motivated, misguided Opinion which called into question basic legislative oversight that had been carefully negotiated, carefully passed, that was adopted by the vast majority of the Legislature, signed by the Governor, and that, friends, carries the presumption of constitutionality. I'm going to run out of time as well and have a lot more to say so I'll punch in--

DORN: Time.

CONRAD: --again. Thank you, Mr. President.

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

WAYNE: Thank you, Mr. President. I'm not going to take a lot more time. I just passed out to you arti-- const-- part of the constitution that says the general management, control-- Section IV-- or Article IV, Section 19: "general management, control and government of all state charitable, mental, reformatory, and penal institutions shall be vested as determined by the Legislature." What that means is, if we choose to have an Inspector General in the Department of Corrections, it can be done. If we choose to have Inspector Generals in the mental hospitals or facilities or reformatory facilities, it's not a question. We have constitutional authority. There's not a separation of powers issue. It's in our constitution. So my only issue with all of this is we didn't separate out the Department of Corrections from HHS. We clearly have authority over our criminal, criminal system. It's in our constitution. That is my only issue. I do think there are some issues around HHS and some things around there that involve separation of powers, things that we had to work out in the juvenile sense. Because in juvenile court, there are actually-- many of the kids are under HHS and there's HIPAA and on top-- education law,

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there's all type of laws that create some dynamics of we either need business agreements or some kind of agreements or letters or MOUs of understanding of how to access data, which we actually did last year in Judiciary. We fixed some of those problems. But when it comes to oversight of our Corrections, if somebody can point to me of how this constitutional provision is unclear, then I don't like the idea of combining Corrections and HHS oversight into one lump sum. If you recall, the Attorney General's Opinion was on oversight for HHS. There was a small footnote regarding Corrections, but that footnote didn't even address this section of the constitution. So that's my fundamental issue with this. Now, the problem with the resolution, unlike a bill, is it's one vote. Once you vote, this is over with. There's no going back on Select to fix. There's no pulling it back from Final Reading to have another conversation. The only way to force another conversation is to vote this down. And this has nothing to do with all the work that, that Speaker Archer and Senator Aguilar have put into this. I do a lot of work on a lot of my bills that don't even make it out of committee sometimes. I do a lot of work on bills that come to the floor and still die. And if you haven't had a bill die on the floor, it's a lonely feeling when you do a roll call and you're at 24, when you do a roll call and you're at 32, and you were promised with 36. It's a lo-- it's a lonely thing to sit there, especially when you do regular order and your last name is Wayne. And when you know when you vote you're 23 and Wishart is 24 and you look on that board and there's nothing you can do, or when you're 32 and Wishart is gone for the day and there's nothing you can do. Those are lonely, lonely days so I understand that. But at the same time, in all seriousness, we have fought over roughly 5,000 people in our institution of Department of Corrections. We have an obligation and this state has said we have a constitutional duty to manage that and to oversee it. So that's why I will be present, not voting on this because I just feel like we, we can-- we can do better when it comes to Department of Corrections. I do understand HHS. I understand the--

DeBOER: One minute.

WAYNE: --complexities, but I think we got a constitutional duty that we can't just give up yet. Thank you, Mr. Presi-- Madam President.

DeBOER: Thank you, Senator Wayne. Senator McKinney, you're recognized.

McKINNEY: Thank you, Madam President, I rise-- I also have questions with this LR and the fact that I just-- with Senator Wayne, I feel like we already have constitutional authority over our Corrections system and I don't know what we need to review. I don't think that we

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should have allowed for the Ombudsman to not be allowed inside of our prisons this long. I think we've created many issues by just allowing for an AG's Opinion to act as if it's law and it's not; it's just an Opinion. Especially when it's clear in the constitution that: general management, control and government of all state charitable, mental, reformatory, and penal institutions shall be vested as determined by the Legislature. That's in the constitution. We talk about honoring the constitution and all these things all year, every year, holding up the constitution and, and valuing the constitution. But we're clearly allowing the constitution not to be followed currently by the Department of "Punitive" Services. And I don't know if it's just a willingness just to let the Department of "Punitive" Services just operate how they want and just to be a horrible environment for all involved and for the Legislature just to let it fail and just to continue to dump money into a failing system, because that's what it seems to be. We're increasing penalties. We're building prisons that don't need to be built because they're going to be overcrowded day one. We're going to keep a facility open that was deemed in such disarray that we needed to build another prison. So I really don't know what we're doing. So maybe we do need to review what our authority is or what our focus is, and that's the honest truth. We need a legislative review of how we want to address the management and control of our penal system, because I feel like we slowly and slowly and slowly keep giving up our legislative authority when it comes to Corrections. I still haven't received a clear answer as to why the Ombudsman was stopped from going inside. The Ombudsman wasn't included in the AG's Opinion, but we're stopping them from going inside. There's no lawsuit or anything, but the Ombudsman doesn't have computer access. They can't go inside to address a lot of needs. I don't know if you are aware, but there's been a bunch of issues. The RTC has issues every day. I believe 22-plus people were assaulted a couple weeks ago. I'm hearing of other issues as well. They're on, like, a 23 and 1 or worse, which means 23 hours of their day they're inside a cell and 1 hour they might get out or less than that. And it all goes back to a lack of oversight. There's many issues not being answered and we're just allowing it to happen and then we're wondering why there are assaults. People don't have trust in the system. They don't have trust in us to ever get anything done and we want to review our authority at their-- somebody outside of here just gave their opinion on something. It--

DeBOER: One minute.

McKINNEY: --it just really doesn't make sense. I just think we should not be reviewing our oversight. I don't get it. We have constitutional

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authority to manage the institutions, which means it gives us authority to say the Ombudsman and IG, especially in Corrections, can go inside and have oversight over our penal institutions. But we're willing to give up that authority to the executive branch because, I guess, they could do what they want and nobody's here to stop them. We're just going to roll over. Thank you.

DeBOER: Thank you, Senator McKinney. Senator Arch, you're recognized.

ARCH: Thank you, Madam President. I want to respond to some of the things that were said here and I largely agree. What, what we have before us is an LR, but what it represents is a very weighty matter and it's constitutional. It is-- it is, as Senator Conrad said very well, it is the separation of power and it is the balance of power. What we have done over the years with our oversight function has been what I would call reactive. We need to get our oversight function into a proactive mode and those aren't just words. I chaired the YRTC Special Committee. I chaired the LR29 Special Committee, and both of those were in reaction to events that we were not aware of and then we responded to. We were behind the curve when we started those special committees. Why didn't we know? Why didn't we know? Because our system is not proactive. Two essential components of any oversight-- any oversight system includes monitoring and auditing. We need to take a step back and we need to develop a proactive system of oversight that does make sure that the balance of power is there in our branches. This is not new to this session. This tension was created by our founders that there are three coequal branches of government. And as a result of that, there is always tension. Where is that balance? Where is that separation? And I think, frankly, my perspective is we are out of whack. We need to reestablish that balance of power where we have information so that we might fulfill our duties, which is to legislate. And so we had a couple choices at the beginning of this process and the Executive Board chose a path. The two choices that we had at the beginning of this process was litigate or attempt to resolve the conflict. Took a look at litigation, the Executive Board decided not to pursue that path. That does not mean rolling over to the administration. I really react to that statement. That is not what that means. We could have litigated and we would be in litigation today. Rather, we have an agreement that puts the Ombudsman back to work, puts the IG back to work, and we do our job, which is to make sure that we stand strong as the Legislature, that we have the information that we need to properly legislate. That's our job. So I will tell you, if you don't hear it in my voice, I am strongly committed to this institution. I hope you have-- I hope you have seen that in my behavior. I am strongly committed to the institution of the

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Legislature and I believe that this process of this special committee will support that, that at the end we will find that spot where we fulfill our duties constitutionally with full authority that we have, as developed in the constitution, so that we can do our work. Developing a system that is proactive legislative oversight that takes what has been years and years-- I mean, I, I agree with Senator-- with Senator Cavanaugh. When, when she talks about-- when she talks about these things-- you know, she didn't use these terms, but they, they pop up on our-- on our legislative radar while--

DeBOER: One minute.

ARCH: --we're going about our work and we say wait a second. We-- didn't we, Senator Cavanaugh, appropriate money for construction of new living units at the YRTC in Kearney? Where are they? Well, now I understand they're under development. I appreciate that from the administration. They have-- they have-- they have reassured us of that. But how do we have a system that, that has the monitoring necessary so that we know these things? Because if we need to change legislation, we need to know. It isn't to supervise the administration, but we need to know so that we can properly fulfill our duties which is to legislate. So we have an LR in front of us that I believe will give us that interim time that we need to study this to assure that we, the Legislature, have a balance of power.

DeBOER: Time, Senator.

ARCH: We can fulfill our duties. Was that time? Thank you, Madam President.

DeBOER: Thank you, Senator Arch. Senator Machaela Cavanaugh, you're recognized.

M. CAVANAUGH: Thank you, Madam President. Thank you, Speaker Arch, for your comments. I apologize if I insinuated that you were not fully behind this Legislature and our oversight authority. That was certainly not my intention; I'm a little tired this morning so I might not be using all of my words the right way. You've been an amazing partner with me over the years, that we, we came into this together and we've been doing this together for 6 years. And I appreciate your statements about being proactive, not reactive. We have been reactive and I, I think that this LR creating this committee is an amazing opportunity for us to really explore how we can provide the people of Nebraska with greater fidelity in oversight. I do also think that there can be disagreement in how to approach a problem. I would have

liked for us to have sued, if only to have gotten an injunction for our OIGs to have access to the facilities while all of this is being sorted out. And, and that's where I'm coming from is that I'm, I'm disappointed in the administration for shutting off our access because, as Senator Fredrickson mentioned in his remarks, there's a lot of things that come out of those reports. The very first bill I introduced and the very first bill I passed-- LB59 in 2019-- was a direct result of a recommendation of the Inspector General of Child Welfare. And it wasn't a controversial bill, it was something to address a gap in the system of child welfare. But it was an important gap. And those reports are things that we as a body, historically, since we created this, the OIG's Office, have relied upon to ensure that when there are those gaps, that we are addressing them as quickly as possible. I did ask my staff-- though, you all are still welcome to come by my office, but I did ask my staff to bring up my Saint Francis Ministry investigation binders. They're sitting here on my desk. You're welcome to come and look at them. This is what I did before I introduced the LR. This is what I brought to this Legislature before I introduced an LR. And I will say I'm disappointed in Attorney General Hilgers. I worked with the Attorney General when he was the Speaker of this Legislature on my LR to create the Special Investigative Oversight Committee into Saint Francis Ministries. So I know that he knows the importance of the role of the Inspector General. So it is disappointing that he would issue an Opinion that prohibits them to do the work that he and I worked on together using the Inspector General's Office. That's disappointing. And I want that for the record, because I have a great deal of respect for the, the Attorney General. We have worked together for a long time. This isn't anything new-- news to him. We have also discussed this. But it is-- it feels, it feels disingenuous to issue an Opinion like this when we aren't in session and we can't do anything about it. It just doesn't-- it doesn't sit right with me and I'm disappointed. And I want that said for the record. I want to go through for you all, and I'm only going to take the times that I have today, which I think is one more after this. And I have, I'm guessing, one minute left.

DeBOER: One minute.

M. CAVANAUGH: Thank you. So I will go through these things after my next go-round, but, but those that are imbued with power must have that power checked. And even the best of intentions in governance you still must have your power checked. I need to have my power checked. Everyone in here needs to have their power checked. That's why we govern as a group. That's why we have a committee process and three rounds of debate. That is our check system on each other and

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ourselves. And I firmly believe that we need to be addressing head-on the issues that we are faced with, with the dilution of our oversight. So I appreciate this LR and I will get in the queue one more time to--

DeBOER: Time, Senator.

M. CAVANAUGH: --go through a few more things. Thank you, Madam President.

DeBOER: Thank you, Senator Cavanaugh. Senator Ibach would like to recognize 58 students, fourth-grade students from Dudley Elementary in Gothenburg. Please stand and be recognized by your Nebraska Legislature. Senator Conrad, you're recognized.

CONRAD: Thank you, Madam President. Good morning, colleagues. I-- colleagues, too-- the, the good news for you is I plan only to speak on my three times and not ask anybody to yield any. But I, I do want to echo some of the excellent comments that other colleagues have brought forward as well. And when it comes to the fidelity to our constitution-- to the Nebraska Constitution which, of course, we all take an oath to defend and protect, I also want to reaffirm the point that this constitution is not something we gave ourselves as a Legislature. This is a grant of authority from the people of Nebraska structuring the kind of government they want to see in our state. So that's another thing that's important to remember here. This isn't just us leaning into authority that we've given ourselves. The constitution is a gift from Nebraskans that we have an obligation to steward. When we have these conversations, in addition to that important underpinning, I also encourage us to divorce the personalities and the people from the offices that we're talking about. We can and we should have serious conversations about critical legal issues, including legislative oversight of our state's most troubled big bureaucracies that have fleeced the taxpayers and harmed vulnerable Nebraskans without having to think about whether or not we like Attorney General Hilgers, whether or not we like Governor Pillen. It's not about that. We can and we should enjoy a strong working relationship and warm professional or personal relationships with the dedicated public servants who hold those offices. But we also must maintain the grant of authority that Nebraskans gave us in our constitution and protect our fidelity and our oath to this institution, the people's branch. And we find ourselves in a unprecedented moment in regards to this political Opinion that was authored this summer and that undermined these critical functions of government and are trying to be remedied with stopgap Band-Aids, as evidenced by the MOU. And I'm going to spend my time on the MOU on my

last time on the mic. But what's really important to remember, in addition to the fact that we did careful deliberation across all branches of government in the establishment of the OIGs, they have done their work professionally and appropriately for over a decade or almost a decade, respectively. They have provided critical eyes and ears-- information to inform our deliberations in regards to appropriations and other components of our work, to exercise appropriate oversight over HHS and Corrections. And what, what-- let's not get academic about what they do or don't do. They do their job in a professional way according to best practice standards. They issue reports to this body and to the public about systemic issues that are plaguing our largest, most troubled agencies. And rather than suffering through a day of bad press a year, the--

DeBOER: One minute.

CONRAD: --executive and judicial branches have decided to work with and in concert or in reaction to the Attorney General's Opinion to shut down oversight. That's what all this is about at the end of the day. Think about that. Think about the time, energy, effort, resource, and political capital that is spread across all branches of government, cause confusion and chaos and disruption because the executive couldn't be bothered to suffer through one day of bad press about mismanagement a year. That's ridiculous. If our Executive Board will not step forward and enforce the law as written, that has the presumption of constitutionality, the only way to remedy the present disruption and chaos and dysfunction is through this purported memorandum of understanding to allow some--

DeBOER: Time, Senator.

CONRAD: --sort of oversight to happen as the task force completes its work. Thank you, Madam President.

DeBOER: Thank you, Senator Conrad. Senator Machaela Cavanaugh, you're recognized and this is your third opportunity.

M. CAVANAUGH: Thank you, Madam President. OK, colleagues, I said I wanted to take you through some of the things that have been going on. So I mentioned the YRTC issue from 2019, Saint Francis Ministries, the February 13 records requests that the Department of Administrative Services is now in violation of the law in not responding to me. Then there's the charging for records requests. At the very beginning of session last year, I received a bill for \$67,000 for a records request pertaining to the managed care contract RFP process. Managed Care

Organizations, or MCOs, are our organizations that manage Medicaid. I'm on the Health and Human Services Committee. They changed one of the vendors that they'd been using. I wanted to know a little bit more information about the why behind that and their reaction was a \$67,000 invoice before they would give it to me. That signals to me obstruction. Obstruction from doing my job. Obstruction from us doing our jobs. I am not out here on a fishing expedition. I am on the Health and Human Services Committee, and I had just come off of Saint Francis Ministries' contracting issues where we abruptly shift vendors. So it's pretty reasonable that I would want to know a little bit more about shifting vendors; and there was a lawsuit, so, again, not an outlandish request. We have had emergency contracts with Nomi Health. That was during a pandemic, but that emergency contract resulted in a lot of miscarriages of how a contract should be conducted. We were not in compliance with ADA at all for months and months and months. Emergency contract with Saint Francis Ministries. After we were in a contract with Saint Francis Ministries, we were blackmailed by Saint Francis Ministries to engage in a \$10 million emergency contract, which we had to do or we would have no child welfare within 24 hours in the Eastern Service Area. So we had to do it, which is, you know, they were holding us hostage. Now we have this Epiphany emergency contract, and we can't even get a document telling us why we had an emergency contract with them, a document that really should be readily available. It shouldn't take 4 days, nor 10 days. It should take 15 minutes to email that. We are continuing to have the privatization of government services, and when we privatize our government services, we lack oversight. And then we have an administration that is claiming executive privilege, which is not a thing. It is not a thing. The Governor does not have executive privilege. When the media asked the Governor for records and the Governor responds with executive privilege, that is fake. It doesn't exist. Ask previous Governors, they all went on the record saying it wasn't a real thing. We have an administration that is keeping things in draft form so that we cannot get access to it. We have an administration that is purposely not using their phones,--

DeBOER: One minute.

M. CAVANAUGH: --their email. Everything is being done by paper and then not shared when it's requested. And by the way, colleagues, when you request documents, they don't have to be electronic for them to exist and they should be given to you even if they are hand delivered between offices. And that is not happening. That is not happening. I feel like we are in a crisis of government oversight, and it has nothing to do with personalities. Process is important. Process is

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essential. And we have a responsibility to the people of Nebraska to ensure that we are being responsible with taxpayer dollars and oversight. That is our job. There was a question brought to me. I do support this LR. Apparently, it was unclear. I do support this LR.

DeBOER: Time, Senator.

M. CAVANAUGH: Thank you, Madam President.

DeBOER: Thank you, Senator Machaela Cavanaugh. Senator Conrad, you're recognized and this is your third opportunity.

CONRAD: Very good. Thank you, Madam President. Again, good morning, colleagues. I just wanted to finalize some additional thoughts for the record here. And, again, I, I am reluctantly supporting the legislative resolution before us and the committee amendment as the best path that we've identified to help our state move forward and to help our institution figure out how to continue and strengthen un-- the undeniable power of the Legislature to exercise legislative oversight as grounded in our constitution and our laws. And I, I want to talk about just a few other pieces here. Since the Attorney General's Opinion was issued, not only did that stop oversight under existing law, which carries the presumption of constitutionality and should be carried out and enforced until a court says otherwise, we've lost oversight in regards to the Office of Inspector Generals. It has spread even further to the important work of the Ombudsman's Office that's existed in Nebraska for over 50 years and that has been supported by previous Attorney General Opinions. Since that time, we've seen Corrections hire their own investigator. We've seen HHS issue their own reports. We've read about HHS's attempt to bypass the State Auditor and hire their own auditor. We've heard about kids suffering malnutrition in our foster care system. We've heard about ongoing lack of compliance with state law in regards to caseload caps. We've heard about ongoing lack of compliance when it comes to ensuring we end the human rights abuses that are replete with youth solitary confinement. We know youth solitary confinement is on the rise in Nebraska. We're headed in the wrong direction. After, again, countless acts of this Legislature have told the executive branch to stop putting kids in solitary. So not only do they defy legislative oversight, they defy existing state law and "substitutive" measures as well. I do feel like this is a path forward, but in some ways it feels like a concession and I'm skeptical of some of the results that may emanate from this committee considering our Executive Board has not stepped forward to protect our institution at this moment thus far. I understand this is unprecedented and they are working in good faith,

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but there is a level of skepticism due to the lack of action. I put forward a 4-bill package of reforms in regards to this issue, 2 are before the Judiciary, 1 before the Executive Board, and 1 before the Government Committee. We actually had a great hearing with my friend, the Attorney General, at the Government Committee yesterday and we were able to achieve a meeting of the minds that we need to eliminate the section which sparked this misguided Opinion in Nebraska Revised Statute 84-215 which, again, is a legislative grant of authority to the Attorney General. So we can and we should talk about that more as that solution works its way through the process this session. Finally, I want to reaffirm this memorandum of understanding is not enforceable. It is not a contract. It does not have--

DeBOER: One minute.

CONRAD: --the presumption of law. It does not include the judicial branch, which should be a huge red flag. And I was completely disappointed and unimpressed with the judicial branch's testimony before the Executive Board thumbing their nose at legislative oversight in general. Friends, I hope nothing bad happens. But what happens when oversight again goes south when the executive branch or judicial branch thumbs their nose at the Inspector Generals and some tragedy happens and we're out of session and we don't have the ability to act? I know that it says that we're not conceding anything or eliminating other remedies that are available to us, but those have yet to be exercised when needed so I'm skeptical of the power--

DeBOER: Time, Senator.

CONRAD: --that those will hold. Thank you, Madam President.

DeBOER: Thank you, Senator Conrad. Senator John Cavanaugh would like to recognize 30 undergraduate and medical students from Creighton University. Please stand and be recognized by your Nebraska Legislature. Senator John Cavanaugh, you're recognized.

J. CAVANAUGH: Thank you, Madam President. Well, that was fortuitous that I get to talk right after the students from Creighton Medical are here. Welcome. We already clapped for you, so I can't ask people to clap for you again. That's not appropriate. I guess, clapping has to be done by the Chair. But thank you for coming. I hope you're enjoying this conversation. This is an interesting conversation. I haven't weighed in yet on this and I can just add my, I guess, agreement to what Senator Conrad and the other Senator Cavanaugh have been saying. But I just thought it was important to make sure that everybody knows

that people are paying attention to this. Senator Conrad is right about the fact that this is not perfect. This doesn't go far enough. But those of us who are interested in making sure the Legislature maintains its oversight authority of the other branches of government, that this is something we can do now. But it certainly is not-- go far enough. We have seen in my 4-- short 4 years here a continued erosion of the power of this body and the will of the members of this body to assert ourselves as a separate branch of government. It's really important that we have and engage in our oversight authority. The things that happen in darkness without the, the oversight and, and light that is shed on it by the Office of the Inspector General and the public guardians is scary. And when those bad things happen as a result of lack of oversight, that falls on-- is the responsibility of everyone who looks the other way and refuses to ensure that we're engaging in oversight. As this whole-- the Attorney General's Opinion came out and the resulting sort of stymieing of oversight, a couple of thoughts occurred to me which is, one, a lot of people around here like to put a huge amount of weight on the Attorney General's Opinions. They do not have the force of law. They do not have an effect-- as Senator Conrad said, the laws that they-- he issued Opinion about are still constitutional until a court says otherwise. And so it just keeps a current-- a thing that plays in my mind is the Attorney General is not a wizard, right? He doesn't get to just-- he says something and then that, that-- those words are given form. Right? That's-- he is issuing an Opinion and the, the-- I'm losing my place because I'm hearing folks talk about my comment that the Attorney General is not a wizard. But he has-- he has an Opinion and he issues it, and he gives a-- it's an advisory Opinion. So our response-- we can take that for what we-- what it's worth in the sense of what value we place upon it. But it does not have the force of law. We create law here. And the constitution does grant, specifically, authority to the Legislature to engage in oversight over the correctional institutions. That's in the constitution. The Supreme Court has interpreted previously-- so the court has a power to interpret statutes and the constitution and give it-- and they can give that effect. But they have previously interpreted the Legislature's authority under that stack-- section of the constitution to create sub-entities that give effect to that oversight authority. So it seems to me that we could be doing more here, but I will continue-- I will support the, the LR and the MOU in the interest of getting us--

DORN: One minute.

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J. CAVANAUGH: --thank you, Mr. President-- getting us back to a place where we can get some more oversight. But I just want everybody to know and to think about how important it is that this body be more forceful in asserting ourselves against the other branches of government, because a lot of folks here want to say or want-- or thinking in the back of your mind, I know it's not the front of your mind, but you're thinking in the back of your mind, I like who's in charge right now. I like the Governor. I like the Attorney General. I like the Auditor. But it will not always be that case. So you want to make sure that the power structure and the Legislature continues to have its power to assert itself against future Governors, even if you like this one. So it's-- so I'd encourage, I guess, your green vote on this. Thank you, Mr. President.

DORN: Thank you, Senator John Cavanaugh. Senator Vargas, you're recognized to speak.

VARGAS: Thank you very much. I very reluctantly rise in support of AM2637. I thank my committee members on the Executive Board and, you know, I support this, but I, I use the word reluctantly and I'm asking for your support for it because it's not where I want-- it, it can't end this way. I just want to make sure that we don't become, become complacent. When this first came up, my first reaction was we, we have statutory obligations. And until so far that we do not have statutory obligations, we should continue to meet those obligations unless we come back to the Legislature and change things. I've had this conversation with the Speaker, I've had this conversation with our Executive Board and my colleagues that I would sign on, I would support, because we have to move forward and do something. I'm not satisfied that this is enough. I'm also not satisfied that not moving forward on any of the other pieces of legislation or the bills that came to us in committee are also not enough. Because I think I've been on the Executive Board-- actually, right now, I think the longest of any other member, and I've also seen what happens when both the age of term limits and turnover, when we don't have line of sight. You've heard this from many other people. I just want to put a finer point on this committee doesn't solve all the issues. It's a vehicle. It's intentionally designed to make sure that, you know, Chairs of different committees that have a stake in, in a lot of the line of sight and, and, and accountability can be part of it. Obviously, the Executive Board is part of it, too. It won't solve all the issues. Every single committee or special committee that we, we convene will come up with a set of recommendations and it's how-- it's how much they yield that, that statutory coequal branch of power. You know, when we were doing the YRTC Special Committee, when we submitted the

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report and we came up with legislation, it had power because we utilize that, that power. This is nothing against our coequal branch of government and the executive branch, but I have seen and had the issues where we fund things and then they don't get funded or we say we're going to do certain things and they don't happen, even statutory obligations. So it's the reason why I signed on on this bill. I signed on because we have to do something and I'm not-- I'm not going to stand in the way. But I also believe that we have to do way, way more than what is just living in this committee. There were other bills introduced by both Senator Wayne and Senator Conrad in committee. I, I support a lot of those efforts and doing more and codifying and changing more statutes so that there's clarity there. I do personally support that. But I also support the efforts of not standing in the way and just saying no to everything and I've made that clear to the Speaker and other people in Executive Board. But it is incumbent on not only the committee, but this body to make sure that we are honoring, we are elevating and supporting our coequal branch of line of sight. I don't even like calling it oversight, because this is about being able to see what's happening in the Corrections system and being able to, both, react in policy in, in a-- in a very pragmatic manner, rather than we are managing. We're not managing these departments or agencies, but we have to be able to still look at aggregate analysis and data to make sure we're making informed decisions on the system working better, Corrections and Child Welfare.

DORN: One minute.

VARGAS: So that's, that's the reason why I wanted to stand up and say I'm a cosponsor of this, this resolution, I'll obviously be serving on the committee. I thank my committee members. I voiced this concern. And for future people serving on the Executive Board-- because I won't be in the Executive Board, I'm term limited-- this is going to be a really important piece of your work to make sure that balance is there on what we do from here on in on making sure that we have this ability in statute and making it clear and addressing it in line with also what we're deeming to be, you know, the Attorney General's Opinion. So I, I thank the committee. I thank-- I thank the members. Again, reluctantly, in support of this, we have to do something. But this is not where it ends because we still have to hold all branches of government accountable for the statutes and the things that we are putting money and efforts towards. Thank you so much.

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

DeBOER: Thank you, Mr. President. Good morning, colleagues. So we often say in here the little adage, don't let perfect be the enemy of good. And I think that's kind of what you're hearing today, is we're not going to let perfect be the enemy of good. This is an approach to try to deal with a complex problem. I appreciate the Speaker's proactive approach. I appreciate the Speaker's broad approach to look at this topic of oversight as a general premise. I also want to remind everyone here and who might be watching this or reading this in the transcript later, that oversight is not "overmeddle." We're talking about oversight. Not investigative journalism either-- oversight. We need to see what is going on in the government to make laws. They can't make the laws. We make the laws. We give them the power, maybe to make some rulemaking, but that comes from us. It's vested in us. We have to be able to see to do that. Again, a reminder they can't pay for anything without us. We have all of the power of the purse strings. The money all goes through us. We have to be able to see what we are doing so we know what to pay for. We have to be able to know what is going on throughout the government so that when it comes time to balance 'should we pay for this or that program or should we give the money back in reduced taxes,' we have to be able to see what is going on to do that. The Legislature has to have oversight because we have to know what is going on because our fundamental job cannot be done unless we know in every crack of the government what is going on because we pay for everything. We are charged with balancing the taxpayers and the programs. We have to know what's going on so we can find efficiencies, so we can create efficiencies, so we can make laws and policies that are the best laws and policies for this state. So when we're talking about needing oversight, we're saying we need to be able to do our job, our one fundamental job, which is to make the laws, including those appropriation laws for this state. So having a general approach to oversight, I think that's very admirable and I'm glad that we're doing that with this committee and taking a proactive approach. I will also say that it makes me concerned to know that because of the Attorney General's Opinion, we have been lacking in our ability to look in some of those aspects of government. We have had dark places where this Legislature wasn't able to see what was going on and how do we make decisions then? How do we know where to put the money?

DORN: One minute.

DeBOER: How do we know where not to put the money? How do we know where to make the policies to fix things? So don't let perfect be the enemy of good. This is the path we are on. It may not be the path we chose from the beginning, all of us in this room, but this is the path

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we're on. And we with reservation of other paths, should we need them if this one doesn't turn out to be working-- and I appreciate Speaker Arch, I appreciate Senator Aguilar for their support, their work, the Executive Board for all of their work on this because this-- this, folks, is an existential point for the Legislature. If we cannot see, we cannot do our jobs. Thank you, Mr. President.

DORN: Thank you, Senator DeBoer. Senator Ben Hansen would like to recognize 25 homeschooled children from the Elkhorn and Blair area. They are in the north balcony. Please stand and be recognized by your Nebraska State Legislature. Senator Wayne, you're recognized to speak.

WAYNE: Thank you. This will be really brief. Colleagues, just real quick. At noon, we'll be doing a briefing on a proposed veterans court idea in Room 1113. Former Secretary of Defense Chuck Hagel will be here giving a presentation on it and then we'll have a hearing at 1:30. I am ordering Jimmy John's. So there will be Jimmy John's there if people want to come. But please come. On a second note, got a couple questions about what am I wearing today? Well, it's cardigan Friday. So every Friday we should wear one. And today I decided to break out my fraternity. My fraternity is Kappa Alpha Psi. Kappa Alpha Psi was founded in January 5, 1911 at Indiana University in Bloomington, Indiana. The connection to Lincoln? Well, in-- I better get this right or they're going to get mad at me, and here at University of Nebraska-Lincoln, Eta Chapter was founded in 1916. So if you think about that, African Americans in 1916 in Lincoln, Nebraska, going to a predominantly Caucasian university, they needed support systems and they leaned on each other to do that. And if anybody wants to read the history of Kappa Alpha Psi, it is in my office every day since I've been down here. It's a good story but, really, I wore it today not just because it's Black History Month, but it also reminds me of when I'm down here and there are struggles and there's fights and there's things that we're trying to do for the community back at home, people-- my staff will find me sometimes just looking through this book and reminding myself that although we've come a long way since 1616 or 1619, we've come a long way since the discovery of a land that was already occupied, we came a long way since Jim Crow, we still have a lot more-- a long-- a longer way to go to form a more perfect union. So that's why I wore this today, just to shed a little light on some of the history but remind us that we have a bright future ahead if we all work together. Thank you, Mr. President.

DORN: Thank you, Senator Wayne. Seeing no one else in the queue, Senator Aguilar, you're recognized to close on AM2637.

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AGUILAR: Thank you, Mr. President. In closing, I'd like to thank all the members that have spoken and participated on this issue today. What I heard today exemplifies the passion that you have for this institution and the responsibilities of this institution. That being said, I ask you-- for you to move this important issue forward with your green vote. Thank you, Mr. President.

DORN: Thank you, Senator Aguilar. Colleagues, the question before the body is the adoption of AM2637. All in favor vote aye; all opposed vote nay. Have all voted who care to? Mr. Clerk, record.

CLERK: 37 ayes, 1 nay, Mr. President, on adoption of the committee amendment.

DORN: AM26837 [SIC] is adopted. Seeing no one else in the queue, Senator Arch, you're recognized to close on LR298.

ARCH: Thank you, Mr. President. Well, thank you for the discussion today because what I heard was we're in-- we're in agreement with the goal, the goal being that of exercising our responsibility and our authority to provide legislative oversight for the purpose of making sure that our legislation is well-informed and we have the information needed to do that. So what we have before us today, a couple of things. One, I think it's an opportunity to develop a system and to resolve some issues, some issues that have been discussed over many years but not resolved. And I think we have that opportunity and I say to develop a system. Senator Vargas referred to term limits in, in his comments and I wholeheartedly agree. Term limits have, have impact on these kinds of issues. We don't have that memory of committee Chairs of when these things were implemented. We, we, we can't depend upon individuals to protect the institution and to protect the authority and, and the fulfillment of responsibilities. We have to have a system. I don't think that that system at the present situation is robust enough. I don't think that it is-- it is well-thought-through. So I think we have an opportunity here to do that, develop the system and to resolve some of the issues. The other thing, of course, is, is that with the passage of LR298, the Ombudsman's Office, the Office of Public Counsel, as well as the, the IGs go back to work and we have very important work. We have some catching up to do as well with issues that we are not aware of. So with that, I thank you for your discussion and I would ask for your support of LR298 and we can get to work. Thank you, Mr. President.

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DORN: Thank you, Senator Arch. Colleagues, the question before the body is the adoption of LR298. All those in favor vote aye; all those opposed vote nay. Have all voted who care to? Mr. Clerk, record.

CLERK: 38 ayes, 1 nay, Mr. President, on adoption of the resolution.

DORN: LR298 is adopted. Next item, Mr. Clerk.

CLERK: Mr. President, next item, LB1067, introduced by Senator Clements. It's a bill for an act relating to counties; adopts the State Prisoner Reimbursement Act; eliminates the inheritance tax as prescribed; changes provisions relating to inheritance tax reporting and refund procedures; changes the authorized use of the County Visitors Promotion Fund and the County Visitors Improvement Fund; harmonize provisions; repeals the original section; declares an emergency. The bill was read for the first time on January 8 of this year and referred to the Revenue Committee. That committee placed the bill on General File. There, there are committee amendments, Mr. President, as well as additional amendments.

DORN: Senator Clements, you're recognized for a 1-minute refresher.

CLEMENTS: Thank you, Mr. President. LB1067 is regarding our inheritance tax. Over the last 4 years, the Legislature has prioritized keeping Nebraskans from permanently moving out of the state. LB1067 is the next step in retaining people in our state. This bill will phase in over 5 years, so there is plenty of time to adjust if needed. And I'll be here for the next two and a half years and will be happy to assist with that. The counties have ability to operate without this, like counties in 45 other states have counties with no inheritance tax. This is about reform, which is always difficult and controversial. But we can figure this out over the next 5 years. And we've given you some handouts with-- that shows what the rates would be and the effect is less than a 2% effect per year.

DORN: Time.

CLEMENTS: Thank you.

DORN: Senator Linehan, you're recognized for 1-minute refresher on the committee amendment.

LINEHAN: Oh. I am going to ask Senator Clements to help me with this because I got caught off guard. Senator Clements, can you help me with what we did with the committee amendment?

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DORN: Senator Clements, you're yielded 50 seconds.

CLEMENTS: Yes. OK. The committee amendment-- the, the bill would take-- allow the counties to take all of the visitor promotion funds. This reduces it to 50% maximum. And let me remember-- what was the other item?

LINEHAN: [INAUDIBLE] hope my staff gets up here with the book. And it's not my staff's fault, I've had them doing other things this morning so that's on me. Thank you, Senator Clements.

DORN: Thank you, Senator Linehan and Senator Clements. Next up in the queue is Senator Kauth. Hold it, hold it. Senator Conrad for an amendment and a refresh on yours. You're yielded 1 minute.

CONRAD: Yeah. Very good. Thank you. Thank you, Mr. President. Just to be brief here, colleagues, in consultation with Senator Clements and Speaker Arch and the Clerk's Office and other folks involved in this issue, from a technical and a procedural perspective, I'm going to ask unanimous consent for my motion to divide the question to be granted and then allow for regular debate on some of the amendments-- well, all of the amendments that have been filed. I appreciate the graciousness that Senator Clements has demonstrated by essentially removing the tourism component in one of his amendments that we need to get to that accomplishes a third of what I was trying to accomplish with the division. And from a technical perspective, it's just-- it's just a little bit murky. So we can work through the substantive amendments that are there and would ask for your consent to withdraw my, my motion to divide.

DORN: Thank you, Senator Conrad. Now returning to the queue-- Senator Conrad, your request to divide the question has been withdrawn. Now returning to the queue, Senator Linehan, you're recognized to speak and we had dropped you off so you are first in the queue.

LINEHAN: Thank you, Mr. President. I think this is the first time I'm up, up this morning. So good morning, colleagues. Almost noon. I want to talk about the overall issue here. I know that this is going to get filibustered. I know that people are having a hard time. So what I did this morning is I pulled up a story from the Omaha World-Herald about the Douglas County Board and their budget for this next year which they voted on in September. And I think I will, after I get done with this, pass it out. But if you're like me, you rarely get everything read on your desk so I am going to read from this. The Douglas County Board voted Tuesday to approve a \$554.2 million budget for fiscal year

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'23-24, which includes \$51.6 million in federal pandemic relief and stimulus funds from ARPA, most of which the board has set aside for mental health needs. Excluding the county's ARPA money, the budget increased spending by 4.9% over '22-23. The General Fund portion of the budget without ARPA is \$263 million, up 5.4% from last year. Now let's skip down. The budget assumes-- oh, I forgot to read the headline, which these always irritate me: Douglas County Board adopts budget, expect to keep current property tax rate. But what does that mean? Does that mean your taxes won't go up? Not if your valuations went up. The budget assumes a 9% increase in total property valuation to Douglas County, but they didn't change the rate. The Douglas County tax rate has changed only once in the last 10 years, and that was in 2019 when the county board raised the rate by 1.5 cents per \$100 in valuation to pay for the county's new [INAUDIBLE] and annex and the juvenile detention center. That's right, we now have two juvenile detention centers. Even though that we were supposed to have one who many said was not going to be big enough. Turns out it's not big enough so now we have two. And we're staffing two and paying for two buildings. They said assumed increase in valua-- valuations because they think they actually might be a little more than nine, but they assumed increase in valuations would bring in additional \$13.9 million in property tax revenue. So there's the real answer, taxes-- property taxes went up \$13.9 million. The '23-24 budget will also receive a record-- a record \$26.5 million in inheritance taxes, almost double last year's amount. Douglas County also brought in an additional \$8.2 million, million in interest from money market deposits because of higher interest rates. So they get \$26.5 million, double their normal inheritance tax, and still raised property taxes by almost \$14 million. I do not buy that if we do away with inheritance taxes over 5 years, they're going to have to raise property taxes. Actually, they're already raising property taxes, even though they got \$26.5 million in inheritance taxes. And how, how are they raising \$8 million in interest? You would have to be sitting on \$100 million. So we got people getting chased out of their houses. Seniors-- got young people who can't afford to buy houses because of property taxes. But, oh, man, if we take away inheritance taxes, they're going to have to raise property taxes. I just don't buy it. They're raising them now and they're getting-- we need the whole thing, and we're going to spend a lot of time from now to the end on this. What are we going to do in Revenue? I get asked every time I go out in the lobby, what are we going to do? I don't know what we're going to do. We're going to do something. But nothing we do on trying to address property taxes from this body is going to work until we get everybody who rate-- who collects property taxes on the same page with us, guys.

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DORN: One minute.

LINEHAN: Not going to work. We can't keep putting-- again, we have covered-- put \$1 billion, since I've been in the Legislature, \$1 billion toward property tax relief and they have gone up \$1.3 billion. That is not going to work. Thank you, Mr. President.

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

KAUTH: Thank you, Mr. President. I rise in support of LB1067. Senator Clements' staff provided us a list of all of the counties and how much they have in reserve, and I kind of Excel geeked out on it and sorted them a little bit. So I want to read to you how many counties have how much money. So there are 2 counties that have only less than a year's worth of reserves; full year. There are-- between 1 and 2 years, there are 8 counties. Between 2 and 5 years, there are 26 counties that have between 2 and 5 years' worth of reserves. Between 5 and 10 years, there are 41 counties that have between 5 and 10 years' worth of money in their reserve. Between 10 and 15 years, there are 7. Between 15 and 20 years, there are 3 counties. Between 20 and 30 years' worth of reserves, there are 3 counties, and there are 2 counties that have over 30 years' worth of reserves. That's crazy to me that we, we think that we should not stop taking money from people when we have that much money in reserves. And then I went and sorted and looked at the age of the residents. So as you look at these, some of these counties, the youngest county is Thurston County, 28.1 years old, and the oldest county is Wheeler, 57.8. You look at Sarpy County, Sarpy has less than a year's worth of reserve. Well, Sarpy County's average age is 35.3. And they are growing like crazy. What we are talking about with this LB1067 is a step down to zero. We're talking about planning and strategizing and looking at the things that you absolutely must have, the things that you'd like to have, and the things that you know are probably not essential. Every family who's watching us, every person in this Legislature has a household budget. We have to plan. If you knew that your job was going to go away in, say, a year, what would you do? Would you keep spending like crazy or would you say, OK, where do I need to tighten my belt? How do I need to strategize? Senator Linehan pointed out about the interest payments. Interest is constantly accruing on these. How is that being used? I think when we look at making this state attractive and we've got so many different bills before the Revenue Committee about, OK, tax credits for this, tax credits for that. Things that we can do in this state to make us look attractive, inheritance tax has to be one part of that. We have to be able to say, look, we've caught up with the other 45 states and

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we realize that taxing something once you're dead is probably not very fair. So I have this sorted out. If anyone would like copies of it, I'm happy to share. I yield my time.

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

RAYBOULD: Thank you, Mr. President. Good morning, colleagues, still. And good morning to fellow Nebraskans out there watching us debate inheritance tax. I stand in opposition to the elimination of the inheritance tax, having been a, a county commissioner, and I know that other of my colleagues in this Chamber who have been county commissioners know very well that the inheritance tax is essential to providing the services that our communities and the counties that we serve expect. The additional thing that sometimes my colleagues here forget is that the Legislature, in their beneficence, comes up with all kinds of unfunded mandates that the counties scramble to fulfill those required mandates. And in addition to that, to find the funding to be able to comply with those unfunded mandates, which is a whole separate topic that I am certainly happy to talk about. What I wanted to address this morning in my limited time is some of the comments that we heard in the first hour of debate and including some of the, the comments that were recently made. You know, many of you probably don't know, but a county is required as a municipality to maintain a substantial reserve in, in their budgets. It's, it's part of your fiduciary responsibility. The city of Lincoln, I'm proud to say, has a AAA bond rating, which is essential for borrowing. So that's one thing. You know, Senator Clements had provided a couple of handouts of examples of constituents moving to other states because of the inheritance tax. Well, you know, as a county commissioner, I've heard this said repeatedly. But the truth is our, our fellow Nebraskans are moving to Florida in numbers because it's a great place to retire in. It has nothing to do with the inheritance tax that is driving them away. There is no basis in truth to that, that people are leaving because of our inheritance tax. And it is highly unlikely-- it is highly likely that that individual would have moved to Florida no matter what. I'm having friends retire to Colorado, to California, et cetera. Maybe it has something to do with our harsh winter weather, with the exception of this month of February, but that's one of the observations that seems a little out of whack to me. The next observation I heard from my fellow senators is that, that they're like in angst. It's like double taxation. Oh, my God-- oh, my God, we're being taxed twice. But did they fail to mention in individual income taxes-- you know, we pay individual income taxes both to the federal government and the state government. I don't see anybody, you know,

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complaining about that or-- well, we all complain about taxes. Let's be very clear on that. But you don't see them talking about that. And, you know, we, we pay federal and state corporate taxes as well. And so there should be, you know, don't be so disingenuous about a comment like that and double taxation. You know, another observation that I heard is that we're just one of those few states that holds on to this inheritance tax. Well, you know, ranking has never seemed to budge my fellow policymakers here in this Chamber. You know, Nebraska ranked 49th at the bottom of the barrel for state funding for public education. That hadn't changed for, for years. For example, we were the very last state in the entire United States to give DACA recipients-- Deferred Action Childhood Arrival [SIC]-- the authority to have a driver's license so that they could get to their job. And, you know, when it came to Medicaid expansion, we were the last state to approve Medicaid expansion. Imagine that, foregoing millions and millions of federal dollars--

DORN: One minute.

RAYBOULD: --thank you, Mr. President-- that our fellow Nebraska taxpayers have paid. So, in essence, you know, rankings have no bearing on the policies that we make. And the last comment I heard, and I'll be very brief, was that this is a form of socialism. Really? Really? Socialism? I mean, how many of, of those farm subsidies that we get, is that socialism? What about Medicare? What about Social Security? Come on. We-- our job is to make sure we deliver on great policy decisions and make sure that we provide funding for bad policy decisions. How are we going to fund the loss of revenue to the counties? And I have 2 handouts that I passed out: how do counties spend the funding that they get from the inheritance tax, as well as the potential property tax levy increases that seem-- people seem to forget that this is what will really happen. And as a county commissioner, it does.

DORN: Time.

RAYBOULD: Thank you, Mr. President.

DORN: Thank you, Senator Clements-- Senator, Senator Raybould, excuse me. Senator Erdman, you're recognized to speak.

ERDMAN: Thank you, Mr. President. Good morning. Seems like Senator Raybould is a little fired up. Let me clear up something. She was correct in the statement that some of us were county commissioners, but she's totally incorrect that we understand that inheritance tax is

essential. That is not a true statement. That is false. I never was in favor of inheritance tax. And I want to read to you a letter I passed out from my county commissioner, Chairman Jeff Metz, who lives in Morrill County. He said I'm a farmer and rancher in rural northwestern part of the county. I've also served on the Morrill County Commissioners Board for the past 13 years, Chairman for the last 8. I'm contacting you today to offer support for Senator Clements' LB1067 and Senator Erdman's amendment, AM20-- AM2405, which starts January 1 and removes inheritance tax completely. It is time to reveal Nebraska-- repeal Nebraska's inheritance tax. I am certain you've heard from hundreds of elected officials across the state claiming that county government can't survive without inheritance taxes. Some counties will claim services will be cut and/or levies will need to be increased to make the revenue loss-- make up the revenue lost without an inheritance tax. I'm not one of those elected officials. Morrill County and the inheritance tax funds collected is approximately \$70,000 to \$90,000 per year, and these funds are never included in the budget. It is a slush fund that would be used for any time, anything, which is convenient but not-- unnecessary. I was elected to represent the residents of Morrill County, many of which own property which are farms, ranches, businesses, homes, and investment accounts, all of which have been heavily taxed every year through property and income tax. Unfortunately, when property owners pass, their estates or their heirs must pay the most unfair and most unjust-- let me say that again, the most unfair and unjust ever to be levied tax in this county in the form of a death tax. Counties should not be reliant on inheritance taxes, and counties should not have this included in their budgets. Eliminate the inheritance tax now. And he leaves his phone number. So Senator Raybould is exactly wrong why people are moving to Florida. They're moving to Florida because they have no income tax and because they have a very competitive property tax. And so, consequently, they're moving there for tax consequences, not necessarily because they like high humidity and high temperatures. So there is no proof. In fact, there is proof that not one person has ever moved to Nebraska from another state greater than the number who's left. And so don't let Senator Raybould try to bluff you into saying that they don't-- they won't survive. They've got to raise their mill levy. I think Senator Kauth explained exactly why this should be eliminated immediately, because of the cash reserves that these counties have. So don't listen to NACO. NACO will come and tell you the sky is falling. They do a lot of things that aren't appropriate and you'll listen-- you listen to what they say about the majority of their membership, thinks that this is what we should do, and that may be the case because they're not willing to make the

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necessary difficult decisions about balancing their budget, about doing the things that are necessary and not the things they want to do. So we're going to go some time on this one. But I can tell you right now, this is a tax that needs to stop. And I think Senator von Gillern explained it very well last week when he said-- or the other day when he said everything you have has been taxed, everything you have, and every year you pay property tax on that property every year and then you die and it creates a tax event. Now you tell me how that's a--

DORN: One minute.

ERDMAN: --good idea. That is absolutely the most regressive tax I could ever think of. We are only one of six states that have inheritance tax, but we're number one in something. And that is we are the highest. And so Senator Raybould can stand up and whine all she wants about why people are moving or something, whatever it is, but the fact is, this is a tax that has to go away and it has to go away soon. The sooner the better. Thank you.

DORN: Thank you, Senator Erdman. Mr. Clerk, for items.

CLERK: Thank you, Mr. President. Your Committee on Government, Military and Veterans Affairs, chaired by Senator Brewer, reports LB998, LB1191, LB887, LB925, LB1243 to General File, some of those having committee amendments. Additionally, your Committee on Transportation and Telecommunications, chaired by Senator Moser, reports LB1200 to General File with committee amendments, as well as LB166. Your Committee on Banking, Commerce and Insurance, chaired by Senator Slama, reports LB1073 to General File with committee amendments, and your Committee on Nebraska Retirement Systems, chaired by Senator McDonnell, reports LB1365 to General File. Your Committee on Enrollment and Review reports LB644, LB895, LB1087, LB905 and LB771A to Select File, some having E&R amendments. Additionally, a report from the Nebraska Retirement Systems Committee on the gubernatorial appointment of Ellen Hung, State Investment Officer, Nebraska Investment Council. Amendments to be printed: Senator McKinney to LB1102; Senator McDonnell, LB198; Senator Raybould to LB1067; and Senator Wayne to LB1067 as well; and Senator Raybould to LB1288. Finally, Mr. President, name adds: Senator Conrad and Senator Aguilar to LB1037, Senator Riepe to LB1067. Notice that the Appropriations Committee will be having an Executive Session in Room 1003 today at 1:30; Appropriations, Exec Session, Room 1003 at 1:30. The Natural Resources Committee will have an Executive Session upon adjournment in Room-- in Room 1210; Natural Resources, Exec Session

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upon adjournment in Room 1210. The Health and Human Services Committee will have an Executive Session tomorrow-- today, excuse me, immediately following their hearing in Room 1510; Health and Human Services Committee, Exec Session today following the hearing in Room 1510. Additionally, Mr. President, your Committee on Appropriations, chaired by Senator Clements, reports LB1402 to General File with committee amendments. Finally, Mr. President, a priority motion, Senator Meyer would move to adjourn the body until Tuesday, February 27, 2024 at 10:00 a.m.

DORN: You've heard the motion. All those in favor say aye. Opposed, say nay. Motion carries. The body is adjourned.