

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Floor Debate March 26, 2024

**ARCH:** Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the fiftieth day of the One Hundred Eighth Legislature-- Legislature, Second Session. Our chaplain for today is Pastor Michael Davis from United Methodist Church in Gretna, Nebraska, in Senator Jen Day's district. Please rise.

**PASTOR DAVIS:** Let us be in an attitude of prayer. Lord God, I stand here very humbled with this opportunity. For I remember a senator that served in this Chamber who is a colleague of mine, Senator Lowen Kruse. And last night I took a look at his book of things that he wrote about his memories here. And he gave some suggestions and some critique of some of the prayers that have been shared here over the years. Some good, some not so good. I pray that my words may be pleasing to your sight, O God. God is good and worthy of our praise and thanks. It is good for us to remember the Golden Rule this day as these senators look with anxious hearts towards the day of celebrating that this session is finished. I ask that each one here be reminded of the words of the Golden Rule which are recorded for us Christian folk in the book of Matthew where these words are printed: In everything, do to others as you would have them do to you, for this is the law of the prophets. O God, what many may not know is that similar words are shared by many versions of worship, not just Christianity, but also Confucianism and Buddhism and Judaism. Just to name a few. So, God, I ask that you help us to respect one another this day and to work together to make this place the best place possible for all persons to live. I ask all of this in your name, O God. Amen.

**ARCH:** I recognize Colonel Ben "Felix" Ungerman, Air Force Combat Veteran from Bellevue, Nebraska, guest of Tom Brewer, to lead us in the Pledge of Allegiance this morning.

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

**ARCH:** Thank you. I call to order the fiftieth day of the One Hundred Eighth Legislature, Second Session. Senators, please record your presence. Roll call. Mr. Clerk, please record.

**ASSISTANT CLERK:** There is a quorum present, Mr. President.

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

**ASSISTANT CLERK:** There are no corrections this morning.

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

**ASSISTANT CLERK:** There are, Mr. President, new resolutions, LR407, LR408, and LR409, all offered by Senator McDonnell, calling for interim studies. Those will be referred to the Reference Committee [SIC], Mr. President.

**ARCH:** Senator Raybould would like to welcome Dr. Christi Keim of Lincoln, Nebraska seated under the north balcony. Please rise and be welcomed by your Legislature. Senator Brewer would like to welcome a guest, Janet Davis from Gretna, Nebraska, and she is seated under the south balcony. Welcome to the Legislature. Senator Aguilar, you have an announcement.

**AGUILAR:** Thank you, Mr. President. Just a reminder that the deadline for introducing interim study resolutions is the fiftieth legislative day, which is today, no later than noon. Standing committees may also introduce one additional interim study resolution prior to the adjournment sine die. If your office has not yet received a three-part for an interim study, or if you have not yet requested a three-part for an interim study that you would like to introduce, please contact the Revisor of Statutes office ASAP. And thank you, Mr. President.

**ARCH:** Mr. Clerk, we will move to Final Reading. Members should return to their seats in preparation for Final Reading. Mr. Clerk, first item on the agenda.

**ASSISTANT CLERK:** Mr. President, the first bill on Final Reading this morning is LB1412. First of all, I have three floor amendments, FA261, FA262, and FA263, all offered by Senator Clements. All have notes that he wishes to withdraw those.

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

**ASSISTANT CLERK:** In that case, Mr. President, Senator Machaela Cavanaugh would move to return the bill to Select File for a specific amendment, that being to strike the enacting clause.

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

**M. CAVANAUGH:** Thank you, Mr. President. Excuse me. Good morning, colleagues. I intend to take this the full amount of time this morning. So now that we've returned to Select File, I think you have to stay in the Chamber but you don't have to stay in your seat. So there you go. Would Senator Clements yield to a question?

**ARCH:** Senator Clements, will you yield?

**CLEMENTS:** Yes.

**M. CAVANAUGH:** Thank you, Senator Clements. I'm looking at the green sheet and I'm looking at, specifically, the page-- the last page that has at the top, the Final Reading E&R Final and then the Select File E&R Final. And on the Select File E&R Final, it's my understanding that if we were to pass everything that's currently on Final and Select, we would be in the hole \$272 million?

**CLEMENTS:** Yes, the very top of that page onto the, the right hand column, negative 272.

**M. CAVANAUGH:** And that doesn't take into account the yet-to-be-debated revenue package?

**CLEMENTS:** Correct.

**M. CAVANAUGH:** How does that math work? So that means that we will have to find \$272 million next year to just be at zero if we pass this budget?

**CLEMENTS:** If we-- yeah, if we pass all of those spending items. That's true.

**M. CAVANAUGH:** OK. And if we just pass what's on Final, we only have \$8 million next year.

**CLEMENTS:** That's-- yes.

**M. CAVANAUGH:** OK. So what are-- what are we doing? I don't-- I guess I don't understand what the thought is with this budget. It seemed like we had 4-- \$549 million, but that's not really the case, because if we spend that, then we're going to have a massive deficit next year.

**CLEMENTS:** Yes. It's because we've got a lot of spending bills in the hopper, more than there is available. And when you spend \$1 more in this budget in fiscal year '25, then it's actually going to go '25, '26, '27. It's \$3. So if we-- that's multiplying this year's spending times three for the out-years; if we have \$20 million this year, it's going to be 20 next year and 20 the next year so it takes \$60 million off of that final number.

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**M. CAVANAUGH:** So, essentially, if we pass the budget today, we can't pass anything with a fiscal note and we don't have a revenue package that we can pass if we want--

**CLEMENTS:** There are adjustments that are going to be needed.

**M. CAVANAUGH:** What adjustments are going to be needed?

**CLEMENTS:** I don't think we can afford to finance all of the spending that we've had. We had \$50 million increase in the forecast in our budget and we have way more than that of proposed spending.

**M. CAVANAUGH:** Well, the budget itself is a, a very large increase from what we approved last year, is it not?

**CLEMENTS:** The budget's up 2.7% over average over 2 years.

**M. CAVANAUGH:** From last year? Because didn't we approve a budget last year for the biennium and this is making adjustments to what we approved last year.

**CLEMENTS:** Last year ended at 2%, and now we're at 2.7, I believe. If you look on the first page of the green, green sheet, it's showing annual spending growth in this fiscal year '24, 3.9%. Second fiscal year, 1.5. The average is 2.7.

**M. CAVANAUGH:** Sorry, I-- OK, down at the bottom of the first page of the green sheet.

**CLEMENTS:** Right. Under the 549, third number below that is 2.7.

**M. CAVANAUGH:** So what was the, the thinking behind increasing our spending this year knowing that it would result in a deficit next year?

**CLEMENTS:** We had \$250 million worth of requests in 59 bills and we, we approved almost none of them. We approved, approved some. We had provider rate increases, probably was the most in-demand item. But we held the line-- held spending down from what we had requested. It could have been a lot worse.

**M. CAVANAUGH:** So what is the expected impact of the revenue package then?

**CLEMENTS:** That's from the, the Revenue Committee. I, I haven't had a briefing on that yet and so I'll defer that.

**M. CAVANAUGH:** So-- but there are things in the budget that are expenditures that are, essentially, for projects that are not state projects, they're private entities that we are funding. Why are those inc-- why did the Appropriations Committee agree to approve those, but not agree to approve spending in actual government services?

**CLEMENTS:** I would have to have specific examples. I don't remember.

**M. CAVANAUGH:** CEDARS, Madonna Hospital. Those are specific examples. The Appropriations Committee deemed it appropriate to fund those two private organizations, but we don't have enough money to fund an increase in childcare subsidies or SNAP or housing. I mean, I can go on and on for government programs.

**CLEMENTS:** Madonna of Lincoln got \$5 million-- let's see, of Cash Reserve, not of General Fund spending and \$5 million of ARPA dollars. So none of the, the Madonna is in General Fund spending.

**M. CAVANAUGH:** But that money could also have been used for other things that are state programs.

**CLEMENTS:** One-time items, not ongoing items.

**M. CAVANAUGH:** OK. Yeah, like, maybe, water at the prisons. That'd be a one-time item.

**CLEMENTS:** Yeah, the-- yeah, the, the York center, yes, it's a one-time item. That's a Cash Reserve item.

**M. CAVANAUGH:** Yeah. OK. So you're not concerned about the deficit number on the green sheet for if we pass bills?

**CLEMENTS:** The Speaker and I already had a brief conversation this morning that there's way more spending than we have available and there's going to have to be some corrective actions taken. But so far we have to wait and see what all the bills come forward.

**M. CAVANAUGH:** OK. So, so you are concerned?

**CLEMENTS:** Yes.

**M. CAVANAUGH:** OK.

**CLEMENTS:** I'm planning to speak on a few of the items on the agenda today.

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**M. CAVANAUGH:** So, essentially, what I'm seeing here on this budget is that the Appropriations Committee exclusively decided what we would be spending money on, and everything else that's on here on the floor is, essentially, a pipe dream that the rest of us worked on all year,--

**CLEMENTS:** Well,--

**M. CAVANAUGH:** --introduced, prioritized.

**CLEMENTS:** --after the budget was introduced, we, we did have meetings and did add some other items of high priority with some senators and some requests were honored and many were not.

**M. CAVANAUGH:** How did you decide what was honored and what was not?

**CLEMENTS:** The people who met prioritized items.

**M. CAVANAUGH:** Well, who met then to prioritize the items? How does one get a seat in that room?

**CLEMENTS:** The Speaker invited me and invited other people.

**ARCH:** One minute.

**M. CAVANAUGH:** Who else was invited to decide how we were spending our money?

**CLEMENTS:** Senator Wayne, Senator Conrad, Senator Wishart were there. Senator Linehan and myself, and the Speaker.

**M. CAVANAUGH:** That meeting happened after we had already begun debate on the budget. So that meeting determined what we actually can pass beyond just the budget?

**CLEMENTS:** Well, those, those items were put forward in an amendment and they were approved.

**M. CAVANAUGH:** What were those items?

**CLEMENTS:** I had a handout of that, probably 8, 8 items, but I don't have that list handy.

**M. CAVANAUGH:** You don't recall what those were?

**CLEMENTS:** No.

**M. CAVANAUGH:** OK.

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**CLEMENTS:** Madonna was reduced, was one item. Oh, I think it went from \$10 million to \$3 million. That's what it was.

**M. CAVANAUGH:** OK.

**ARCH:** Time, Senator.

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

**ARCH:** Senator Conrad, you're recognized to speak.

**CONRAD:** Thank you, Mr. President. Good morning, colleagues. I rise in regards to two items on our agenda today that are-- well, maybe three-- that are definitely interrelated and relevant to this discussion. And we have before us the first two items, the budget bills on Final Reading this morning. You'll see later in-- on your agenda, there's a really important measure emanating from the Retirement Committee, that's LB196 regarding doing what's right for our state troopers. And we have had vigorous debate in the Retirement Committee about making appropriate adjustments to help honor the sacrifice of our men and women in the State Patrol, their families, and ensuring that our retirement package is as competitive as it can be to ensure recruitment and retention. And I will tell you that Senator McDonnell, myself, Senator Vargas, have been working very, very hard to make the case, along with our state troopers, about the need to pass this legislation. And, unfortunately, it has been met with a great deal of opposition by Senator Clements and other members of the committee who claim that we can't afford to do the right thing for our State Patrol officers. And I see that Senator Clements has actually filed an amendment on LB196, I think, to further weaken an already weakened amendment that was attached to LB196 to try and get it moving today. So I see Senator Clements is moving down the aisle, but I'm hoping that he might yield to some questions as he returns to the mic. Sorry to catch you mid-stride Senator Clements. Mr. President, I would like to ask Senator Clements to yield to a question, please.

**ARCH:** Senator Clements, will you yield?

**CLEMENTS:** Yes.

**CONRAD:** Thank you, Senator. I see that you filed an amendment to LB196, which I know you're familiar with as your membership on the Retirement Committee. Can you tell me what your amendment seeks to do in that bill?

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**CLEMENTS:** The, the state currently contributes 16% to the State Patrol retirement plan. The committee voted out a 24% share for the state. I voted no. I'm requesting to reduce that to 22%. The officers have been at 16. They wanted to drop to 8. The community voted 10%, mine would be-- would be a compromise 12% and 22% shares.

**CONRAD:** And you're doing that because you believe, based on your actions before the body today, that everything contained in the budget is more important than meeting our obligations to our State Patrol?

**CLEMENTS:** Mainly that they received a 22% pay increase July 1 last year and 5% more is coming this July 1. And that more than covered the 16% that they have taken out of their pay. And so I think it's reasonable to compromise somewhat and still reduce their contribution from 16 down to 12%.

**CONRAD:** OK. And the committee did put forward an already amended and watered-down version of LB196, which includes eliminating the important provisions to help surviving spouses. And now we've given that up, we've gutted key components of the bill, and you seek later in the agenda to, to weaken that further.

**ARCH:** One minute.

**CONRAD:** Is that correct?

**CLEMENTS:** Yes, I, I would support the-- my amendment, but I did not support the compromise from the committee. And I don't think it would have come out of committee with all of the requests because of the cost.

**CONRAD:** Sure. And, and I understand and appreciate-- I think every member on this floor supports law enforcement. But my point is, we need to put, literally, our money where our mouth is. And if we're going to weaken an already weakened retirement package to support our State Patrol fisc-- based solely on fiscal concerns, I'm asking for the same level of scrutiny with other areas in the budget which I don't, I don't think has, has been conducted thus far. I also wanted to highlight how important this measure is and how vigorously I, and hopefully others, will be fighting against Senator Clements' amendment and any other attempts to undercut a very, very modest approach--

**ARCH:** Time, Senator.

**CONRAD:** --for our State Patrolmen. Thank you.

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**ARCH:** Senator Linehan, you're welcome to speak.

**LINEHAN:** Good morning, Mr. President, and good morning, colleagues. I'm going to support the budget and support the Appropriations Committee. I am very grateful for the way Chairman Clements has handled the Appropriations Committee. I remember 3 years ago, so that would have been again at the end of a short session, the Appropriations bill came to the floor and there were priority amendments filed by one senator. No one in the body except that senator and whoever he yielded time to got to speak on the budget or file an amendment to change it at all. There was no-- there was no really debate. And if anybody got up and challenged the Appropriations Committee, they got yelled at and told to sit down and shut up. So now we have a committee that brought a bill to the floor. There were adjustments made. People could do amendments. We had real debate. I, I don't-- I just-- I don't want to go back to where they, like, hide the ball and we don't know what's going on. And you have to vote for the budget because until this passes nothing else can happen. Like, the budget goes first and then anything else follows it. And, yes, has the green sheet got too much spending on it? Yes. Has the Revenue Committee bills even come to the floor yet or we haven't debated them? True. One, I guess that we've got passed. We have a lot of work to do in the next, whatever, 9 days. But this isn't unusual. None of this is different when it comes to the green sheet having too much spending or not enough revenue. And in the end, people will sit down and there will be compromise, and almost everyone will get something and almost everyone will lose something. That's the way the process works. It's always worked since I've been here and, frankly, it's worked in any other job I've ever had when it comes to legislative bodies. We should be very proud. The reason the green sheet is a mess, you know why? Because we don't have a Speaker that tells us to sit down and be quiet and you'll wait your turn. Because in most legislative bodies, there's no such thing as a priority bill that you get to bring to the floor. Everybody in here gets a priority bill. You get to bring it to the floor. You try to talk your colleagues into voting for it. So if you get the 25 votes you get up there, you're on the green sheet. That doesn't mean there's going to be enough money to pay for it. We could go back to the way most legislatures work, and we'll just let the Speaker and the Appropriations Chairman decide what we're all going to do, and we won't have any priority bills, and we won't be allowed to speak, and everything will add up just perfectly, because none of the rest of us get any input. I don't think that's really what we want to do. This is hard. It's complicated. It's stressful. But we all get to participate. If you want perfect, we would just let the Chairman of

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Appropriations, the Chairman of Revenue, and the Speaker figure it out. That would be perfect. The three of us, I bet, could sit down and decide what we should do and just tell all the rest of you should vote for it. So I don't think we want perfect right now. I think we want this. We want debate. We want concerns voiced just like Senator Conrad did. A very good use of her time. She's way ahead. That bill is way down there. We need to pass this bill and get on so we can negotiate everything else that we've got to figure out between now and the end. Thank you, Mr. President.

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

**M. CAVANAUGH:** Thank you, Mr. President. So I'm just going through the budget and I, I think I have expressed my concerns at pretty much every stage and discussed them at every stage. And I've been criticized and yelled at at every stage. I was also criticized and yelled at when I criticized previous budgets in previous years. I disagree with how the budget has been approached. And I will not be intimidated or bullied into sitting down and being quiet about that. I, just like everyone else here, work very hard at the things that I am passionate about. And the budget is at the top of that list. I have also requested to be put on the Appropriations Committee every year that I have been here, and was even passed over for seniority by the Committee on Committees last year, which is very unusual. So if people don't want me debating the budget on the floor, then they probably should have put me on the committee to begin with because I would have debated it in committee. And I do appreciate Senator Clements taking the time to answer my questions. He's been very gracious with his time. I think, in looking over this budget, some concerns that I have expressed in past legislatures are a bit at the crux of some of the problems here. We have been riding high on excess funds for a couple of years now, and instead of being what I would describe as the conservative parents telling the kids things are good now, but we can't just go on a world cruise because things are good now. We have to also plan for your future, kids. And we have instead said, screw you, Mom and Dad. Let's break open that piggy bank. Let's build a canal twice as big as it needs to be. Let's build a recreational lake for some bizarre reason that I have yet to understand. Let's just take the hundreds of millions of dollars that could be going into economic development in our poorest communities and, you know, make a recreational lake. Why not? That makes sense. Let's make people fight for every penny to feed kids while we build a recreational lake. So, yeah, I disagree with the budget. I also disagree with one-time raiding of cash funds to make it work. We don't have to pass this budget. This is an adjustment. We have a constitutional responsibility

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to pass a budget. We did that last year. This is a budget adjustment, and it is a budget adjustment that is loaded down with other expenditures. This isn't purely just adjusting for--

**ARCH:** One minute.

**M. CAVANAUGH:** --things that we passed last year. This is adding to it. And, frankly, that all should have been a fight on the floor, not in the adjustment package if we want to do things in a more transparent way. And I, I, I don't think that saying that things could be done worse is a great argument for doing them poorly to begin with. Well, this might not be the best way to do it, but it could be worse. It's not really an argument that sways me, personally. So, as I said, I am going to be taking the full amount of time on the budget this morning. And if people want to get on the mic and criticize me, obviously that's your prerogative. People really love to criticize me in this Legislature. So please have at it, but that's not going to stop me.

**ARCH:** Time, Senator.

**M. CAVANAUGH:** Thank you.

**ARCH:** Senator Wayne, you're recognized to speak.

**WAYNE:** Thank you. Thank you, Mr. President. Colleagues, I, I will tell you that I'm, I'm disappointed not having enough money on the floor, but I do understand that TEEOSA caused a big issue this year. For those who don't know, TEEOSA was an unexpected \$93 million we were trying to figure out-- or Appropriations was trying to figure out. I don't condone it. I think I haven't voted for a budget bill in 8 years, and I probably won't vote for one today. But with that, I will yield the remainder of my time to Senator Cavanaugh-- Machaela Cavanaugh.

**ARCH:** Senator Cavanaugh, 4 minutes, 15.

**M. CAVANAUGH:** Thank you, Senator Wayne. So just going to go through the Appropriations Committee budget proposal. So this is the exc-- page 7, Excess of certified forecasts, shown on line 3 of the financial status. Revenues in excess of certified forecasts are required by statute to be transferred from the General Fund to the Cash Reserve. These would take place in July of the fiscal year following completion of that year. The actual '22-23 receipts exceeded the certified forecast of \$6.365 billion by \$3 million, which is transferred to the Cash Reserve. The provision retaining any amount in the General Fund is not triggered for '22-23, because net receipts for

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'22-23 did not exceed net receipts for '21-22 by 103.5%. The NEFAB revised-- and I think that's the Nebraska Fiscal Board-- Forecasting Board, revised the forecast for '23-24 in February 2024 and increased the estimated General Fund net receipts by \$575 million. The forecast for '23-24 now exceeds the certified forecast by \$582.9 million. For purposes of the committee recommendation report, it is estimated that the transfer from the General Fund to the Cash Reserve Fund at the beginning of '24-25 will be less than \$582 million excess above the certified forecast. Pursuant to Section 77-4602, beginning in FY '23-24, the method for automatic transfers to the Cash Reserve Fund is as follows: One, at the completion of the fiscal year, the Tax Commissioner will calculate the actual General Fund net receipts for the most recently completed fiscal year minus estimated General Fund net receipts for such fiscal year; and, two, 50% of the product of actual General Fund net receipts for the most recently completed fiscal year times the difference between the annual percentage increase in the actual General Fund net receipts for the most recent completed fiscal year and the average-- oh, sorry-- receipts over the 20 previous fiscal years, excluding the year in which the annual percentage change in actual General Fund net receipts is the lowest. If the General Fund net receipts minus estimated General Fund net receipts is a positive number, the Tax Commissioner shall immediately certify the greater of the two numbers. The State Treasurer shall certi-- transfer the certified amount from the General Fund to the Cash Reserve upon certification of such amount. The transfer shall be made as follows: An amount equal to the amount actual General Fund net receipts exceed estimated General Fund net receipts is transferred immediately and the remainder, if any, shall be transferred by the end of the subsequent fiscal year. If the tran--

**ARCH:** One minute.

**M. CAVANAUGH:** --thank you-- if the transfer causes the balance in the Cash Reserve Fund to exceed 16% of the total budget, general reserve expenditures for current fiscal year of such transfers shall be reduced so that the balance of the Cash Reserve Fund does not exceed such amount. I am almost out of time. I have one more time in the queue and if I run out of times, then we will go to a vote on this and I have a motion to reconsider and we will carry on. So I will take time if people want to yield to me or we will go to votes to take more time. Thank you, Mr. President.

**ARCH:** Senator Moser, you're recognized to speak.

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**MOSER:** Thank you, Mr. President. I was wondering if Senator Clements would answer some questions.

**ARCH:** Senator Clements, will you yield?

**CLEMENTS:** Yes.

**MOSER:** Good morning. We were just talking before about how this budget system works and-- because something is in the budget, does that mean it's absolutely going to-- that money is absolutely going to be spent?

**CLEMENTS:** No, there are agencies that estimate their expenses and then they end up not spending it all and there, there is money left over at the end of the budget cycle, usually.

**MOSER:** There are-- you have A bills factored into here that have not passed yet, right?

**CLEMENTS:** That's right.

**MOSER:** So if those A bills pass-- don't pass, then they're not going to be in the budget.

**CLEMENTS:** That's correct.

**MOSER:** So the budget is a framework; it kind of sets up the maximum amount that we could spend. But a lot of other things have to happen before that money actually is locked in?

**CLEMENTS:** Yes, we-- the green sheet is taking into account every bill that's out there with spending in it and some will pass, some won't pass. And until they're all-- until they pass Final Reading, we don't know what the final result will be.

**MOSER:** Then beyond that, the Governor still has line-item veto power.

**CLEMENTS:** Yes, even what the committee did in the committee amendment is all subject to line-item veto.

**MOSER:** So does that give you some comfort in that this is the worst it can be, but it can be better based, based on how many of these A bills don't pass?

**CLEMENTS:** Well, I-- in committee, I try not to put things in that are--the Governor's going to have to veto and create more controversy. But I--

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**MOSER:** Your comment before about spending money on one-time spends versus spending money on programs-- why, why are you more leaning toward one-time spends than ongoing expenses?

**CLEMENTS:** Our Cash Reserve is healthy, we're a little over \$900 million. We didn't spend a lot out of it, \$20 million or so, and that the ongoing expenses is with you forever and so--

**MOSER:** And they compound every year 3% or--

**CLEMENTS:** Yes, correct. And--

**MOSER:** Then things go wrong and then they need more money for some reason.

**CLEMENTS:** Correct. Our revenues are fairly flat. And so increases are-- currently could result in cuts in the future. We'd rather not do that.

**MOSER:** Yeah, we'd dig ourselves into a hole.

**CLEMENTS:** We're not able to borrow money and we have to just budget to what money is coming in.

**MOSER:** OK. Thank you. I appreciate those answers.

**ARCH:** While the Legislature is in session and capable of transacting business, I propose to sign and do hereby sign LR327, LR328, LR329, LR330, and LR331. Senator Machaela Cavanaugh, you're recognized. This is your final opportunity before your close.

**M. CAVANAUGH:** Thank you, Mr. President. So turning back to the Appropriation Committee's budget proposal green book from March of this year, on page 8, Transfers To and From General Fund. I'm actually going to skip down to the, "from Governor's Emergency Cash Fund." So-- well, I'll read it, and then I'll tell you what I was going to talk about. LB1198 was enacted March 25, 2020 to provide funding to help cover the costs related to COVID-19 outbreak. After this bill was enacted, the Legislature suspended the session until July 20. The bill transferred \$83,619,600 from the Cash Reserve Fund to the Governor's Emergency Cash Fund for FY 2019-2020. On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act, or CARES Act, was enacted. In that law, Nebraska was allocated \$1.25 billion through the Coronavirus Relief Fund. These federal funds could be used for basically the same things that were authorized under LB1198. Because of this, only \$19.2 million had, had been expended through FY '19-20.

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LB1009, enacted in August, transferred \$60 million of the unused funds back to the Cash Reserve, and the enacted budget in 2023 transferred an additional \$2 million back to the Cash Reserve Fund. The committee proposed-- proposal transfers the remaining unused amount of \$13.841 million back to the Cash Reserve. Sorry, I was confused for a moment because it was 13 dot and I was, like, \$13.84? That seems an odd transfer. So before we suspended the session-- and this was an interesting procedural thing, because we didn't-- normally when we adjourn, we adjourn until a set date. Like last night, we adjourned until today. So when we adjourned during the coronavirus and we didn't know when we would come back, we adjourned until the next bell. Which is, you know, just a historical fun fact for you. And the next bell was on July 20, and the Clerk's Office worked to construct partitions here on the floor. And we had partitions and committee rooms, too, I believe. Yeah. And-- so people were wearing masks and we had partitions, and it was a very strange time. And for those of you that have been here a while, there's always kind of a joke of, like, is it Capitol original? I know Senator Erdman talks about the lights. But everything here is, you know, is a Capitol original. So the partitions are not Capitol original, they were temporary. But for future global pandemics, I don't know if we still have them. Are they, like, in storage? Just in case, they are in-- I'm getting a head nod. Yes, we have the partitions in storage, so that's good to know, because I heard on NPR this morning as I was driving in about a, a resurgence of the measles. That's fun. Who doesn't want that? Yay. So anyways, that was just sort of a historical point. That is as-- I mean, the coronavirus still exists. We still have that-- we still are dealing with that. There are still people that are dealing with long-haul coronavirus and it still is,--

**ARCH:** One minute.

**M. CAVANAUGH:** --you know, a, a very real and serious thing, but we are out of the thick of it. And so it is interesting to reflect back on some of the things that we did procedurally policywise during that time. Certainly, have had a lot of interesting experiences since I've been in the Legislature. And living through a global pandemic ranks pretty high up there. So this is my last time until my close. And if people want to yield me time, I will take it. Or if people want to talk, you know, it is the budget. You could discuss it. That is a reasonable thing to do. Otherwise, I will just continue to go through it. And there we have it until we get to cloture. I'm sure more than 33 of you are going to vote for this, but be--

**ARCH:** Time, Senator.

**M. CAVANAUGH:** --good to know. Thank you.

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

**J. CAVANAUGH:** Thank you, Mr. President. Well, I heard somebody talk about the canal which, you know, it's, like, I don't know, catnip to me or something. I can't resist talking about the canal. We haven't had an opportunity to talk about it this year. And let's see, what year is this? 2024. I'll be the first to say whiskey is for drinking, water is for fighting. Oh, Mike Jacobson is not over there. So, yeah, the, the Perkins County Canal we approved funding for last year. And if you all recall, when we had the budget conversation last year, I proposed constraining that appropriation to, I think it was \$175,000-- or \$175 million less than was asked for. And the reason I made that proposal was the Canal Compact with the state of Colorado allows us to build a canal, use eminent domain in the state of Colorado, and then divert, during the non-irrigation months, 500 cubic feet per second from that-- from the, the Platte River in Colorado into Nebraska. And there's other parts of that as well. But the proposal that came from the department, and that was approved, was to build a 100-- or I mean, sorry, 1,000 CFS canal which-- and then that request was about \$175 million above what was originally estimated for the 500 CFS canal. So I proposed reducing the, the construction to the actual amount allowed for in the Compact so that we were in compliance with the letter of the Compact. Because, of course, the argument is that to perfect our claim, we must execute the letter of the Compact. So my proposal is that we stick to that and execute the letter of the Compact and save ourselves \$175 million. If we were to do that, or to divert that \$175 million back to General Fund, we would have a lot more money-- \$175 million-- right now, and we might not be having these conversations; we might not be, you know, raiding a bunch of funds that we probably shouldn't raid. You know, funds that are paid by user fees. We could raid this fund, which is the Perkins County Canal Fund, still build a 500 CFS canal, still build the reservoirs that we're talking about but have \$175 million more either in General Fund for use for other expenditures or for putting into our Cash Reserve and shoring up the future, because ultimately we're facing this cliff effect of decrease in revenue because of the tax cuts we passed in the last couple of years that have not fully gone into effect. And so here we are pushing and crunching all of this funding together to make it look like we're fiscally solvent in the current fiscal cycle. And those chickens are going to come home to roost. But, again, we have that fund with \$175 million more than is necessary to execute what we are-- our stated objective is. And so I proposed that in the past. You know, I'd certainly be willing if-- we voted on it last year, it didn't get more

than a couple, I would think like a dozen votes or something-- to make that change. So everybody agreed that they wanted to build a bigger canal. I think at the time I called it the Cadillac Canal as opposed to the Economy Canal. So my proposal was not one that would have prevented us from building the canal, was not one that would prevent us from building reservoirs, it would have just made the canal actually comply with the Compact. And, again, \$175 million. So I know or everybody looks at expend--

**ARCH:** One minute.

**J. CAVANAUGH:** --thank you, Mr. President-- everybody looks at these expenditures and says, oh, my goodness, you know, \$100,000 on, you know, this project, or-- trying to remember what Senator Dungan's priority bill was, the, the prenatal postpartum-- had to, you know, work to get the fiscal note down on that one. We all work to get our fiscal notes down to the most bare bones we can so that we can do these things in the most economical way, the most conservative way to save the taxpayers money and still-- and still serve the goals that are stated. And in this one, we have a pretty glaring opportunity to save the taxpayers in Nebraska \$175 million and still get the thing that we said we, we need and that we told the taxpayers we were giving them. But we're gonna spend an extra \$175 million to build 1,000 cubic feet per second, which will not flow, will not be used most of the time. So that's just one option on the table. I appreciate, I think the other Senator Cavanaugh bringing it up, giving me the opportunity to talk about the--

**ARCH:** Time, Senator.

**J. CAVANAUGH:** --canal. Thank you, Mr. President.

**ARCH:** Senator Vargas, you're recognized.

**VARGAS:** Thank you very much, Speaker. Colleagues, I wanted to rise to talk a little bit about the mechanics here of the budget and what is coming ahead for many of us, not only for the tax bills and for all your A bills. I do want to take a second and step back because-- and I know a few people, including Senator Linehan, brought up what this was like previously. I want to make sure to provide clarity for the body on different circumstances during different times and the reasons why we did different things. In our first few years here-- in our first few years-- in my first few years, 2017, '18, in particular, '19, when we had a lot fewer in terms of revenue, as in for the revenue that was coming in and we were seeing projected shortfalls, we were being asked

as an Appropriations Committee to do a lot more cutting back on the current budget and the incoming biennium budget. The rationale behind that also meant that there was coordination with the Speaker at that time and our Chair, our previous Chair Stinner of Appropriations, to make sure that anything that came to the floor, we're protecting the budget as much as possible because-- and nothing against any of my previous colleagues or current colleagues, everybody on this floor has something that they may care about, an issue that matters to them that costs money when you're trying to increase funding for it. And when we do fight for it, that's money off the top when we talk about our budget. So in those past years, protecting the budget was trying to protect the bottom line so that we had a balanced budget and weren't overspending. That was the, the impetus behind not touching the budget in those past years. To Senator Clements' credit-- and partly because of circumstance-- we had a bit more money last year; people could bring amendments to the budget and there was more negotiation on the floor. But in past couple of years, in the 2017 to 2020, we didn't have that flexibility. And so that's why it was protected. Those were years where we also didn't have amendments coming on and we were-- made it a super priority. It was different circumstances. However, there is a similar circumstance here, and I just want to make sure everybody continues because I know Senator Moser was asking these questions. Passing this mid-biennium budget adjustment puts us on what the green sheet is at \$62 million at the end of the biennium '26-27. It looks like we have \$549 million for this year. And when all of the tax cuts that we passed, some of which I voted for-- most of which I voted for-- are going to go into effect, we will be left with \$62 million at the end of this next biennium, if we do nothing else. The reason why I state that is after we pass the budget, every single A bill that is passed, I really want people to make sure that they are thinking very value judgment. Which A bills and which bills are the most important in regards to the work that needs to be done here? Where are we saying is our priority in terms of things? And I say that knowing that there are bills that each one of us have that cost a General Fund obligation that will be expensive. Senator Conrad brought up a great example with LB196. We have an obligation, in my personal, humble opinion, to make sure we're funding retirement pensions and State Patrol. This is a priority; we should have fully funded it in the current form in what-- with which it was introduced to the Retirement Committee. This is something that we should have been working around, rather than it being something that we're considering and continuing to cut back on. Every single A bill that we currently have on the floor, whether or not it is or is not yours, is going to add on to General Fund expenditures. And if there are new expenditures

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that continue on, they will lower the \$62 million in '26-27. I'm not standing up here to necessarily defend every--

**ARCH:** One minute.

**VARGAS:** --single action of the budget. What I'm telling you is the current state of affairs in which we're-- we are currently in. We will be debating bills tomorrow for taxes. We'll be debating some more bills with A bills. Every A bill that we now pass conti-- and I'm telling everybody, every bill we pass that has a cost, please be really mindful that this is adding to what we're spending and should be a key priority for our state. It should be a key priority. It's why I'm supporting LB196 and many of the other work that we did in retirement. It's why I've supported childcare work that Senator Fredrickson has been working on, because there are big priorities that we need to make sure we care about. But in terms of the work of the committee, and I do thank Chairman Clements for this and his leadership, what we're trying to do is at least balance with what we currently have, but now it's up to us to decide what is the biggest premium on where we want to spend our dollars. And it is different historically because we know what will happen--

**ARCH:** Time, Senator.

**VARGAS:** --at the end of next year. Thank you.

**ARCH:** Senator Erdman, you're recognized to speak.

**ERDMAN:** Thank you, Mr. President. Good morning. So on the Appropriations Committee, how we make a decision on what we fund, we do it by rock, paper, scissors; best two out of three. Just kidding. We do it by willy-nilly. OK? Those are not correct. That's not what we do. We have debate. We have discussion. We have discussion more than once. We talk about what the ramifications of passing those bills mean to those who have bills coming to the floor. We try to make decisions that is the best use of our money. We meet a long time in Appropriations. And my good friend Senator Halloran told me one day when I was whining about how many times Appropriations meets, he said you signed up for that. And I said, OK, I understand. So the point is this: the decisions we make in Appropriations are not made lightly so we just let Senator Clements make the decision. Just kidding. We vote on every one of those issues. And it's different with Senator Clements than it was with the prior Chairman of Appropriations. We actually record the votes. We actually record them. And not only that, you can go and review them if you're on the Appropriations Committee to see

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what the vote was, which was different than what we used to do. So I'm just trying to tell you that when we make the decisions that we do make, it's very thoughtful. It's very thorough. We've checked with the Budget Office. We've checked with those it's going to affect to try to figure out what it is we should do to bring the most dollars we can to the floor of the Legislature so you have an opportunity to have your bill passed and have it funded. And Senator Vargas alluded to '17 and '18 when he and I and 18-- 17 others came into this body for the first time. We were \$1.1 billion in the hole, and we supposedly made cuts. We didn't make any cuts. We held the budget to zero, and we swept all the cash accounts, and we made up the difference for the \$1.1 billion. And when that budget came to the floor, because agriculture wasn't doing well and we're an agricultural state, I put an amendment to the budget to adopt the prior year's budget, which was \$250 million less than the one that they had proposed. Got about 45 minutes to debate one night late when it was dark in here, the question was called. I got 19 votes. In October of that year, the Forecasting Board met. And they said the budget is out of line \$238 million. So we came back in '18 and did another budget because we were over-expended. We have seen it all in the last 8 years, the good times and the bad times. Last year, we had a significant amount of cash to try to distribute. We had over 100 bills requiring or requesting revenue or appropriation. That was a difficult session because we had to make some tough decisions. When you have 400-- \$4.5 billion requests for \$2.5 billion, you got to make some decisions. So in Appropriations, we make decisions that affect people's lives.

**ARCH:** One minute.

**ERDMAN:** But I'm trying to tell you that we don't do that lightly. The committee, I thought worked extremely well together this year. We took into consideration each one's comments and ideas and we thoroughly discussed those and we came with the budget that you're seeing today. If we pass all of these bills that are on that green sheet and the bills that are-- A bills that are up today, there will be significant line-item vetoes. Significant. So it'll be up to Senator Clements and the Speaker, whoever else decides which get funded and which don't, and we'll have to vote on those. But the situation is that decisions have to be made. And we on Appropriations made those decisions. And, Senator Machaela Cavanaugh, to get on that seat, to sit in that room, you need to be on Appropriations. And I think that the other Appropriations members would share the same thoughts--

**ARCH:** Time, Senator.

**ERDMAN:** --that I do. Thank you.

**ARCH:** Senator John Cavanaugh, you're recognized.

**J. CAVANAUGH:** Thank you, Mr. President. Well, I thought I might yield some time to Senator Machaela Cavanaugh if she wants it, but I would just quickly-- because I can never talk about the canal enough-- point out I just was-- recalled that we have started purchasing land in Colorado for the canal. I just pulled up the article from January 2; Nebraska Public Media reported on that. And I would point out that I think the purchase of land does not preclude us from still decreasing the amount, because we were told that basically to, you know, make the canal 1,000 CFS instead of 500, probably be digging it deeper as opposed to really that much wider. So that article is about purchasing 90 acres in Colorado. So as a public service to you all, I will look further into how far along we are in this project. I'll reach out to the department and ask them; probably won't get back to you today, but we'll, we'll keep looking into it. But I appreciate the raising the issue so-- back on top of looking into it. But, again, \$175 million. I'm not in the room, Senator Erdman, you're right. But I did make the proposal on the floor. We did have the conversation in debate, and we did end up deciding what to do on the-- on the floor of the Legislature. But we're talking about not having enough money. That's \$175 million more than we're spending to do a job that we were told would cost less than-- less than that to get the job actually done, so. I would yield the remaining time to Senator Machaela Cavanaugh if she would like it.

**ARCH:** Senator Machaela Cavanaugh, 3 minutes, 25.

**M. CAVANAUGH:** Thank you, Mr. President. Thank you, Senator John Cavanaugh. Thank you to Senator Clements who came over to talk to me about the budget and changes to TEEOSA. Someday I'll understand TEEOSA. Today is not that day. I mean, I understand it sort of theoretically, in that people I love-- my husband makes fun of me when we ever watch sports together. Because when they cut to, like, the sports announcers, I do my version of, of being a sports announcer. And I talk about things about how, like, we saw some real athleticism there and some "teamsmanship" and sportsmanship, and they were running and jumping because I feel like all they say is kind of gibberish to me. That's how I feel about TEEOSA, TEEOSA has levers and mechanisms and takes into account variations and variables. And it just sounds like just words, like a word salad. But there was changes to the TEEOSA calculation because there was an increase in expenses, and everything costs more now. It's the reality of a post-pandemic world

is everything costs more. So anyways. Thank you to Senator Clements for coming over to talk to me. I appreciate it, and I appreciate your willingness to have lots of conversations with me about the budget. I think that the budget is such an important thing that we should be talking about it more and we should be questioning how things are done. And I don't think that questioning necessarily means that it's disrespectful. If it is, then-- like you all question me constantly, so what does that say? You know, I have to-- I have to answer a million questions, and then I have to answer a million more. I've never passed a single thing in this body--

**ARCH:** One minute.

**M. CAVANAUGH:** --without having to account for almost every word that is in the bill that I am passing. So, for me, questioning is natural because that's how you all have naturally interacted with me. So I guess I don't think that it's disrespectful to ask questions. And thank you, Senator Erdman. Yes, the way to have a seat in the room is to be on the Appropriations Committee. As I have stated, I have wanted to be on the Appropriations Committee for 6 years, and I was passed over my seniority last year, which is unheard of and inappropriate. And the people that are calling me out for questioning the budget are the very people that did that to me. So if you didn't want me questioning it on the floor, you should have put me on the committee. It's that simple. But you didn't want me questioning it in committee because you don't want that accountability, and you know that wherever you put--

**ARCH:** Time, Senator.

**M. CAVANAUGH:** --me comes accountability. Thank you, Mr. President.

**ARCH:** Senator Vargas, you're recognized.

**VARGAS:** Thank you very much. A thank you to Chairman Clements for what, hopefully, seems like a good conversation with Senator Cavanaugh. A couple of things I wanted to make sure to, to talk about here, historical amount of money available for the floor. I want to thank Senator Walz for getting this pretty quickly. So as everybody is figuring out how much money that we normally have here for the floor, I want to paint the picture of 2014. 2014, when the Appropriations Committee came to the floor, there was \$91 million available for the floor, \$91 million available for any bills, A bills, tax bills, anything whatsoever in terms of money available to spend that is extremely peculiar given the circumstances that we currently are in

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now. 2015-16, that amount continued to go down. But in 2017, my first 3 years in the Appropriations Committee, 2017 to 2019, these are the amounts that we left for the floor, \$3.5 million in 2017, 0.6-- \$600,000-- well, 600 and then two available in millions. So we're leaving it with \$6 million, \$20 million; 2018, \$6 million; 2019, \$20 million. This amount that we were leaving the floor are an unprecedented low numbers and should tell you-- and this is really similar to the situation what we're currently in right now, which is please be very, very mindful of the General Fund obligations that you're spending and what we're choosing to spend. And also that this next year when I will not be here, costs for everything continue to go up. Costs for doing services for provider rates continue to go up. Higher education continues to go up. Education K-12 continues to go up. It's our obligation to make sure we're meeting the demands of employer needs, both in terms of both salaries and in terms of rates that we set and we put into the budget. And so I just want us to all be mindful of the amount of funds that we have historically had and how much we will be putting towards looking into the future for future growth with both inflation, cost of living, and making sure we're retaining our workforce. Thank you very much.

**ARCH:** Senator Jacobson, you're recognized.

**JACOBSON:** Thank you, Mr. President. Well, I was driving in and heard on-- as I was listening to live streaming, Senator Cavanaugh's comments about the Perkins County Canal. So I thought I'd add a little more color to the Perkins County Canal. OK, first of all, we all know that costs continue to go up. And so when you look at the dollars, \$775 million set aside for that. But let's remember that the investment returns were taken away from that and guess where it went. Anybody want to wager a guess? It went to Omaha. OK? So the interest, the earnings rate on that \$775 million is now going to Omaha. I don't think Senator Wayne is going to give half of that back to rural Nebraska. But I'm just telling you what is the earnings-- take a conservative number at 3%, and you're looking at-- if you look at 3 to 5% return, you're looking at about \$30 million a year. Take 4 years by the time we start building it out, guess what, the \$175 million in earnings are that we-- that once we pulled back, we're already losing in earnings that would have been there. I can tell you that I'll be here yet when we start building that canal. And I'll guarantee that when the bids go out, \$775 million is not going to get it. Even if we did it at 500 CFS. And the fact of the matter is, is that we would-- we would be able to increase the capacity by digging the canal deeper. And no one's going to care about the depth. They're going to care about the width. And that's what we have to worry about with the

compact. So let's be very clear that we were talking about before when we passed the Perkins County Canal, the debate on the floor was that will not be enough money. And now we're saying take \$175 million away? I don't think so. Let me also say when we talked about this debate, OK, we have a-- an Appropriations Committee who's done a great job of being mindful of the budget. The Revenue Committee works on the other side to figure out how we could make sure that the people who generate these dollars, also known as the taxpayers of Nebraska, are being fairly treated. So as we all learned as kids, when you have a bunch of money in your pocket and it starts building up, there's a tendency to spend it as opposed to save it. We have a Cash Reserve that's got a little under \$1 billion in it. That's our rainy day fund. And if we leave a bunch of extra money laying around, what's going to happen? Senator Moser brought it up before. What's the difference between a cash fund and General Funds? General Funds are generally coming from-- are setting up programs. What happens with programs? That money has to be spent every year, plus, as he accurately pointed out, an increase-- 3, 3.5% increase every year. So what's really happening here is let's try to pull more money to floor so we can do what? Spend a bunch of taxpayers' money on social programs. That's what we're talking about here. That's really what this is about. That's what this debate is about. Everyone could go give their 2 cents at the Appropriations Committee hearing. They could write letters. They could talk to any senator. I'm not on the Appropriations Committee. There's bills I would like to have seen move forward, but this is my opportunity now. My opportunity on General File, my opportunity on Select File. But here we are on Final Reading and we're talking about making changes to the budget that we all had an opportunity to give our 2 cents' worth. And, quite frankly, I'm interested in giving more money back to the taxpayers than I am about spending more money on new social programs. So thank you, Mr. President.

**ARCH:** Senator-- Mr. Clerk, for an announcement.

**ASSISTANT CLERK:** Mr. President, the Revenue Committee will hold an Executive Session in Room 2022 at 10:30.

**ARCH:** Senator John Cavanaugh, you're recognized to speak. This is your last opportunity.

**J. CAVANAUGH:** Thank you, Mr. President. I always appreciate Senator Jacobson on-- well, in general, but particularly our, our conversations we've had about the canal. And he and I have had a lot, which was kind of why I probably did, you know, purposely poke him on that one, so. But I do appreciate the conversation, Senator Jacobson.

And just to be clear, we're not proposing-- this amendment is not to take the money out of the canal. From my perspective, we had that fight last year and I lost on it. It's more of, like, a conversation about, you know, where we're spending money. And I think Senator Jacobson is, is probably right that in the end, the canal is going to cost more than we were told, originally. And that's how a lot of these projects go. You know, it's a-- has a jaw-dropping cost. And then that jaw-dropping cost end up-- ends up not even being enough to cover that. You know, we've had that conversation about building a new prison, that that cost is not going to be enough to cover the actual construction when the time comes on that. And then, ultimately, we build that new prison, we're still going to be overcrowded and going to need either another new prison or we're going to have to keep open the prison we were originally promised was well beyond its useful life and was necessary to close. And I suppose in this conversation that the point of that is being fiscally responsible is, is not just about not funding new social programs, it's about spending money appropriately in all respects and not spending more than we need to. I think Senator Jacobson is right. The conversations I had-- originally was that the ask was \$500 million, and then the Appropriation was \$775 million for-- you know, it was \$500 million for 500 CFS. And then it was \$775 million for 1,000 CFS. And when I spoke with the department after that came out, they said that the decrease in cost overall from 1,000 to 500 would probably not be that, that difference between 100-- 500 and 100-- 750, it'd be more like a decrease in \$75 million. But my point is more that we don't need the 1,000 CFS and we don't need to relitigate all that because I know you guys will all glaze over when we start talking about, you know, the estimates and where the how much water will actually come, at what times, and where it'll go. But the bigger point is there's a, a, a demonstrated value in building the canal and the reservoirs, and it has a cost, but there's a higher cost with less demonstrated value by building it larger. And so the conservative, fiscally conservative thing to do would to be to build the most bang for your buck, which is the 500 CFS canal at what that, ultimately, would cost. And Senator Jacobson is right about the, the interest accruing. But when we're talking about a fiscal crunch that we're facing here and the, the fiscal crunch that's reflected in the budget we're discussing, I think it's important that we talk about these other places where we're spending money in a more, you know, I guess, unnecessary way. Large sums of money, 700-- \$75 million more if we were being in the conservative estimate. So that's why I brought this up. We're not actually talking about relitigating at this point. I was, of course, hoping Senator Jacobson would say whiskey is for drinking and water is for fighting. But I'll just say it a second time

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just to make sure it's reflected. And if I have any time left, I would yield it to Senator Machaela Cavanaugh if she wants it.

**ARCH:** Senator Machaela Cavanaugh, 1 minute, 15 seconds.

**M. CAVANAUGH:** Thank you, Mr. President. Thank you, Senator John Cavanaugh. Yes, I'll take anybody's time if they want. Otherwise, we can go to a vote. But then everybody has to come back and vote. So, so yield me time or--

**ARCH:** One minute.

**M. CAVANAUGH:** --don't yield me time, I guess. Oh, I apologize, I'm a little tired. My youngest was up very late last night. Well, late for a 5-year-old. And he did not want to get up this morning either. So just, you know, running on coffee this morning. So I do want to-- but I don't think I have enough time in this one minute-- I do want to talk about something that Senator Erdman brought up, which is the committee statement and the votes on the committee statement, because I have always been a longtime proponent of that those votes should be recorded out, and I was often told that that's just how they always did it, and I honestly always disagreed with that. I didn't think that that was appropriate. I wanted to know. I'm sure the public wanted to know.

**ARCH:** Time, Senator.

**M. CAVANAUGH:** Thank you.

**ARCH:** Senator Conrad, you're recognized to speak.

**CONRAD:** Thank you, Mr. President. Good morning, colleagues. I know that we have such a, a compressed amount of time on the mic as we're trying to cover a lot of different points in the debate and talk about some of the substantive issues that are before us in the measures and then later in the agenda or later this session. And I know that my friend Senator Jacobson, perhaps, was a bit exuberant in some of his comments earlier, but I just wanted to rise to clarify that one of the issues that I'm most concerned about in relation to the budget and in relation to other agenda items that we have before us today is ensuring that the State Patrol has an ability to live with dignity in retirement and that they have a competitive benefits package to ensure that we can recruit and retain the troopers that we need to advance our shared public safety goals all across the state. I can also tell you that being a member of the Retirement Committee, and you all know this from your jurisdictional committee assignments-- some committee

hearings really resonate, really draw the policymakers in. Sometimes the, the case that people are presenting isn't that compelling or, or, perhaps, isn't ready for prime time. But I can tell you without hesitation, and you can ask my colleagues who serve on the Retirement Committee as well, or go back and look at the video or the transcripts yourself, we had not only the original legislative hearing on the measure LB196, but we also had interim studies to look at what we could do to advance these important measures this year. And the hearings that we had, including the interim study hearings, were probably amongst the most compelling committee hearings that, that I've been a part of now in my 10th year in the Legislature. And we heard brave men and women and their representatives and their family members come in and talk about how they put their life on the lines to advance our shared public safety goals for years. It wasn't until very, very recently, and credit to the Governor and others involved, that we made important upward adjustments in basic compensation, but that-- that's very, very recent colleagues, that-- that's not benefiting the folks who served with honor for many, many, many years and their sacrifice and their family's sacrifice. So we can't just point to recent raises and say that takes care of everything in the State Patrol, because it actually doesn't. And making sure that we-- that public employees and, particularly, first responders can live with dignity and retirement is not a social program. It's not. And I know my friend Senator Jacobson didn't mean that when he got on the mic, but I wanted to be crystal clear about that point because it's not. It should be a shared priority of this body. And it should be reflected in our priorities as we figure out how to budget-- how to balance budgetary issues and competing considerations in the waning days of this session. This is an easy one, folks. That should have been up and out early and already sitting on Final Reading and we need to get to it today. And I'm going to be moving around if Senator Cavanaugh is not willing to, to yield the floor and, and take a--

**ARCH:** One minute.

**CONRAD:** --vote to this, as is her prerogative, I'm going to use this time to come round and visit with you, my colleagues, to see if you'll help us oppose the Clements amendment on LB196 and, perhaps, oppose the committee amendment as well, and go back to the original ask that our state troopers and their surviving spouses asked us to consider so that they can live with dignity after sacrificing so much. So you might want to pull up LB196 on your gadgets or ask your staff to bring in a hard copy so that you can learn about the bill. You can look at the very modest fiscal impact on the fiscal note and I'm going to use

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my time constructively to see if we can't get enough support to, to move that in its original form later today. Thank you, Mr. President.

**ARCH:** Senator Walz, you are recognized.

**WALZ:** Thank you, Mr. President. Good morning, colleagues. I'm not going to speak too much about the budget. I'm, I'm still listening. I will say that I am a little surprised that out of a \$6.5 billion budget, we have only \$23 million to spend on the floor for A bills. I was-- I was a little taken back. I'm going to ask Senator Jacobson to yield to a question, but I think that we need to be very careful when we talk, in general, about social programs. We have a lot of good legislation that we could think about funding. So if Senator Jacobson would please yield to a question.

**ARCH:** Senator Jacobson, will you yield?

**JACOBSON:** Absolutely.

**WALZ:** Can, can you just define what you mean by "social programs?"

**JACOBSON:** Well, let me be clear on what my statement was on the floor. We had every bill that came to the Appropriations Committee that, that had a funding need. And they looked at that bill-- and that, that committee is made up of Democrats and Republicans-- and they came out with a budget. And so what I'm saying is the additional \$175 million would be used for social programs that people want to bring. I'm not saying that social programs are bad. I've, I've been a part of a lot of bills that include social spending, and there's a lot of social spending that we're doing in the budget now. So I'm not opposed to spending on social bills that are important to the, to the state. I'm just saying that we've-- the Appropriations Committee has made their decisions, they made their recommendations, they've heard all the bills. They had the benefit of all the testimony. It's a-- it's a balance-- it's a balanced committee. There's people from 3rd Congressional District, 2nd Congressional District, 1st Congressional District, Democrats, Republicans. They heard all of the testimony. They came with these recommendations. We all had an opportunity at General and Select File to bring our changes and here we are on Final Reading.

**WALZ:** Senator Jacobson.

**JACOBSON:** So that's all I'm saying.

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**WALZ:** OK. I, I just wanted to know if you would define "social programs?"

**JACOBSON:** Well, when you start any new program that is going to be involved in some kind of spending that involves social services, that's what I would consider social spending. And my concern is we always have to be mindful of who's paying the bill. And it's the taxpayers, and what are they asking for, and would they be OK on us spending their money in that way?

**WALZ:** We have a lot of really good pieces of legislation that have A bills that deal with workforce, education, first responders, school safety, all kinds of great bills. Would you consider those as social bills?

**JACOBSON:** Some of those would, and every one of them went before the Appropriations Committee.

**WALZ:** All right. Thank you for clarifying that, Senator Jacobson. I yield my time back.

**ARCH:** Senator Wayne, you're recognized to speak.

**WAYNE:** Thank you, Mr. President. Colleagues, I want to engage in this, but I have a bill that I'm-- is up today, and people are coming up to me addressing new concerns that they haven't talked about before. So that's always fun. So I yield the rest of my time to Senator Machaela Cavanaugh.

**ARCH:** Senator Cavanaugh, 4 minute, 40.

**M. CAVANAUGH:** Thank you, Mr. President. Senator John Cavanaugh said that the canal is like catnip for him. I think me having a policy opinion on literally anything is catnip for a lot of you. It is OK to disagree, it is OK to question bills and Legislature, and it is OK to have a different approach. I don't really understand why we have to get aggressive about it, but OK. Would Senator Clements yield to a question?

**ARCH:** Senator Clements, will you yield?

**CLEMENTS:** Yes.

**M. CAVANAUGH:** Thank you, Senator Clements. So Senator Erdman talked about that you vote on and you record out the votes in committee on the committee statement. And I just want to, first of all, to say for

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the public that they can look at the committee statement. And that's something that you implemented that wasn't previously done. Correct?

**CLEMENTS:** Yes.

**M. CAVANAUGH:** Thank-- well, first of all, thank you, because I have always thought that that should be the way that it's done. I really appreciate the transparency.

**CLEMENTS:** Thank you.

**M. CAVANAUGH:** I did have a question, however, about some of the things that are included in the budget were not necessarily bills, but maybe adjustments of things. And is there a place that myself and the public can find, like, the change on the housing money-- the \$25 million that we had for housing and then it was changed. Is there somewhere that I can see the vote breakdown on that?

**CLEMENTS:** The green book should show that, there was-- yeah, there was a \$25 million transfer from Affordable Housing Cash Fund [SIC] to--

**M. CAVANAUGH:** Would the green book have the votes for it?

**CLEMENTS:** Oh, no, there would not be. If they're not-- it's not a bill, then there is not a recorded vote. We just have a show of hands.

**M. CAVANAUGH:** OK, so, so it's only included-- I guess, I don't understand. So if there's not a bill, there's no documentation of how it becomes a part of the appropriations package.

**CLEMENTS:** It was a majority vote of the committee, but we just do a show of hands. And we have dozens, if not hundreds of those with 75 agencies and lots of moving pieces of agency requests. When they request something and we approve it, we do not have a roll call vote.

**M. CAVANAUGH:** But aren't the agency requests bills themselves?

**CLEMENTS:** No.

**M. CAVANAUGH:** Oh, they're not. The agencies, when they come in and testify in front of you, they don't have a bill that they're testifying to?

**CLEMENTS:** What we start with is the Governor's proposed bill,--

**M. CAVANAUGH:** Right.

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**CLEMENTS:** --like LB1412. And it, it has what the Governor is proposing, and then agencies request adjustments to that. And we will, you know, just internally vote on-- we'll have 10 on a page and we have dozens of pages.

**M. CAVANAUGH:** OK. Well, thank you. I appreciate it. And I understand the complexities of how--

**ARCH:** One minute.

**M. CAVANAUGH:** --how that might work practically. I do appreciate the reporting out of the committee statement. So thank you for doing that.

**CLEMENTS:** Thank you.

**M. CAVANAUGH:** I think it really elevates the work itself, so. I appreciate you yielding again to my questions. I think I have less than a minute now. So I probably don't have enough time to dig in on my next thoughts, but I will be back to talk more, I'm sure. Thank you, Mr. President.

**ARCH:** Senator Day, you're recognized.

**DAY:** Thank you, Mr. President, and good morning, colleagues. I am interested in the conversation and undecided on this and am not quite as well versed in everything within the budget that some of my colleagues are. So I would like to continue to listen, and would like to yield the rest of my time to Senator Machaela Cavanaugh.

**ARCH:** Senator Cavanaugh, 4 minute, 35.

**M. CAVANAUGH:** Thank you, Senator Day. Thank you, Mr. President. So I have opposed the budget since it came to the floor. I have spoken on it at length. And I don't think that it's really disingenuous of me to be standing up here today taking a significant amount of time on the budget. And added to my concern is the green sheet that came with our agenda this morning. So for those that aren't aware, everyday we get these little-- not so little-- packets on our desk and it is-- from the pages. Thank you, pages, for your diligent work. It is the worksheet, which is the very long white sheet of paper, and the agenda. And after the budget comes to the floor, we, everyday, get green sheets added to the agenda. And the green sheet is the, the state of the budget, basically. And it adds the bills that are on Final and Select to show us, if we were to pass those things, where the budget would stand in, in complement with the budget. And those things can be adjusted as we add amendments and move them forward,

then the green sheet numbers may change. Go up, go down, et cetera. So today's green sheet had a impact of bills pending part to it. And that is what has caused me a great deal of concern. And we haven't done the revenue package yet. We don't actually know what the revenue package is or what its fiscal impact will be. It has not been a, a transparent process. And so we're kind of just sitting here waiting to find out the state of the state, essentially. So I am concerned about passing a budget that has the potential to have such adverse financial impact on, on the state. I guess-- yeah, I do support social programs. I mean, I support the functions of government, which is to provide infrastructure, education, some regulations, and to ensure the health and well-being of the children in this state. And the children in the state sometimes need help with housing and food and medications and doctor's appointments. And I do believe that when a child is in a situation where their family is unable to meet their needs, it is the responsibility of the government to step in and help fill those gaps. So, yeah, I think that we do--

**ARCH:** One minute.

**M. CAVANAUGH:** --a lot of things to excess. I think that we do a lot of things in a nonsensical, more expensive way. That government doesn't have to cost as much as it costs, but because we are ineffective and inefficient in how we operate, we do cost as much as we cost. And we spend a lot of time wringing our hands over providing social programs that impact the lives of children and lift them up out of intergenerational poverty, because we demonize poverty and we demonize poor people. And that is unfortunate. And we make being poor a full-time job. And, oftentimes, that leads to crime and then we demonize people in poverty--

**ARCH:** Time, Senator.

**M. CAVANAUGH:** --and crime. Thank you.

**ARCH:** Senator Wayne, you're recognized to speak.

**WAYNE:** Thank you, Mr. President. And I will yield my time to Senator Cavanaugh.

**ARCH:** 4 minutes, 50, Senator Cavanaugh.

**M. CAVANAUGH:** Thank you, Mr. President. So the queue is almost empty. I think this goes to 11:22. I, like Senator Wayne, have-- I don't believe ever voted for the budget. And when I look at what is on the green sheet left, let's-- I'm just going to throw this out here for

future Legislatures. What if the Appropriations Committee dealt with just strictly the operations of the government? Just strictly the budget, the Governor's budget, the Department of Health and Human Services, the Department of Labor, the Department of Corrections, the Department of Education, just their, their operational budgets. Because nothing is supposed to be changed in statute through the budget, through the appropriation. And what if everything else had a hearing in the appropriate committee and came to the floor for full debate of the Legislature? What if we did that? We'd be having a very different conversation about the budget today, because we wouldn't have anything other than the adjustments to the Governor's budget. And all the bills that are sitting on Select and General with an A bill that impact the bottom line would be left to be funded for independently on the floor. Every senator who has a bill inside the budget would actually have to fight for their bill amongst all of us, like those of us who had our bills go through the appropriate committees do. What if our Referencing Committee stopped referencing policy bills to the Appropriations Committee and instead sent them to the appropriate committee to be funded? Even if it is a one-time funding. The Appropriations Committee is in charge of the budget of the state. That does not mean that they decide how we spend all of the excess funds. We decide that. And the fact that it is included into the budget does not change that we decide it. We still decide, and we also still decide if we sweep all of our cash funds. And it is not going to look good on us when we have no money because we did one-time transfers of our cash funds to make this budget work. Are we going to do those one-time transfers a second time? Are they going to become a two-time transfer? Is that what we're going to do to the state? I know it doesn't really change anybody's mind what I say pretty much any time on the mic here. But I do hope that people in this body think a little bit harder about how they vote. Think about what you are doing to the future of the state. But I am taking the time on this budget because I want to make sure that this budget doesn't just--

**ARCH:** One minute.

**M. CAVANAUGH:** --fly through; that a minimum of 33 people say we disagree with you, Senator Cavanaugh. We think this is just the bee's knees, and we're going to vote for it and we're going to enact it. So that's where we're at. Again, this goes to 11:22. Then we go to a vote on this, and then we move on to the next one. And I'm going to take the time on the next one. That's the cash transfers. That's what makes this one happen. And that's a big deal. We are taking money from lots of pots that previous legislators created, instituted, had a purpose, and we are going to raid them because the money is there is the

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reason. I submitted a resolution yesterday, an LR, to look at all of the, the fees and the cash funds. I wish that we were doing that--

**ARCH:** Time, Senator.

**M. CAVANAUGH:** Thank you.

**ARCH:** Senator Conrad, you're recognized to speak.

**CONRAD:** Thank you, Mr. President. I was hoping, maybe, to dovetail off some of the earlier commentary from Senator Vargas and Senator Clements and Senator Linehan that we could, maybe, use this moment as an educational opportunity for kind of how we balance the budget and other competing concerns towards the end of session, as we always do. I was hoping that maybe Senator Clements would yield to some questions.

**ARCH:** Senator Clements, will you yield?

**CLEMENTS:** Yes.

**CONRAD:** Thank you. Thank you, Senator Clements. So if a, a senator has-- or a committee, for that matter-- has a priority bill that is making its way through the deliberative process, kind of-- help to explain to the body, perhaps, if those measures have a fiscal note, kind of-- once we pass the budget, then what, what happens in terms of negotiations? Obviously, it makes a difference if they're General Funds versus cash funds or, or transfers-- or transfers or things of that nature. Can you-- can you just help to, perhaps, contextualize what the money left for the floor actually means and what it doesn't mean, perhaps, so that people who have bills moving through with fiscal notes, maybe, can get a little peace of mind this morning about how that process will work over the next 10 days?

**CLEMENTS:** All right. The items that I think you would call more safe would be a Cash Reserve transfer or a transfer out of a cash fund. But if it says General Fund expense, that is what the money to the floor is. It's General Funds that is an ongoing expense. And the-- that's where the reductions will more, more likely come.

**CONRAD:** Thank you, Senator. I think that is instructive and, hopefully, helpful for people to think about as they're weighing their decisions on how to move forward with the budget, as they're looking at other important priorities before the body this year, as designated through individual priority measures, committee priority measures or Speaker priority measures. And I think it's probably fair to say, as

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in past years and rooted in deep historical practice, it's always impossible for us to fund all of those priorities in line with, with the budgetary deliberations as well. I'm, I'm not sure if there has, perhaps, ever been a year-- even a flush year-- when we've been able to, to fund everything that's remaining once you kind of take a look at the priorities and take a look at the budget and what's remaining. Would that be, generally, a fair assessment from your perspective, Senator?

**CLEMENTS:** Yeah, very accurate, especially last year when there was a lot of money. We had over \$1 billion of requests in, in the Appropriations Committee and, yeah, still at, at the end of the year the Governor vetoed quite a few items.

**CONRAD:** Yes, that's right. And I, I know from serving on Appropriations for 8 years, it's, it's challenging. It's challenging when you have resources. It's challenging when you don't have resources. And you have to make a, a lot of really tough decisions because rarely does an idea come forward that's just a terrible idea. A lot of times, the ideas that come forward from senators and their constituents or interest groups they're working with are, are really deeply rooted in an important community need or an important state need--

**ARCH:** One minute.

**CONRAD:** --and-- thank you, Mr. President-- and it's, it's really hard to sift through what's more worthy than others. And I know it's-- it can be an impossible task in that regard. But I, I, perhaps, wanted to foreshadow or provide some peace of mind to senators that are looking at the budget, are looking at the forthcoming tax package or thinking about personal, committee, or Speaker priorities, that some of those are going to get funded as they always have. Some are going to have to be taken up again next year, as has always been our practice. But once we pass the budget, that's, that's not the end of the conversation. That just helps to set a framework for the remaining conversation in the remaining days.

**CLEMENTS:** Correct.

**CONRAD:** Is that fair?

**CLEMENTS:** Yes, it is.

**CONRAD:** All right. Very good. Thank you. Thank you, Senator. Thank you, Mr. Speaker. I'd yield the balance of my time.

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**ARCH:** Senator Day, you're recognized.

**DAY:** Thank you, Mr. President. I would like to yield my time to Senator Machaela Cavanaugh.

**ARCH:** Senator Cavanaugh, 4:55.

**M. CAVANAUGH:** Thank you, Senator Day. Thank you, Mr. President. I'm just going to go back to the budget. Hopefully, I don't spike anybody else's ire this morning. OK. Page 12 of the committee-- Appropriations Committee budget proposal, the Historic General Fund Revenues. From the numbers shown above, a simple percentage change over the prior year can be calculated. While these simple percentage changes are appropriate when looking at the actual changes over time, they do not represent what is commonly referred to as revenue growth. For purposes here, "revenue growth" means the growth in revenues caused by economic activity and inflation as arrived at by adjusting for items such as a tax base and rate changes, legislation enacted, and one-time extraordinary items. The objective is to measure underlying patterns of revenue growth ignoring such changes. The average growth over 40-- the past 40 years is 5.3%. The revenue growth over time reflects the ebb and flow of economic activity and economic cycles. It reflects new businesses created and existing, existing businesses that close. It reflects new products and services added to the tax base and existing products and services that are eliminated or expire. The key is the net impact. Net is bold, italics, and underlined. Somebody really wanted the net to be forceful there. The new or expanded businesses, products or services more than offset those that decline or despair [SIC], leaving a net overall increase averaging a 5.3% growth. Table 4 shows actual and projected General Fund revenues since FY 2000-2001. For illustration purposes, the tables-- the table includes the adjusted growth rate described above and the unadjusted growth rate that does not account for changes to the tax base or tax rates, including reductions to individual and corporate income tax rates and adjustments relative to pass-through entity provisions enacted in 2023. As shown in the table, the adjusted-- unadjusted growth rate in estimated revenue fluctuates considerably due to the effect of these tax changes. The adjusted growth rate, which accounts for these legislative changes, is positive each year and averages 4.1% per year over the 4-year period that includes the current biennium and following biennium. So I, I highly recommend that everybody takes the time to read the budget books. I would also recommend that you read the actual budget, but the books themselves, they are constructed in such a way that I think that they're good for people who absorb information in different ways. Like, if you read something and that's

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how you get the information, how you take it in, then there is a lot of narrative in here that explains things. But if you just like to look at the tables and charts, those are also in here. So the narrative is paired with the tables and charts. And whichever way is easier for you to take in the information, you have those avenues available to you. I personally like both. I like to both read the narrative and review the tables and charts and take--

**ARCH:** One minute.

**M. CAVANAUGH:** --the information in that way. I, I really enjoy learning about new things. So the Tobacco Products Administration Cash Fund, we talked about that already on another day of debate. So I'm not going to repeat that. I didn't get through all of the cash funds. We did the State Unemployment (Insurance) Trust Fund, the Site and Building, OK, Behavioral Health Services Cash Fund. The committee recommendation includes a transfer, \$11 million in FY '23-24 and \$4 million in '24-25 from the Behavioral Health Services Fund to the General Fund. This fund receives a portion of the Documentary Stamp Tax, also known as the Doc Stamp, approximately \$5 million in the past 2 years. The balance has grown over time as expenditures on aid have remained flat at approximately \$3 million. The transfer require-- the transfers require--

**ARCH:** Time, Senator.

**M. CAVANAUGH:** Thank you.

**ARCH:** Senator Kauth would like to recognize 85 fourth-grade students from Rohwer Elementary School in Omaha. They are seated in the north balcony. Students, please rise and be welcomed by your Legislature. Seeing no one in the queue, Senator Cavanaugh, you're welcome to close on your motion.

**M. CAVANAUGH:** Thank you, Mr. President. OK, so we will go to a vote on this. And then I think I have a reconsider, or I have another motion for the remaining minutes left on this debate. But I was talking about the Behavioral Health (Services) Cash Fund. So it says: The transfers require amending the provisions of the fund to allow transfer to the General Fund. Projected fund balance at the end of '24-25 will be approximately \$1.2 million. So the Behavioral Health Cash Fund has been-- the balance has grown because the spending has remained flat. And the question I would put forward is why? Why has the spending of the Behavioral Health Cash Fund remained flat? We have a behavioral health crisis. We have an increase in need. We have an increase in

costs. So why has that remained flat? And what answers have been given to that? I will say that pretty much every question I have asked about the why of any of these things in this debate have been, we don't know. So why are we taking the money? Because it's there. And here's the thing about debate. You're supposed to, you know, make your case, as it were. And I think the fact that I'm standing up here for 2 hours on a bill that I've already spoken on for, I don't remember how many hours I've spoken, but it's been a lot. The fact that I am still standing up here talking on this bill means that the people who support this bill, who are putting this bill forward, have not made their case to me. They have not sufficiently answered why money remains in these funds and why we are using these funds for the unintended use. So there you have it. I got to tell you, colleagues, if this were my bill and you all asked me why we were using the funds that we were, you would not accept an answer of, because it's there. Not in a million years would you accept that answer. In fact, I am using funds from the Medicaid Cash Fund in LB62. And you did ask me-- and I explained in depth-- what the purpose of that fund was, why the money was there, and why I wanted to use it for the reason I was using it. And that bill then moved forward. See how that works? You didn't just rubber-stamp my bill. Far from it. But, but that-- the budget should be treated the same way. We're raiding cash funds. LB1412 is, is the use of the cash funds; LB1413 is the raiding of the cash funds. And why? Because it's there. But why is it there? Why is the Behavioral Health Cash Fund underutilized when we have a behavioral health crisis? When we have underfunded staff and workforce needs, why is that money there? Why are we raiding that cash fund? Why? No one has told me why beyond because it is there. Not a single person from the Appropriations Committee has gotten on the microphone-- and Senator Jacobson, yes, they are Democrats and Republicans-- not a single person has gotten on the microphone and told me why we are raiding specific cash funds beyond because it is there. That is not good enough. It's not good enough for me. It's shouldn't be good enough for all of you. And it's not good enough for Nebraska. Why aren't these funds being used? Why are we raiding these funds? What are we doing? And why are you voting for LB1412? Please ask yourselves that. Thank you. I guess we'll go to a vote and then reconsider motion will come up. Thank you, Mr. President.

**ARCH:** The question before the body is the motion to return to Select File for a specific amendment. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

**ASSISTANT CLERK:** 4 ayes, 28 nays on the motion to return, Mr. President.

**ARCH:** The motion fails. Mr. Clerk, next item.

**ASSISTANT CLERK:** Mr. President, priority motion, Senator Machaela Cavanaugh would move to reconsider the vote just taken to return the bill to Select File for a specific amendment.

**ARCH:** Senator Cavanaugh, you're welcome to open on your motion.

**M. CAVANAUGH:** Thank you, Mr. President. So, colleagues, I believe we have 10 minutes left, which is essentially an opening. I guess, I'll get in the queue in case. But, yeah. So, yes, LB1412 is the budget adjustment. That is what LB1412 is. If we pass LB1412, we have to pass LB1413, which sweeps the cash funds. So you cannot divorce the two. If you are OK with sweeping the cash funds then you should vote for LB1412. If you are not OK with sweeping the cash funds, you should not vote for LB1412. And here's what happens if we don't pass the budget adjustment. Nothing. We passed a budget last year. Nothing different happens. That's what happens. The budget, as it was passed last year, stands. So we can literally do nothing, and in my opinion, doing nothing will cause the least amount of harm to the future of the state and its economic security and stability. So if people want to know why I'm not voting for the budget this year, it's because doing nothing is doing the least harm. Ain't that a kick in the pants? So the green sheet has several items on General and Select-- not General, sorry. I don't think it has General. I think it just has-- it has the Cash Reserve Fund on the-- sorry-- second page. OK. It has just this-- the, the current budget as it stands and then the Cash Reserve Fund on the next page. Then at the top of the following page is the impact of pending bills, but it only accounts for Final and Select. So, colleagues, if you have a bill still on General File that has any fiscal impact, that is not taken into consideration here. I don't know what bills we have left on General File. Senator McKinney has a bill and it has an A bill with it. And let's see here, Senator Murman, Senator Bostar, Senator Slama, Senator Bostar has another one, but I don't think it has an A bill. Oh, it does have an A bill. For some reason Senator McDonnell is the name on the A bill. Senator Machaela Cavanaugh and an A bill, Senator John Cavanaugh and an A bill. And then, of course, we have the revenue package. So none of this takes into account anything with an A bill. Oh, wait. General File appropriations bills on the first page. How did I miss that? There's a whole slew of A bills: Senator Wayne, Senator Day, Senator Halloran, Senator Moser, Senator Holdcroft, Senator von Gillern, Senator Clements, Senator Bostelman, Senator Slama, Senator Moser, Senator Walz, Senator DeKay, Senator Murman, Senator Murman, Senator Ibach. Cool. That's a lot of A bills. So if we move all of those General File

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A bills today, then that will go onto the green sheet tomorrow, possibly, on Select File. So that will change the Select File amounts tomorrow. That should be fun. Although it does have some of them on here. It has-- there's an asterisk-- indicates-- oh, OK. So two of the bills on here, LB1023 and LB1284, the bill itself has moved and the A bill just has to catch up. So those are already taken into account. So LB1023 is Senator von Gillern's bill. Your bill is already taken into account on the green sheet. And LB1284, Senator Walz's bill, your bill is also taken into account on the green sheet, but everything else is not. Oh, and then on General File, LB685, change mechanical amusement devices. And LB1394, exempt National Guard income tax. Those don't seem to-- I don't know, they have a hashtag so-- indicates bill has both revenue and spending impact. Oh, revenue and spending. OK. Cool. So the revenues, you go down to the bottom. I should have been paying closer attention. So you go down to the bottom and you can see the revenues for the bills that have the hashtags next to them. LB287, change election and open meetings provisions, has a negative revenue of \$1 million and change mechanical amusement fee-- fees has a positive revenue of \$400,000. And-- but it also has a one-time-- it looks like one-time cost of \$2.5 million, but then moving forward, it brings in more revenue. So that probably will eventually pay for itself. LB1394, exempt National Guard income tax, that has a negative revenue of just shy of \$1 million in one year, and then \$2.2 million the next. Provide for deductions for research expenditures. This is an interesting one. And that is \$8.5 million this year and \$52.9 million the following year of negative revenue. Change Sports Arena Facility Financing Act. It says indeterminate. Could Senator Clements yield to a question?

**ARCH:** Senator Clements, will you please yield?

**CLEMENTS:** Yes.

**M. CAVANAUGH:** What does "indeterminate" mean?

**CLEMENTS:** That, I believe, is a turnback tax proposal in the amount-- depends on how much sales tax is collected in, in turnback, as I recall, on the sports facility. So that is why it doesn't have a specific number is-- I, I noticed that too, but I didn't ask anybody else.

**M. CAVANAUGH:** Is it anticipated to generate revenue with the turnback tax or is it going to take away revenue?

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**CLEMENTS:** It probably-- I think it takes away revenue because the state gives up part of the sales tax collections.

**M. CAVANAUGH:** OK. All right. Thank you. I appreciate it. OK. And then provide for educational programs is LB1284 and that is a negative \$3.5 million. So I-- I'm interested in the LB1023 bill because that's the deductions for research expenditures. I think-- I think I might have voted for this, but I can't recall what the bill is off the top of my head so I'm going to have to look that up. But-- how much time do I have left, Mr. President?

**ARCH:** 1:15.

**M. CAVANAUGH:** 1:15 or 50?

**ARCH:** 15.

**M. CAVANAUGH:** OK. All right. So it's interesting, there's, there's so much information--

**ARCH:** One minute.

**M. CAVANAUGH:** --thank you-- there's so much information in the, the green sheets that sometimes you have to just phone a friend. So thank you to Senator Clements for, for being that friend today and letting me ask you quite a few questions. I think we are about at time and I'm sure everybody is anxious to be moving forward with LB1412 so that we can get on to the next one, the cash transfers. What? That's so exciting. Who doesn't love a good cash transfer? There was an amendment I meant to make on the cash transfers that I didn't make that I will talk about, but I'm not going to make because I really do think it's probably too late to make it, but I'm just going to talk about it for the record because it was some clarifying language that I was concerned about with the Universal Service Fund so, I just--

**ARCH:** Time, Senator.

**M. CAVANAUGH:** Thank you, Mr. President.

**ARCH:** Mr. Clerk, do you have a motion on the desk?

**ASSISTANT CLERK:** Mr. President, Speaker Arch would move to invoke cloture pursuant to Rule 7, Section 10.

**ARCH:** Members, the first vote is the motion to invoke cloture. Members, please find your seat, this is Final Reading. Members, the

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first vote is the motion to invoke cloture. All those in favor vote aye; all those opposed vote nay. There's a request for the roll call. Mr. Clerk.

**ASSISTANT CLERK:** Senator Aguilar voting yes. Senator Albrecht voting yes. Senator Arch voting yes. Senator Armendariz voting yes. Senator Ballard voting yes. Senator Blood not voting. Senator Bosn. Senator Bostar. Senator, Senator Bostelman voting yes. Senator Brandt voting yes. Senator Brewer voting yes. Senator John Cavanaugh voting no. Senator Machaela Cavanaugh voting no. Senator Clements voting yes. Senator Conrad voting yes. Senator Day not voting. Senator DeBoer not voting. Senator DeKay voting yes. Senator Dorn voting yes. Senator Dover voting yes. Senator Dungan voting no. Senator Erdman voting yes. Senator Fredrickson not voting. Senator Halloran voting yes. Senator Hansen voting yes. Senator Hardin voting yes. Senator Holdcroft voting yes. Senator Hughes voting yes. Senator Hunt. Senator Ibach voting yes. Senator Jacobson voting yes. Senator Kauth voting yes. Senator Linehan voting yes. Senator Lippincott voting yes. Senator Lowe voting yes. Senator McDonnell voting yes. Senator McKinney voting no. Senator Meyer voting yes. Senator Moser voting yes. Senator Murman voting yes. Senator Raybould not voting. Senator Riepe not voting. Senator Sanders voting yes. Senator Slama voting yes. Senator Vargas voting yes. Senator von Gillern voting yes. Senator Walz voting yes. Senator Wayne voting no. Senator Wishart voting yes. Senator Bostar voting yes. Senator Bosn voting yes. Vote is 37 ayes, 5 nays on the motion to invoke cloture, Mr. President.

**ARCH:** The motion to invoke cloture is adopted. The next item before the body is the motion to reconsider. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

**ASSISTANT CLERK:** 5 ayes, 39 nays on the motion to reconsider, Mr. President.

**ARCH:** The motion to reconsider fails. Mr. Clerk, next vote is to dispense with the at-large reading. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

**ASSISTANT CLERK:** 41 ayes, 3 nays on the motion to dispense with the at-large reading.

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

**ASSISTANT CLERK:** [Read title of LB1412]

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**ARCH:** All provisions of law relative to procedure having been complied with, the question is, shall LB1412 pass with the emergency clause attached? All those in favor vote aye; all those opposed vote nay. There's been a request for a roll call vote. Mr. Clerk, please call the roll.

**ASSISTANT CLERK:** Senator Aguilar voting yes. Senator Albrecht voting yes. Senator Arch voting yes. Senator Armendariz voting yes. Senator Ballard voting yes. Senator Blood voting yes. Senator Bosn voting yes. Senator Bostar voting yes. Senator Bostelman voting yes. Senator Brandt voting yes. Senator Brewer voting yes. Senator John Cavanaugh voting no. Senator Machaela Cavanaugh voting no. Senator Clements voting yes. Senator Conrad voting yes. Senator Day voting no. Senator DeBoer voting yes. Senator DeKay voting yes. Senator Dorn voting yes. Senator Dover-- Senator Dover voting yes. Senator Dungan voting no. Senator Erdman voting yes. Senator Fredrickson voting yes. Senator Halloran voting yes. Senator Hansen voting yes. Senator Hardin voting yes. Senator Holdcroft voting yes. Senator Hughes voting yes. Senator Hunt. Senator Ibach voting yes. Senator Jacobson voting yes. Senator Kauth voting yes. Senator Linehan voting yes. Senator Lippincott voting yes. Senator Lowe voting yes. Senator McDonnell voting yes. Senator McKinney voting no. Senator Meyer voting yes. Senator Moser voting yes. Senator Murman voting yes. Senator Raybould voting yes. Senator Riepe voting yes. Senator Sanders voting yes. Senator Slama voting yes. Senator Vargas voting yes. Senator von Gillern voting yes. Senator Walz voting yes. Senator Wayne voting no. Senator Wishart voting yes.

**ARCH:** Mr. Clerk, please record.

**ASSISTANT CLERK:** Voting aye: Senator Aguilar, Albrecht, Arch, Armendariz, Ballard, Blood, Bosn, Bostar, Bostelman, Brandt, Brewer, Clements, Conrad, DeBoer, DeKay, Dorn, Dover, Erdman, Fredrickson, Halloran, Hansen, Hardin, Holdcroft, Hughes, Ibach, Jacobson, Kauth, Linehan, Lippincott, Lowe, McDonnell, Meyer, Moser, Murman, Raybould, Riepe, Sanders, Slama, Vargas, von Gillern, Walz, and Wishart. Voting nay: Senator John Cavanaugh, Machaela Cavanaugh, Day, Dungan, McKinney, and Wayne. Not voting: Senator Hunt. Vote is 42 ayes, 6 nays, Mr. President.

**ARCH:** LB1412, LB1412 passes with the emergency clause attached. While the Legislature is in session and capable of transacting business, I propose to sign and do hereby sign LB1412e. We will now proceed to the next item, Mr. Clerk. Please proceed with items, Mr. Clerk.

**ASSISTANT CLERK:** Mr. President, a series of items. New bill, LB1344A offered by Senator Wayne. It's a bill for an act relating to appropriations; to appropriate funds to carry out the provisions of LB1344. LB71A offered by Senator Sanders. It's a bill for an act relating to appropriations; to carry out the provisions of LB71. In addition, a series of interim study resolutions: LR410 by Senator Dorn; LR411, Senator Dungan; LR412 by Senator John Cavanaugh, LR413, Senator Cavanaugh; LR414, Senator Meyer; LR415 Senator Machaela Cavanaugh; LR416 by Senator Dover; LR417 by Senator Dover; LR418, Senator Dover; LR419, Senator Hughes; LR420, Fredrickson; LR421 by Senator Fredrickson; LR422 by Senator Fredrickson; LR423 by Senator Hansen; LR424, Senator Linehan; LR425, Senator Murman; LR426 by Senator Conrad; LR427 by Senator Fredrickson; LR428 by Senator Hardin; LR429 by Senator Hardin; LR430 by Senator Bostar; LR431 by Senator Jacobson; LR432 by Senator Jacobson; LR433, Senator Day; LR434 by Senator Brandt; LR435, Senator Raybould; LR436 by Senator Hansen. In addition to that, notice of committee hearing from the Natural Resources Committee. That's all I have at this time.

**ARCH:** Thank you, Mr. Clerk. Please proceed to the next item on the agenda.

**ASSISTANT CLERK:** Mr. President, LB1413. Senator Clements, I had FA264, FA265, and FA266, all of which have notes to withdraw.

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

**ASSISTANT CLERK:** In that case, Senator Machaela Cavanaugh would move to return the bill to Select File, that being strike the enacting clause.

**ARCH:** Senator Machaela Cavanaugh, you're welcome to open on your motion.

**M. CAVANAUGH:** Thank you, Mr. President. Colleagues, assuming that we break for lunch at 12, you probably can do whatever you want for the next 25 minutes. I will be here. This is the cash fund transfers. Yay. OK, so the cash fund transfer issue that I meant to address but didn't address-- so I'm just going to say it hoping that that's like a make-it-so sort of situation. Because, like, that's how it works, right? It is about the Universal Service Funds. So you all voted to-- or some of you did-- enough people voted to change the language that I had initially put in about the Universal Service Fund that had it making the transfer permanent instead of just a one-time transfer. So we did make that change. But what we didn't do-- and I meant to do it

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on Select and, you know, forgot-- was to change the language to be more clear. So we're taking \$2 million from the Universal Service Fund excess and transferring it. We cannot take money from the actual fund itself or the federal government will get very cranky with us. This was something that happened last year that we fixed on the floor; we were originally taking money from the actual fund, the principal, and that's a no-no. So we had to change it. So what I wanted to put in, but was remiss in doing on Select File, is that the fund transfer can be up to \$2 million. Here's my concern. This year and last year, but mostly this year, there's been a real clear pattern of the administration liking everything to be extremely prescribed and detailed. You can see all of their fiscal notes. I called their fiscal notes sort of like Amelia Bedelia. I don't know how many of you are familiar with Amelia Bedelia, but she's this book character who takes everything to the literal degree that is just, like-- I, I wish I had a specific example of her right now, but I feel like the department's fiscal notes, at least HHS fiscal notes have been written by Amelia Bedelia in that they assume-- unless you tell them something-- like, I think it was Senator Day's bill where they said unless the bill tells us that we can talk to the Department of Education, then we can't talk to the Department of Education, and that's going to cost a bazillion dollars more if we can't talk to the Department of Education. And everybody's like, of course, you can talk to them. We didn't know we had to tell you that, Amelia Bedelia. So anyways, I meant to put this in the budget because I'm concerned that they will automatically transfer \$2 million and we don't know with 100% certainty that we will have \$2 million of excess. We could have \$1,990,000 and they'll still transfer \$2 million. So I wanted to change it to say "up to \$2 million," so that we didn't accidentally take any amount of money from the principal. So that change didn't happen. But I am just saying it for the record and publicly that it is our intent. I hope people will agree with me, it is our intent that they only transfer up to \$2 million. If we do not have \$2 million in the excess fund, don't take that to make it whole of the \$2 million. OK. I've been dying to talk about Amelia Bedelia all year. Every time those fiscal notes come in front of us, I'm just like this, this is Amelia Bedelia. I will at some point find some examples because those of you that don't-- are not familiar with her, she's quite infuriating as a housekeeper. I always wondered why she couldn't-- why she maintained her job because she really ruined the house. When-- like, there was-- I do remember one, dust the curtains. She, she had a list of things to do from her employer and one was dust the curtains and she said I don't know why you would want your curtains to be dusty, but OK, so she, like, emptied a vacuum cleaner bag onto the curtains to dust them. Yes.

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Amelia Bedelia. My sister was actually in the play Amelia Bedelia at the Emmy Gifford Playhouse in Omaha, which closed a, a long time ago and I believe is in Senator John Cavanaugh's district. And for those of you that know Omaha, that part of Omaha specifically, it then was for a long time the building, which kind of looks like a little castle, it was then the antique store, like, only open 2 days a week. And they-- like, people would sell their China and silver and crystal to this place. And now I can't remember what it's called, but I think that closed too, which is too bad, because I-- when I worked at the opera a lot of the, the gals that came to the opera would tell me about it. And it always sounded like such a cool experience. So anyways, all of that is to say that I wish I had put that intent language in about the Universal Service Fund. Please don't take from the principal because that's a no-no. If we have less than \$2 million in excess, then we need to take less than \$2 million because we don't want to be in trouble with the federal government over this fund. I would also say that I disagree with using this fund to begin with, but here we are. So LB1413, and I, I do apologize to, to the President since he had to sit through my entire rendition of Amelia Bedelia. But maybe now he'll go get the books from the library to read to his grandkids next weekend. OK. LB1413 is the cash transfer. So this is the meat and potatoes of my opposition. This is the we are raiding-- we are-- we are raiding funds. We are high on the hog, as they say. I don't know the root of that expression, but I know it means we are-- we are financially doing well and we are going after these cash funds. So, you know, I think we should be a little bit more fiscally restrained than we are being right now. But let's just go through some of these-- we've talked about-- I've talked about a lot of these. So here's cash funds on page 32 of the budget. The preliminary budget contains adjustments of \$103,782,123 in FY '23-24, and \$27,000,324-- \$27,324,760 in FY '24-25. Nearly all of these amounts can be attributed to the following: An increase in special education to the Department of Education, totaling \$27.5 million in '23-24 pursuant to the estimate of 80% of total reimbursable costs for school districts as required by LB243 in 2023. An appropriation of cash funds for the Department of Economic Development Recovery Act [SIC] related to interest transferred to the fund, LB53-- LB531 in 2023, and not previously appropriated, totaling \$45 million FY '23-24 and--

**ARCH:** One minute.

**M. CAVANAUGH:** --\$20 million in FY '24-25. Thank you, Mr. President. I see-- I think Senator Clements is in the queue and I am ahead of him, but I'm going to pop out so that he can go next, and then I will go after him. So just doing that real quick, there we go, because I'm

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sure he has something to say about the budget. So should give-- as the Chair of Appropriations, I want to make sure he has that opportunity before we break for lunch. OK. I lost my place. Appropriate-- an appropriation of cash funds for the Department of Economic Development for the Strategic Command project grant in FY '23-24. Cash authority increases for Department of Health and Human Services of \$3.5 million from the opioid settlement funds each fiscal year and increase in '23-24 only of \$4.5 million--

**ARCH:** Time, Senator.

**M. CAVANAUGH:** Thank you, Mr. President.

**ARCH:** Senator Clements, you are recognized to speak.

**CLEMENTS:** Thank you, Mr. President. Senator Machaela Cavanaugh and I had a discussion about an item on the green sheet earlier. Would Senator Machaela Cavanaugh yield to a question?

**ARCH:** Senator Cavanaugh, will you yield?

**M. CAVANAUGH:** Oh, boy. Yes, please.

**CLEMENTS:** Thank you. Would you turn to the green sheet, bills with General Fund impact, the one that says "indeterminate."

**M. CAVANAUGH:** Yes.

**CLEMENTS:** Is that the one that you had asked me a question--

**M. CAVANAUGH:** Yes.

**CLEMENTS:** --about? Well, I'm, I'm needing to correct what I said about that; I've looked that bill up. It's a bill by Senator Walz. And it's not about any sports facilities, it's about schools with high-poverty students greater than 50% or more that could be eligible for all of their school lunches to be paid for. But the fiscal note says that the Department of Education can grant a waiver to the school district if they're-- if they are not financially able to afford that. And so the fiscal note says poverty students are a factor in the TEEOSA formula so there could be an impact, but that impact cannot be determined at this time. The impact will vary based on the number of schools waiving the requirement. And so that, that was-- it's because of the high-poverty students that Fiscal doesn't know how many schools will elect that. And that is my understanding.

**M. CAVANAUGH:** I think that's-- but the bill--

**CLEMENTS:** Go ahead.

**M. CAVANAUGH:** --the bill on here is LB1197 and it says change Sports Arena Facility Financing (Assistance) Act.

**CLEMENTS:** Oh, I'm on-- I'm on the Final Reading items. Where-- which one are you on? Oh.

**M. CAVANAUGH:** That's the-- under revenues.

**CLEMENTS:** OK. Excuse me.

**M. CAVANAUGH:** Oh, we do have-- yep, we have two of them. OK.

**CLEMENTS:** I was working on the top one. The--

**M. CAVANAUGH:** Yes.

**CLEMENTS:** --OK, the lower one, LB1197. I think we need to look at the fiscal note and the Fiscal Office does make a statement as to why they don't determine that, but thank you.

**M. CAVANAUGH:** So your first statement probably stands about the turnback tax, but then we have two indeterminates, so.

**CLEMENTS:** Yes.

**M. CAVANAUGH:** Well, thank you. I appreciate the follow-up.

**CLEMENTS:** Well, that's a good clarification. But I'll-- I, I think I'll take a look at LB1197 as well and see what that was. But the-- yeah, the one I'd noticed was regarding schools, and it depends on who opts in and who doesn't on those. Regarding LB1413, this is, as Senator Machaela Cavanaugh said, is funds transfers; there are cash fund transfers every year and there will be-- we've discussed those already. They're also-- the Cash Reserve items, we transfer money from the Cash Reserve and from cash funds into the General Fund. I call LB1413 the, the savings account transfers. When we transfer it to the General Fund that goes into our what you'd call our checking account, the General Funds expenses. And so we-- again, the Appropriations Committee reviews many requests. Some are approved. The Governor had many more transfer requests than what you'll see in the, the book. There was a number that we decided not to take, making sure that the funds especially were sustainable and not drawn down below where the,

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the fund use could be harmed. But that was our priority and any funds transfers was to use money that's been sitting and--

**ARCH:** One minute.

**CLEMENTS:** --it's taxpayer dollars and-- General Funds are taxpayer dollars. And this is a way for us to use idle taxpayer dollars so we don't have to spend more General Fund new taxpayer spending. And so I would appreciate your support on LB1413. We have worked hard and I appreciate the Appropriations Committee members and the Fiscal Office who has helped us greatly. Thank you, Mr. President.

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

**M. CAVANAUGH:** Thank you, Mr. President. OK. Cash funds, back to the cash funds. Now I kind of want to get a copy of some Amelia Bedelia books to read to my kids, but I feel like if they get to know Amelia Bedelia too well they might start taking everything extremely literal as well and that would not bode well for my sanity. Page 33 of the Appropriations Committee green book, Transfers into the Education Future Fund. Now, this is something that was created last year. And much like TEEOSA, I have to be honest with you, I don't quite get it. So, yeah. The committee recommendation includes two transfers into the Education Future Fund. Firstly, there are transfers from the Nebraska Education Improvement Fund of \$7 million in '23-24 and \$5 million in '24-25 of unused lottery funds to educate-- to-- funds to the Education Future Fund. Projected fund balance of Nebraska Education Improvement Fund at the end of '24-25 will be approximately \$2.7 million. Secondly, the committee recommendation also includes a transfer of \$500,000 from the Professional Practices Commission Fund in '23-24. Projected fund balance of the Professional Practices Commission Fund at the end of '24-25 will be approximately \$2.5 million. The Education Future Fund was created in 2023 and is used for special education expenses, 24% of foundation aid paid through TEEOSA, the Nebraska Teacher Apprenticeship Program, the Nebraska Teacher Recruitment and Retention Act, career and technical teaching [SIC] aid, and the extraordinary increases in special education. The following table shows total income through FY '26-27 and anticipated appropriations. So then there's Table 18, the Education Future Fund Projected Revenue and Appropriations by Year. So special education-- LB583 Special Education 80%, has \$226,580,000, '23-24, and then it's down to \$206 million in '24-25, and then back up to 213-- \$213 million in '25-26. Be curious why there's a dip in '24-25, but OK. DHHS Cash Spending Authority for Opioid Statements [SIC]. This is on page 34. The Department of Health and Human Services, Division of Behavioral

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Health Program 38, requested a \$25 million increase in each fiscal year for the distribution of national opioid settlement funds awarded to Nebraska. The money will be utilized primarily for opioid abuse prevention, some to be used for treatment, and a small amount for law enforcement. Per LB1820-- LB1184 in 2020, when enacted the Nebraska Opioid Prevention and Treatment Act, the settlement funds will be deposited into the Opioid Recovery Fund. To date, Nebraska has received \$18.8 million in settlement funding and additional funding is expected. The committee recommendation includes an increase in cash fund appropriation by \$3.5 million in FY '24 and FY '25 of Opioid Settlement Funds in Program 38, Behavioral Health Aid. The previous appropriation out of this--

**ARCH:** One minute.

**M. CAVANAUGH:** --cash fund-- thank you, Mr. President-- oh, should get back in the queue. The previous appropriation for this cash fund was \$6.5 million. After the increase, the new appropriation is \$10 million for each year. Additional settlements have been finalized and increased authority is expected to be needed to spend the funds. So that-- again, I still don't quite understand all of the shifting of funds for behavioral health that has happened in the budget. Because some places it looks like we've cut funding, then maybe we've increased funding; it's kind of like a lot of follow the money, but the money is hiding. You know, like when it's under those cups and you got to guess which cup it's under. That's how I feel about behavioral health funding this year.

**ARCH:** Time, Senator.

**M. CAVANAUGH:** Thank you, Mr. President.

**ARCH:** And you are next in the queue.

**M. CAVANAUGH:** Thank you, Mr. President. I believe this is my last time before I close. Yes? Yes.

**ARCH:** Yes, it is.

**M. CAVANAUGH:** Thank you. OK. Well, then we will-- I don't know if we'll get to a vote on this before we break for lunch. If somebody else wants to get in the queue so there is a queue so we don't have to vote on this before lunch, that would be helpful. But-- oh, thank you, Senator Cavanaugh. I wasn't talking to myself, the other Senator Cavanaugh. Thank you. So-- OK. So, yeah, the behavioral health. I'm-- I am still a, a little confused about what we're funding there and how

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we're funding it and-- but it's right before lunch, so I'm not going to ask Senator Clements to yield to any more questions before we break for lunch. I'm just going to take my time looking over the budget here. So again, I'm on page 34. So DHHS Cash Spending Authority for BSDC. BSDC is the Beatrice State Developmental Center. OK. The committee recommendation includes an increase in cash fund appropriation by \$4.5 million in FY '24 in alignment with available funding to cover some costs at the Beatrice State Developmental Center, Program 421. I am-- I am curious, what are their increased costs from last year that total \$4.5 million? But I am glad we are funding them. DHHS, LB1124 and LB1125. The committee recommendation includes an increase in cash fund appropriation by \$1.4 million total in both FY '24 and FY '25, \$900,000 each year for evidence-based early intervention home programs-- home visitation programs and \$500,000 each year for evidence-based early intervention nursing-- nurse home visitation programs. The fund source for this appropriation is the Managed Care-- Medicaid Managed Care Excess Profit Fund, which is amended in LB1413 to include evidence-based early intervention home visitation programs. The additional funding will enable DHHS to access additional federal matching fund offered by the reauthorization of the Maternal, Infant and Early Childhood Home Visitation [SIC] Program. DHHS Nebraska Homeless Assistance. The committee recommendation includes an increase in cash fund appropriation by \$1.2 million in FY '25 in alignment with available funding for Nebraska Homeless Assistance Program within Program 347. I was going to see if the Clerk needed time to make any announcements before we break for lunch. If so, I can yield the remainder of my time to the Chair. Thank you, Mr. President.

**ARCH:** Mr. Clerk, for items.

**ASSISTANT CLERK:** Mr. President, more new resolutions: LR437 by the Urban Affairs Committee; LR438 by Senator McKinney; LR439 by Senator McKinney; LR440 by Senator McKinney; and LR441 by Senator Armendariz. Those will all be referred to the Reference Committee [SIC]. Finally, priority motion, Senator Murman would move to recess until 1:30 p.m.

**ARCH:** You've heard the motion. All those in favor say aye. All those opposed, nay. We are in recess.

[RECESS]

[RECORDING MALFUNCTION]

**ARCH:** Mr. Clerk, please record.

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**ASSISTANT CLERK:** There is a quorum present, Mr. President.

**ARCH:** Thank you, Mr. Clerk. Do you have any items for the record?

**ASSISTANT CLERK:** I do, Mr. President. Amendment to be printed from Senator Ibach to LB1368. New resolution: LR442 offered by Senator Ballard; that will be referred to the Exec Board. Report on gubernatorial appointment by the Revenue Committee. And finally, an announcement that the Revenue Committee will hold an Executive Session in Room 2022 at 2:00 this afternoon. That's all I have at this time.

**ARCH:** Thank you, Mr. Clerk. We'll return to the item on the agenda. Mr. Clerk.

**ASSISTANT CLERK:** Mr. President, under consideration on Final Reading was LB1413. When the Legislature recessed for lunch, there was a motion pending from Senator Machaela Cavanaugh to return the bill to Select File for specific amendment, that being to strike the enacting clause.

**ARCH:** Seeing no one in the queue, Senator Cavanaugh, you are welcome to close on your motion.

**M. CAVANAUGH:** Thank you, Mr. President. Colleagues, there is an hour and 29 minutes left. I filed 4 more floor amendments so that nobody has to come back to take a vote. The Revenue Committee can go have their revenue session at 2:00 uninterrupted. And I will just be standing here talking about the budget and the floor amendments. So, after this, I just have strike Section 1 and then on and on and on. I'm pretty certain I filed enough to take through the hour and 29 minutes, so now's a great time to catch up on your correspondence; go for your afternoon post-lunch walk; see how the weather is outside, if the snow has melted. Maybe report back on the weather because I would be interested to know how cold out it is. If you're on the Revenue Committee, don't do those things because you're going to have an exec session in 15 minutes-- well, you have 15 minutes to do those things. But yes, please feel free to do whatever you like for the next hour and 28, 27 minutes. And, I will not-- I, I am committed. I will not do a call of the house. I won't ask you all to vote. I will just move on to my next thing after I'm done with this thing. So the strike the enacting clause is sort of an oldie but a goodie, because pretty much everything has an enacting clause. Two things you can always, like, file if you're looking to file something and you don't know yet what, what the bill is, or what the final bill is or whatever the next amendment is. Strike Section 1, because every bill has Section 1. It

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might not have more than Section 1, but it always will have a Section 1, and then the enacting clause. Those are 2 floor amendments or amendment-amendments that you can always count on as having. Now this says since an emergency exists, this act takes effect when passed and approved according to law. And that requires more votes. Is it 30 or 33 votes that are required for an E clause? 30? I think so. I think it's 30. It's 30 to override a veto. So it would make sense that it's 30 for an E clause. So just keep that in mind when this is passed. I wonder if the last one had an E clause. It probably did. I wasn't really-- as much as I was paying attention, I wasn't paying attention. No-- interest-- oh no, it does. Line 28, Section 115 of the previous bill is the E clause. Section-- interesting-- only Section 57 of this bill. 115 sections of the last bill and 57 on this bill. It's quite a difference. If you double that, it would be 114. Huh. OK. Well, any-- "anywho." So I got to do my math. We started at 1:44 I think. So 1:44-- 16, 16, 16-- I'm just doing math here. 13. So when we get to 2:00, we should have an hour and 13 minutes. So this will go to about 3:13. Of course, Jenni will probably have the actual number and it'll be different because her math is better than my math. But my math is assuming around 3:13. So just, friends, be sure to be back in the early 3:00 hour.

**ARCH:** One minute.

**M. CAVANAUGH:** Thank you, Mr. President. So just looking at the fiscal note, I actually haven't looked to see. There's probably an updated fiscal note on this bill, and I'm going to pull that up. I don't want to forget. So I have probably like 45 seconds left so I am going to withdraw this motion so we can go to the next one.

**ARCH:** Without objection, so ordered. Mr. Clerk, next item.

**ASSISTANT CLERK:** Mr. President, Senator Machaela Cavanaugh would move to return the bill to Select File for a specific amendment, that being strike Section 1.

**ARCH:** Senator Cavanaugh, you're welcome to open on your motion.

**M. CAVANAUGH:** Thank you, Mr. President. Section 1: The State Treasurer shall transfer \$7 million from the Nebraska Education Improvement Fund to the Education Future Fund on or before June 30, 2024, on such dates and in such amounts as directed by the Budget Administrator of the Budget Division of the Department of Administrative Services. All right. So that's the Education Improvement Fund. Well, you're not going to get to vote on this. But if you were, I would say probably

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don't do that. I don't know. Hold on, I gotta get in the queue. OK. So I was going to look and see if there's an updated fiscal note, because I was going to read off the fiscal note. And there is one from March 20. The one I printed, whoo, was from March 24. Wow. I am behind the times. I am going to print this. And then I'm going to ask a page to go get it for me so that I can keep talking. It's back on that printer. Thank you. I'll turn the light off. It takes a village, doesn't it, folks? OK. So there is a new fiscal note. So I'll be interested in looking at that. I just-- I, I appreciate less paper, generally speaking, but some things are harder for me to do. And I-- and when it comes to the budget, I actually like to write on things and make notes. So I always have that printed off. Thank you, Maggie. OK. Fiscal note for LB1413. LB-- and this is the March 19 one. LB1413 contains provisions related to funds and funds transfer for mid-biennium budget adjustments. AM2698 contains the Appropriation Committee's recommendation. AM2698 was amended by FA286, which struck a transfer of \$5 million from the State Visitors Promotion Fund to the General Fund, and FA254, which limited transfers of interest from the United Universal Service Fund to one transfer occurring in 2024. That was my amendment, my floor amendment. I should, like, frame that. FA254 was adopted. How exciting. It's the 254th floor amendment, and I finally got one adopted. Yay! On Select File, the bill was amended by AM3071, AM3069, AM3115, which reduced the transfer from the State Unemployment Insurance Trust Fund to the General Fund to \$30 million and transferred \$40 million to the State Unemployment Insurance Trust Fund to the newly-created Workforce Development Program (Fund); reduced the transfer from the Cash Reserve Fund to the Health and Human Services Cash Fund from \$10 million to \$3.5 million; transferred \$2.5 million from the Cash Reserve Fund to the NCCF for repairs at the Nebraska Correctional Center for Women in York. That's the water. Yay, water! Amended the amounts of the transfer from the Affordable Housing Trust to the Rural Workforce Housing Fund and the Middle Income Housing Fund to be each \$12.5 million. That is the one item that I asked Senator Clements about before we broke for lunch that was not a bill. It was a request from, I believe, the Governor's Office. And so there was not a recorded vote in committee; it was a show of hands as to whether or not people agreed to do that. So I don't know. Just for future Legislatures, we might want to figure out a better way of including those types of changes and documenting the committee results. But that's not for today. Amended provisions related to the State Settlement Fund, Financial Literacy Fund, State Unemployment Insurance Trust Fund, and created the Workforce Development Program Fund; and amended unemployment tax provisions for tax credited to the State Unemployment Insurance Trust Fund. OK. Amended the unemployment

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tax provisions. Ah, yes. So that was-- that last one, I believe, was Senator Hansen's amendment that lowered or gave a tax holiday to employers for 5 years so that we aren't collecting money to go into this fund that has been unutilized for a very long time. And now we're sweeping that fund to help make our budget work. And so that we don't continue to do things like that on the backs of our employers, Senator Hansen introduced an amendment to limit the income revenue going into that fund. And I, like, almost never do this, but I just liked it so much-- because I hate having fees that don't serve a purpose and don't cover the cost of something that they're supposed to be covering-- so I did vote for that amendment. And I still feel a little jittery about it, because I don't necessarily agree with doing something on the floor that hasn't had a hearing that's that significant. But I went around and I talked to a couple of my colleagues, I think I talked to Senator von Gillern and Senator Raybould and maybe a few others who are business owners. And since this is a fund that they pay into that's supposed to help the business community, and it was going unutilized and it would be better for them to not pay into it, I took the advice of the experts in the field here on the floor, and I voted for Senator Hansen's amendment. So that's what's on that in the fiscal note. OK. As amended, the bill-- oh, by the way, if you-- I see some people kind of looking up if they hear their name. I'm only saying good things, Senator Hansen, only good things. Yeah, I see you. I, I got it. I-- don't be worried. This is nice. I'm just-- I'm just appreciating your work on this bill. It's the only thing I think I voted for on this bill. So, you know, there you go. Much like Senator Riepe and myself, Senator Hansen and I come together on the most unusual of things and cutting government fees, top of that list. OK. Transfers to and from the General Fund. This is still on the fiscal note for LB1413. So, OK. Universal Service Fund interest. Ooh, I don't know if Keisha's on the floor right now; she was earlier. But, Keisha, I see you. I see you. Keisha is-- Patent is the head of our Fiscal Office and she prepared this fiscal note. And she did put interest in the fiscal note, which is what I was talking about earlier today, that I was remiss in putting an amendment in here to make sure that we were only taking the interest. So we've got that at least documented in the fiscal note that our intention is the interest. So if the interest to this Treasurer's Office or whoever's making that transfer is less than \$2 million, don't take \$2 million. Take just the interest. We don't want to be in trouble with our Universal Service Fund. OK. Records Management Cash Fund, \$3 million in '23-24. Charitable Gaming Operations Fund, \$7 million in '23-24 and \$1.5 million in '24-25. This was one that I didn't-- I think I wanted to ask questions about previously, and I never got to. And I've misplaced my green book-- ah,

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there it is. Because I don't actually know about the Charitable Gaming Operations Fund and what its purpose is. So we'll come back to that. Civic and Community Center Fund. Ah, this one, the Civic and Community Center Fund. So this is \$4 million that we are taking out of that fund and putting into the General Fund.

**ARCH:** One minute.

**M. CAVANAUGH:** But-- thank you. But here's the thing. That money goes to the smaller communities for basically community economic development. And it comes from the larger populations from the community and civic centers like the CHI Health Center in downtown Omaha or the Pinnacle Bank Center in Lincoln. There is a portion of tax that is collected from that that goes into this fund to fund more community development programs across the state, like in those art districts. And so that's a really important fund that I-- does not benefit my district, except for that it benefits Nebraska. So then everything that benefits Nebraska benefits my district. But if it-- if I were representing smaller communities, I might not be so thrilled about taking \$4 million out of your own communities to fund whatever's in the budget.

**ARCH:** Time, Senator.

**M. CAVANAUGH:** Thank you, Mr. President.

**ARCH:** Senator Blood, you are recognized to speak.

**BLOOD:** Thank you, Mr. President. Fellow senators, friends all, I am just going to read-- just going to read a brief letter. We are having some conversations this morning and we actually had these conversations, gosh, since like November, December, where it was noticed that a lot of committees weren't getting appointments made to them. And we kind of pre-predicted what was going to happen in this budget in that we wondered if they were purposely like trying to shut down those committees, were they going to be trying to utilize the funds to maybe balance the budget. and guess what happened? So I just wanted to read this letter because I think it gives us pause to kind of think about was this pre-planned or is this something that, you know, just kind of organically happened? And I know that, for the people that are on these committees, they've been expressing concern for months. So this letter is dated December 21, 2023, and was sent to Governor Jim Pillen. Dear Governor Pillen, It's been brought to my attention that there are many boards and commissions that are currently needing executive appointments. As you know, these

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appointments are made by the Governor. Clearly, each board or commission serves a unique purpose. With that said, many are considered to be significant and unable to function in an appropriate capacity without appointed members available to fulfill the roles assigned. As a state senator, I ask, what can my office do to help? Do you plan a campaign to let our constituents know that Nebraskans need to visit your site and apply for these appointments? I have done so in the past and I'm happy to do so again. If all 49 senators were to assist you in this fashion, I believe you could gain momentum. If the issue is deeper than needing qualified applicants and this is the result of appointments not being made, how might we resolve this issue? I look forward to your response and excited to see you move our state forward in this area so we can continue to engage our residents in state government so they can use their experience, expertise and voices to help us build a better Nebraska. Sincerely, Senator Carol Blood. So our concern since last year was what's been going on with these legisly-- legislatively-created boards and commissions, and why were we falling behind on appointments? And then shortly after that, we started getting emails from members on these boards and commissions asking why their funds are being taken away. So my concern is, as Senator Machaela Cavanaugh talked about, is this a shell game? She's talking about the cups, but it's called a shell game. And have we been told the truth from the very beginning? And I am not saying that anybody at the executive branch has not been honest with us, so please don't get on the mics and try and pick a fight. What I'm saying is that this is very puzzling. It's like we saw it coming, and it's really unfortunate that we did see it coming. And it's too bad that we couldn't have done something to maybe better address it than to ignore what previous legislative bodies wanted to do with these committees and boards, these commissions and boards, and to take away their voices. Because clearly, as we already talked about on the mic today, they were meant to serve a purpose. And did we water down that purpose by not appointing people to those boards and commissions and now by taking away their funds? With that, I would yield any time I have left to Senator Machaela Cavanaugh.

**ARCH:** One minute, 15.

**M. CAVANAUGH:** Thank you, Mr. President. Thank you, Senator Blood. Yeah. The, lack of appointment to a lot of, gubernatorial--

**ARCH:** One minute.

**M. CAVANAUGH:** --appointed-- thank you-- committees has been concerning. And coupled with a bill that was introduced this year at

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the request of the Governor that I don't believe has moved forward that eliminates the-- or absorbs some of those committees and commissions into-- thank you, Molly-- into the, into the operations of, of the state agencies that are sort of associated with them and then eliminates the boards and basically takes that money from that commission and puts it into the hands of that department, that agency. So it, it is-- it is a pretty big concern, and-- I'm gonna grab my water. So the other day, whichever day that was, when we were on Select File on the budget, and I got on the mic and I said, hey, hey, folks.

**ARCH:** Time, Senator.

**M. CAVANAUGH:** Yes.

**ARCH:** And you are next in the queue.

**M. CAVANAUGH:** Thank you. I said, hey, folks, we've got a-- State Auditor just released a report, an audit of DHHS. Do we need to take a look at this before we move the budget forward? And I wouldn't say that people said no so much as didn't actually respond. So anyways, there is an article in the Nebraska Examiner today from Cindy Gonzalez that says: State Auditor Exposes Questionable Handling by DHHS of Tens of Millions of Federal Dollars. Suspect spending includes pandemic-related funds allocated by Nebraska lawmakers for worker recruitment at nursing homes. "More than \$21 million in questionable spending of federal pandemic funds by the Nebraska Department of Health and Human Services was revealed in a newly released statewide audit. The expenditures on such services as talent recruitment for nursing homes are considered suspect, state Auditor Mike Foley said Tuesday, because his team was unable to find adequate documentation that the money was distributed and used properly. He noted that examples cited in the audit are far from comprehensive, and said pandemic-related dollars are just part of ineffective oversight by DHHS, including its handling of Medicaid funds. Overall, his team pointed to possibly tens of millions of misspent or unaccounted for federal dollars." So this is not really even the first audit from the State Auditor Foley of DHHS; he has done audits of them in the past. But it does bring into question, you know, government oversight conversation we had yesterday about the history-- the Nebraska-- History Nebraska. So anyways, just putting that out there. Longstanding fraud and abuse. The audit followed a management letter that Foley released a month ago on, "longstanding fraud and abuse" in the DHHS administered personal services-- "personal assistance services" program, which is funded by Medicaid. The "lettit" was--

letter was a prelude to the full audit, Foley said. He said Corsi has started to address the longstanding problems in the Personal Assistant Services Program, but Foley said the, the full audit report exposed further examples of mishandling, including lack of proper oversight of federal funds by DHHS. The auditing team noted as particularly disturbing the apparent inability of 2 DHHS investigatory programs to adequately safeguard Medicaid funds. Auditors tested 20 cases in the Program Integrity division, which investigates cases of potential Medicaid fraud, and 6 cases in the Special Investigations Unit, which pursues allegations of recipient fraud. The testing found 5 cases of suspected wrongdoing that had not been brought to the satisfactory resolution. Foley's statement said that whether the result of human error or ineptness, the examples cited by his team were not all-encompassing. Nevertheless, they account for tens of millions of possibly misspent and unaccounted for federal dollars, and they're not all-encompassing. Examples cited by the auditors. Among the audit findings: "known questioned costs" of \$21,410,994 are due to the inability of DHHS to properly document spending of federal Corona State and Local Fiscal Recovery Funds. These monies--

**ARCH:** One minute.

**M. CAVANAUGH:** --the auditing team said-- thank you, Mr. President-- the auditing team said-- the auditing team said were allocated by the Nebraska Legislature for employee retention and recruitment by nursing and assisted living facilities and providers of developmental disability services. However, they were reportedly distributed-- disbursed without subsequent verification that recipients used the funds as they were supposed to. DHHS reported having paid \$5,000 in the coronavirus funds for allegedly fraudulent nursing scholarship applications submitted by a person who claimed falsely to be enrolled in a nursing program. Another \$1.9 million in known questionable costs was noted because DHHS's ineffective control procedures when distributing federal child care and development block grants. The federal regulations require those dollars to be obligated by September 20, September 30--

**ARCH:** Time, Senator.

**M. CAVANAUGH:** Thank you.

**ARCH:** You're next in the queue, and this is your last opportunity before your close.

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**M. CAVANAUGH:** Thank you, Mr. President. September 30, 2022. However, auditors noted that DHHS was spending them as late as June 28, 2023. So I'm just going to pause there for a second and ask the question, I guess, rhetorically. I don't expect an answer. It seems like DHHS has quite a bit of issues of executing oversight of programs that they are charged with and oversight of monies that we give to them. So I wonder how that can be remedied with an enormous cut to how many people work there. If we are eliminating, I think it was like, I don't know, 2,000 positions or now I can't remember. Maybe it was 16% of positions were going to be eliminated for budget cuts. If we're eliminating all those positions, however many they are, how are we going to provide greater oversight of these massive programs that are clearly lacking in oversight? Just a thought. Back to the article. "Furthermore, \$32,000 in the federal child care and development block grant monies were designated as questioned costs because DHHS did not ensure that recipients met criteria for increased awards. An example, the Auditor said, was that one recipient received an additional \$5,000 in student loan reduction for having a master's degree, but it was learned she had yet to complete her schooling. Even worse, she had not completed a class since 2012, the Auditor said. Because the questioned costs were based upon a sample, the potential dollars at risk were estimated to be \$5,293,516." DHHS reportedly spent \$163,622 in federal Child Care Development Funds in violation of federal and state requirements. The auditors noted a lack of support for disbursements, duplicate claims, and payments surpassing amounts authorized. One example that was said to be unreasonable included billed hours when the school-age children should have been in school. Yeah. That's probably not great. Another provider billed 240 hours of overtime in a month, but no documentation could be found to support that amount. Shocking-- quote, shockingly, previous audits of DHHS have produced similar findings for the past 17 years the Auditor team said. "Wowza." A sample testing of 25 long-term care facilities' payments revealed the known misuse of \$20,153 in Medicaid funds by DHHS. Errors were attributed mostly to DHHS not properly verifying recipient income and resources to ensure eligibility. In one example, a recipient sold a home for \$144,000, but DHHS did not confirm the proceeds when determining eligibility. Based on the sample tested, the Auditor put the potential dollars at risk an estimated \$31,763,196. Whoo, that's the end of that article. So State Auditor Foley--

**ARCH:** One minute.

**M. CAVANAUGH:** Thank you. --was the Lieutenant Governor for my first 4 years here, and he's a former state senator as well, and the former State Auditor. And Auditor Foley and I, much like others in this body,

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have some disagreements on public policy, but I have a great deal of respect and admiration for his work now, and previously, as an auditor. He never takes politics into consideration when he is doing an audit. He looks at the facts of the situation, and he is willing to take some blowback, even if he releases unfavorable reports because he is a steward of the taxpayer dollars. So thank you to Auditor Foley for that. I very much appreciate your work and your whole team's work. I think I'm about done--

**ARCH:** Time, Senator.

**M. CAVANAUGH:** --close. Thank you.

**ARCH:** Recognized to close on your motion.

**M. CAVANAUGH:** Fantastic. OK. I think we have, like, 58 minutes left to go if my calculations are right. But again, we have to go by Jenni's math is better than my math, always. OK. So I-- within that article was another article that is-- was linked to from February 28: Nebraska Auditor flagrant abuses up to \$1.5 million in questionable billings suspected in DHHS program. This one was very interesting to me when it came out because it was, like, well, I guess it says it in the quote here, "flagrant abuses." This was absolutely flagrant abuses of Medicaid billing. It was for personal assistance services programs. And these are extremely important to people who are requiring any sort of assistance, whether it is because they are aging at home or they are developmentally disabled or physically disabled, whatever it is, disabilities, chronic conditions. These services are really, truly essential to them. So the fact that they were billed the way that they were, the question I have and I'll read this, but the question I have at the end of this is what happened to the people that were supposed to be getting the services? OK. One service provider billed the Nebraska Department of Health and Human Services for 32 hours of work she supposedly performed in a 24-hour day, 32 hours of work in a 24-hour day. Now, I don't have to be as good at math as Jenni is, but even I know that that is definitely not correct. In another situation, the agency reportedly authorized a provider of personal assistance services to be paid for 118 hours of service in a typical 40-hour workweek. That also seems excessive. I think that's like 3 times as much as a 40-hour workweek. But OK. Yet another provider billed DHHS for client care allegedly provided on 9 days when Facebook postings showed her to be traveling during that time to Indianapolis, Dallas and Phoenix. OK, so she was supposed to be providing care. She was billing for 9 days of care when she wasn't even in the state. What about the person who was supposed to be getting the care? What is

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happening to that person? That's very concerning. Those and other flagrant instances of apparent financial abuse were identified during a probe of the DHHS Medicaid-funded personal assistance services program during the past fiscal year. State Auditor Mike Foley said Wednesday that his auditing team found tens of thousands of dollars of questionable billings, flagrant abuses, including suspected fraud committed by certain care providers fleecing the program to receive unearned payments. That just breaks my heart really because they are supposed to be helping actual, actual people. And this kind of falls into that, you know, what do we outsource for the government and what do we do in-house? And it makes sense to hire contractors to do-- provide these services instead of increasing the number of people the state employs to provide these services. But if we can't trust that they are doing this, that it's basically a scam--

**ARCH:** One minute.

**M. CAVANAUGH:** --then what, what is the answer there? Do we have to bring this, this piece in-house? And I don't think that that makes a whole lot of sense. Oh, is this my close? Oh, OK. I have to remember that. OK. So. OK. Well, why don't I-- I'm just going to wait for a moment. I'm gonna pull FA316 and go to the next.

**ARCH:** Without objection, so ordered. Mr. Clerk, next item.

**ASSISTANT CLERK:** Mr. President, Senator Cavanaugh would move to strike Section 2, LB1413, LB1413. That would be a motion to return for a specific amendment.

**ARCH:** Senator Cavanaugh, you're welcome to open on your motion.

**M. CAVANAUGH:** Thank you, Mr. President. Now, colleagues, you are welcome to discuss anything you like about the budget. Please don't feel that I will be offended. I also won't be offended if you want to just let me continue to have my own conversation with myself, which I became very used to doing last year. So OK. This amendment strikes Section 2 of LB1413. So Section 2: The State Treasurer shall transfer \$5 million from the Nebraska Education Improvement Fund to the Education Future Fund on or before June 30, 2025, on such dates and in such amounts as directed by the Budget Administrator of the Budget Division of the Department of Administrative Services. So, interestingly, when you look through these different sections and you'll see that it, it says to do it by this date and this amount. So that is why when we got to my amendment that was ultimately adopted that was the Universal Service Funds under Section-- what section was

that? It's on page 48 of the last amendment, Section 55. So it-- this one had "and each June 30 thereafter." So as I discussed on the previous bill, we cannot make permanent statutory changes, or we should not make permanent statutory changes in the budget. The budget is supposed to be for the biennium that it exists in. And if we are going to bind future Legislatures to spending items, we do that through regular legislation. So that is why that was taken out. And if the Legislature wants to take money from the Universal Service Funds excess next year, it has to be brought up again and voted on. Or a bill can be introduced that would come to Transportation Telecommunications, and we would have a hearing about permanently making that change. I don't believe that that would go very far if it came to that committee. Just assuming that I would be on that committee again for the next Legislature. I would say that it probably-- I guess it depends on who's on the committee; the current committee I don't think would go for it. And I don't think there's anybody termed out on the committee right now. We've got from my class, we've got-- it's kind of my-class-heavy. Senator Moser, Senator Brandt, Senator DeBoer and myself. So that's 4. And then we have Senator DeKay. Oh, and our senior member is Senator Bostelman, who is-- so we could replace him on that committee if everybody else wanted to stay on it. But we have Senator DeKay and Senator Bosn also on the committee. So, yeah, if the committee stayed mostly the same as it is right now, probably we wouldn't go for that. But you never know how people are going to feel a year from now. OK, so that was strike Section 2. I'm going to finish reading this article. Need to get back in the queue. Just one moment. We have about 50 minutes left, so hopefully the Revenue Committee is getting their revenue package finalized. OK. So this is about billing for personal assistance services on Medicaid. Under the guidelines for the personal assistance program, eligible Nebraskans with disabilities and chronic conditions are allowed to receive certain services as hygiene, mobility and housekeeping from an approved care provider. That's an interesting concept there, from an approved care provider. So these people who were overbilling were approved care providers. So it does question-- bring up the question of what is the requirement to become approved. And do we need to revisit those requirements and, and make sure that there are more strict guardrails put in around who is approved? OK. DHHS is to conduct a needs assessment of allowable services for each client. It pays providers typically about \$13.52 an hour for work, and time and a half for overtime. Now, I will admit that that is not very much money to pay for this work. This work probably should be paid-- not probably, it should be paid at a higher rate than \$13.52 an hour. I mean, this is intense, laborious work that is an essential service.

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But OK. Foley said that deficiencies have been identified for at least a decade in the program, but that the latest examples convinced him that it is in desperate need of an overhaul. Audit findings are to be turned over to the Attorney General's office for further review and potential prosecution for fraud. Corsi said in a statement that he is working with Foley to step up safeguards, ensuring that taxpayer dollars are spent responsibly and funds go to supporting Nebraska's most vulnerable individuals. I do appreciate that, Director Corsi. DHHS officials were not immediately available to respond to questions. But in the Auditor's management letter, DHHS responded that the department will have recurring meetings to review deficiencies cited and identify ways to improve. Corrective action identified in the report: "This could include a combination of policy, business rules and technology changes, as well as interim and long-term mitigation strategies." Another example cited by the auditing team-- oh, the audit covered the fiscal year ending June 2023. Another example cited a provider claimed to have provided 87.25 hours of service in one week for 3 different clients, despite holding down 2 other jobs as a dental hygienist and a pharmacy technician. The auditing team identified 101 work days in which the provider billed DHHS for services supposedly delivered during the documented work hours of her other employment. OK. Wow. A provider claimed to be away on vacation on a day when her home was being targeted by an unrelenting law enforcement raid. Yet she billed DHHS for 14.5 hours of service that day. Oh, unrelated, not unrelated. Sorry. This, this person sounds like they might have an interesting story. They claimed to be away on vacation on a day when their home was targeted by a law enforcement raid, and billed DHHS for 14.5 hours of service that day. The provider held other jobs as a medical assistant and a bus driver, and auditors identified 40 days in a 5-month span when DHHS billings directly conflicted with the hours of that other employment. That-- there's got to be a fascinating story behind this individual. That sounds like the plot of a movie. One provider billed DHHS for personal services performed for 2 family members for whom she was legally responsible, a practice the audit team said that is prohibited by federal regulations governing the program. Well, if that's the case, then how were they approved to provide the services because you have to be an approved provider? Do they provide those services for other individuals that are not legally their responsibility? That doesn't-- that's strange to me. OK. I'm on my open-- how much time do I have left, Mr. President?

**ARCH:** One minute, 22.

**M. CAVANAUGH:** OK. So I will say, if anybody from the Nebraska Examiner is listening, there is a typo in the March 26 article. One of the red

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bold headlines: Longstanding fraud. I think it's supposed to say "and" but it says "abd" abuse. So just FYI to fix that typo. I am going to turn back to going through--

**ARCH:** One minute.

**M. CAVANAUGH:** Thank you. --through the fiscal note on this bill. And I am also going to take a quick second to grab a throat lozenge because I am starting to get a scratchy throat. So let's see here. I think where I left off, I got through all of the-- yes, I was on the transfers to and from the General Fund spreadsheet, and I was talking about the Civic and Community Center Fund. So I will pick up there in one moment as the President switches over to my time.

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

**M. CAVANAUGH:** Thank you, Mr. President. OK. So when I left off the civic-- and I apologize, especially if my mother is watching. She, like, really does not care for people chewing gum when they're talking. And I am going to suck on a throat lozenge, but I hope she forgives me. It is, you know, the Easter season, so-- which, sidebar, one of my siblings sent a funny video. We're Catholic. It was Palm Sunday on Sunday. And it was about a-- it was like a peasant from, I don't know, the 1800s or something, talking about how great Palm Sunday was because it was like throwing shade at their other siblings at church and stealing-- who makes, like, the best, most intricate pal-- cross out of the palm. And then it's like this entertainment while you're in church, playing with your palm. And it's like a long palm leaf for those that aren't aware. And then my oldest brother texted a family photo of his palm that he had made into-- it was actually a very impressive, perfect crucifix. I, I will say, Patrick, good job. I don't think I told you that in the group text. And we, we do have a family group text of, I don't know, 17, 18 people. I'm not sure. It's all my siblings, my in-laws, my parents and my 2 oldest niece and nephew. Maybe the next 2. Are Jasper and Clyde on it? I don't know either. Yeah. Anyways, it's a lot of people and a lot of sports updates that are very random. But it is fun because we just put things in there and we can kind of keep up with each other. Like, I didn't know that one of my brothers was on a family vacation until he sent pictures of his kids at the beach. So there you go. I have 5 brothers, by the way. So when I talk about my brother, you just never really know unless I specifically say the one that's in this room. OK, so the Civic and Community Center Fund. That's the one I was talking about, and I asked about it when we were debating this bill on General File, I believe. I was asking Senator Clements about all the different

funds and this one came up. And I was-- I wasn't familiar with it at the time. So I went out in the Rotunda and I found, actually a former legislator who works on that fund and-- or knew what the fund was and talked to him about it. Also, speaking of family, I just looked out into the Rotunda and I see my cousin. So there you go. Anyways, you can all go out and say hi to my cousin; she's out there. The Civic and Community Center Fund on page 20. The committee recommendation includes a transfer of \$4 million from the Civic and Community Center Financing Fund, or CCCFF, in FY '24-25 to the General Fund. The CCCFF receives 30% of the revenue certified under the Convention Center Facility Financing Act, a sales tax turnback used for financing convention centers. So for those that don't know what that is, there's a sales tax that is specific to convention centers, as I mentioned earlier in Omaha and I believe Lincoln--

**ARCH:** One minute.

**M. CAVANAUGH:** --maybe some others-- thank you, Mr. President. And a portion of that sales tax is turned back to this fund. That's the turnback. There you go. OK. So it's used to award buildings, to grants-- it's used to award grants for the construction of new civic and recreation centers, renovating-- renovation of existing centers, preservation of historic buildings or districts, upgrading public spaces, including demolition of substandard or abandoned buildings, technical studies related to upgrading the civic spaces and in assisting creative arts districts. Projected balance at the end of FY '24 will be approximately \$1.6 million. So this is one that really impacts a lot of the much smaller communities. And--

**ARCH:** Time, Senator.

**M. CAVANAUGH:** Thank you.

**ARCH:** You're next in the queue, and this is your last opportunity before your close.

**M. CAVANAUGH:** Thank you, Mr. President. So this is a fund that goes to help the smaller communities. So pretty much anyone outside of Lancaster, Douglas and Sarpy, maybe a few others, maybe Hall County is too big, this goes to your communities for economic development projects that, that are funded through a tax that is enacted in our communities. And I recall, I think it was Senator DeKay came up to talk to me about it off the mic when we were debating this before asking about, well, don't you care that we're-- that you're paying a tax that goes to our communities? Well, I mean, obviously any tax is

something that you care about. But if you're paying a tax, it's basically a tourism tax. And people from all across the state come to Omaha for tourism, and from out of the state. So I can see how it makes sense to have a tax-- a tourism tax at these places that goes into our creative districts for tourism. So this is an example of a cash transfer that is-- really has an intended-- this cash fund has a very specific intended purpose for your communities. And if it's going underutilized, that would be your responsibility as representatives of those communities to inform your communities that this fund exists and that they should be applying for these grants. So the fact that there was \$5 million sitting in this fund, I think the bigger question is, what are we doing to promote this fund to your communities? Because in promoting this fund, ideally, we will create projects within your communities that will build up your communities, that will improve the economic health of your communities, that will improve the economic health of the state. So there you have it. But who knows how big that fund is going to be next year? Because we just had the NCAA basketball tournament in Omaha, and I know at least 4 people from outside of Nebraska that came specifically to watch the games and spent money while they were here, not just at the arena itself, but also at restaurants. And-- they didn't spend money on their accommodations, though; they had a free Airbnb. And I heard rave reviews that the hostess made them breakfast every morning, which every time I've stayed at that Airbnb, I usually make the hostess breakfast, so I thought that was quite the perk. Anyways, OK, so that's the Civic and Community Center Fund. Then we have the State Visitors Promotion Fund which we did make a change to, and that is in the fiscal note. Sorry, I'm trying not to crunch on this, but I am crunching a little bit. So we did in the fiscal note from March 19, we did-- you can see that there's-- we decided not to do what the Appropriations Committee recommended in transferring the \$5 million out of the Visitor Fund to the Department of Economic Development. Instead, we kept it there. And that's a perfect example of the budget is not final when it comes to the floor. It is essentially the recommendation of the committee as to what they think we should put forward. It is then incumbent--

**ARCH:** One minute.

**M. CAVANAUGH:** --upon-- thank you-- the entire body to have a conversation and work through the budget and make changes that we as a body see fit. So it is not disrespectful to debate the budget. It is not disrespectful to amend the budget. That's the process. Maybe it's disrespectful to filibuster the budget, but I oppose the budget. And as we've heard, I had no seats at any tables to inform the budget. So this is the avenue I have. Oftentimes that's the case that this is the

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avenue that I have. But anyway. OK. So the Visitor Fund-- well, I already talked about the Visitor Fund. OK. So then we have the-- so that now, on the updated fiscal note--

**ARCH:** Time, Senator.

**M. CAVANAUGH:** Thank you.

**ARCH:** You're recognized to close on the motion.

**M. CAVANAUGH:** Thank you. OK. So this is striking Section 2. So then I have one to strike Section 3 and Section 4. And we have 20, 33 minutes left? Yes? No? 3:13-ish? We have 33 minutes left. And that's 25 minutes of talking on one floor amendment. So we will probably have to start on the second floor amendment, although maybe not because-- no, yeah we do. OK. Anyways, neither here nor there. So this-- the Visitors Fund now is a zero line item on the fiscal note for LB1413. Water Recreation Enhancement Fund is a \$6.5 million transfer. And I don't remember what that fund is for. The Water Recreation Enhancement Fund. Oh, this is STAR WARS, but OK. STAR WARS and Jedi were names concocted by the former Speaker, now Attorney General Mike Hilgers. And he-- I can't-- it doesn't have the full thing out-- written out here. I can't remember. The full name, each letter spells STAR WARS. I think he spent a great deal of time working on that. The job portion of it was Jedi. If anybody can remember what the full name of STAR WARS was, please let me know. Or Attorney General Hilgers, you can text me and let me know. OK. So Water Recreation Enhancement Fund was funded by a \$100 million transfer from the General Fund in FY '22-23. This fund is used to support statewide tourism and recreational water access and resource sustainability, STAR WARS. Oh, there we go. Sorry. Statewide "S" Tourism And-- and we are using the "A" in the acronym-- and Recreational Water Access and Resources. We are not using the second "and." Not consistent. Access and Resource Sustainability. STAR WARS. I have no idea why he wanted it to be STAR WARS. It is very amusing, however, and maybe it was an homage to our colleague, Senator Bostelman, who I believe is an avid fan of STAR WARS. You're wearing a Star Wars tie? Of course, Senator Bostelman is wearing a Star Wars tie. OK. So the legislative committee, Lewis and Clark Recreation Area, Niobrara State Park and Lake McConaughy State Recreation Area for the purposes of increasing access to water resources, outdoor recreational opportunities, and tourism. The \$6.5 million transfer and corresponding reappropriation lapse of the same amount both narrow the scope of the project slightly by eliminating authorization for projects to increase access to the parks. The transfer requires amending the provisions of the fund to allow transfer to the General

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Fund. Projected fund balance at the end of '24-25 will be approximately \$88.3 million. So I, I don't disagree with this one.

**ARCH:** One minute.

**M. CAVANAUGH:** But that's because I didn't agree with the STAR WARS project to begin with. As, as amused as I am by the name, I was in opposition to the STAR WARS project, not all of it, though. Like the recreation areas, I think we should be investing in those, just like I said, the Civic and Community Center Fund. But there were additional things that I disagreed with like creating a lake through eminent domain in the Gretna area or Ashland, Ashland area. That's one of the things that I did not agree with. So I am getting close to being out of time. So I am going to pull my motion and go to the next.

**ARCH:** Without objection, so ordered. Mr. Clerk, next item.

**ASSISTANT CLERK:** Mr., Mr. President, Senator Machaela Cavanaugh would move to return the bill to Select File to strike Section 3.

**ARCH:** Senator Cavanaugh, you are welcome to open on your motion.

**M. CAVANAUGH:** Thank you, Mr. President. First, I must correct for the record. I don't know why he couldn't just get in the queue and say this, but Senator John Cavanaugh sent me a text. It was a cross, not a crucifix. Thank you for the distinction, Senator John Cavanaugh. OK, so strike Section 3. The State Treasurer shall transfer \$500,000 from the Professional Practices Commission Fund to the Education Future Fund on or before June 30, 2024, on such dates and in such amounts as directed by the Budget Administrator of the Budget Division of the Department of Administrative Services. OK, so the Professional Practices Commission fund. Isn't it fun learning about the funds? I think it is. Professional-- well, I see Contractor and Professional Employer Organization Regulation Fund, Professional and Occupation Credentialing Cash Fund. Is that it? Professional practices? No, that's not it. Huh. Well, I don't know where that fund is in here in the green budget book but I do-- I am now interested in the Contractor and Professional Employer Organization Regulation Fund. The committee recommendation includes a transfer of \$1 million from the Contractor and Professional Employer Organization Registration Cash Fund in fiscal year '23-24 to the General Fund. Funds in the Contractor and PEO Fund originate from fees collected pursuant to labor-- farm labor contractors, the Contractor Registration Act, and the Professional Employer Organization Registration Act. Projected fund balance will be approximately \$500,000. So I do wonder. We require people to pay a fee

into this fund. What does the fund do? Because we're taking a million out of it. It's keeping a balance of \$500,000. So again, presumably we are overcharging fees for this fund. And these fees look like they're being charged to farm labor contractors, which I'm not sure what that is. Is a farm labor contractor somebody who works on a farm as like an independent contractor? So works as sort of a freelance because it's not like a-- Yeah. Anyways, OK. The next one that I will be talking on is the strike Section 4 so I'm going to skip that and go to Section 5, which I don't have a motion on, or amendment. The State Treasurer shall transfer \$2.5 million from the Employment Security Special Contingent Fund to the General Fund. OK, so the Employment Security Special Contingent Fund. The committee recommendation includes a transfer of \$2.5 million each fiscal year from the Employment Security Special Contingent Fund to the General Fund. Funds in the Employment Security Special Contingent Fund originate from interest on delinquent unemployment insurance contributions. The transfers require amending the provisions of the fund to allow transfer to the General Fund. The projected balance at the end will be approximately \$3.7 million. So again, we have a special contingency fund for delinquent payments, in addition to the other unemployment fund that we charge money to. We really have been sort of fleecing the people of Nebraska with some of these funds. We probably could condense some of them, reassess the structure of them, the utilization, et cetera. OK. Well, Section 6 is still the Employment Security Fund. Section 7 is the (Affordable) Housing Trust Fund, which-- Sections 7 and 8 we did change in previous round of debate so that that's part of the change that you see in the fiscal note. And let's see here. FEMA reimbursement, COVID-19 cash fund, FEMA reimbursement, \$13 million. Huh. I'm curious about that. We have to give money back to FEMA in the amount of \$13 million. I'm just going to give him a heads up that, that-- Senator Clements, I will ask you a question about the FEMA reimbursement when I have my next time on the mic, but not right now. So I'm just curious if we, we have to give them money back or what that is about. OK. In addition to transfers authorized by LB1413, the bill includes the following provisions. Creates the Commission on African American Affairs Cash Fund. Creates the Museum Construction and Maintenance Fund. Amends provisions related to the following funds to allow the transfers included in the bill: Affordable Housing Trust Fund; Education Improvement Fund; Professional Practice Commission Fund; Universal Services Fund; Employment Security Contingency Fund; State Unemployment Insurance Trust Fund; Training and Support Cash Fund; Behavioral Health Housing Fund; Jobs and Economic Development Fund; Water Recreation Enhancement Fund, or "STAR WARS;" State Settlement Fund; Job Training Fund; and Site and Building Development Fund.

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Amends the transfer of the Tobacco Settlement Tax Trust Fund to the Health Care Cash Fund to reduce the amount by \$2.5 million and \$1.25 million each year thereafter. Amends the Military Base Development and Support Fund to rename the fund and change permitted uses of the fund. Amends the Medicaid Managed Care Excess Profit Fund to allow for use evidence-based early intervention home visitation programs. Amends the Lead Service Line Cash Fund to provide for additional uses and define terms. Amends requirements related to Game and Parks Commission to provide for grants to a federally recognized Indian tribe to construct, develop, and manage a museum and visitor center honoring Chief Standing Bear. And I just pause there for a moment to acknowledge that Senator Brewer reminded us all that yesterday was the anniversary of Chief Standing Bear being arrested in Nebraska. And for those that are not familiar with the story, I recommend reading the book "I Am a Man." OK. The section also amends intent language to clarify funds will be from the Museum Construction and Maintenance Fund; to strike the related to staffing by the commission and to strike language related to a memorial of un-- not memorial-- memorandum of understanding, also known as an MOU; or contract with the Nebraska State Historical Society for these purposes. Question on that. If we move forward with Senator Erdman's bill to change the Historical Society to a code agency, what, if any, implications does that have on this item of the budget? Just asking.

**ARCH:** One minute.

**M. CAVANAUGH:** Thank you, Mr. President. OK. I do see that Senator John Cavanaugh is in the queue, and I can only assume he wants to correct me further on the mic about crosses and crucifix, but perhaps he has something to say on the budget. So I will yield my time to the Chair and get back in the queue.

**ARCH:** Mr. Clerk, for announcement.

**ASSISTANT CLERK:** Thank you, Mr. President. The Urban Affairs Committee will hold an Executive Session at 3:00 under the north balcony.

**ARCH:** Senator John Cavanaugh, you are recognized to speak.

**J. CAVANAUGH:** Thank you, Mr. President. Well, Senator Machaela Cavanaugh was correct. She could read the future. I did push in because I, I did text her when she was talking about our brother making a crucifix out of the palm frond for mass this Sunday, which would be really impressive to make a crucifix, because a crucifix is a Christian cross with the iconograph of Jesus nailed to it. So that's

what makes it a crucifix. A cross is just the "t" shape. And so to make the palm frond into a "t" shape, while impressive, is not as impressive as it would be to turn it into a crucifix. So I think that that's why I wanted to make sure the record was clear that our brother did not somehow turn the palm frond into having a shape of Jesus himself on the front of it, but more just into the shape of the cross itself. So that's really all I pushed in to say, as the distinction is, is important, for some people, but just to make it clear. And I would support FA318 and yield the remainder of my time to Senator Machaela Cavanaugh because I have to go to the Urban Affairs Exec Session.

**ARCH:** Three minutes, 40.

**M. CAVANAUGH:** Thank you, Mr. President. Thank you, Senator John Cavanaugh, for that important clarification. I will remind everyone that this is cloture at 3:13. So Urban Affairs, you've got 20, not quite 20 minutes. You've got 16 minutes-- 4 plus 13, 17 minutes. OK. Math. You know that clarification for the record, the historical record of a cross versus a crucifix is really critical. So I'm glad we've got that-- the record set straight on that. I don't know if anybody else is ready for Easter. I'm hopeful that the Easter Bunny comes to my house. Got to dig out the Easter baskets for my kids. Because, you know, that's all part of the fun. You know what I, I really dislike about Easter? Not the holiday itself, because the holiday is a celebration. But what I dislike about the commercial side of the holiday is the green, plasticky grass that goes into the baskets that then somehow goes everywhere, everywhere. I know you know what I mean. I'm sure, Senator Riepe, you're going to be making up some Easter baskets this weekend. Yeah. So, anyways, I got to make sure that the Easter Bunny knows oftentimes we will go out of town for Easter. We're staying in town this year for Easter, and my kids also start spring break on Friday. So got to make sure that the Easter Bunny knows that we're going to be home. We are also going over to my parents' house so the Easter Bunny comes to my parents' house. That's cool too. And my, my cousin-- not the one that's out in the Rotunda, but my other-- actually, her sister-- has 2 little babies that are almost 2 and 9 months. So hopefully the Easter Bunny does-- and she lives next door to my parents, so hopefully the Easter Bunny will do a Easter egg hunt in the yard between the 2 houses, because Mikey, who's almost 2, I know will be an excellent Easter egg hunter. He's pretty, pretty smart, that one.

**ARCH:** One minute.

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**M. CAVANAUGH:** Thank you. So back to the cash funds. When you talk for over an hour straight, you digress from time to time. OK, so amend, I think we got through that. Oh, yeah. Let's talk about this Nebraska State Historical Society. And it probably doesn't matter if we pass Senator Erdman's bill to make it a code agency. But it is interesting how things are interconnected in legislation in that we have a line item here that creates an MOU. Oh, no, it strikes the language related to the MOU or contract with the Historical Society. I should have read that a little bit closer. OK, I got it. So then, yeah, it doesn't matter if we get rid of the Historical Society as a non-code agency.

**ARCH:** Time, Senator.

**M. CAVANAUGH:** Thank you.

**ARCH:** And you're next in the queue.

**M. CAVANAUGH:** Thank you. Is this my first time?

**ARCH:** Second.

**M. CAVANAUGH:** Second. OK. This and a close. Got it. Which I was right, makes me 3 minutes short on cloture. That's fine because I have another one, motion to strike Section 4. OK, so that is-- I think I made it. No, I didn't make it all the way through the-- through the fiscal note. And I do want to note that, you know, these fiscal notes are a lot of work for the Fiscal Office, for the fiscal analysts. And so I, I read them anyways, like, I always read the fiscal notes. But I very much appreciate the staff work that goes into the fiscal notes and into the committee statements. I also read the committee statements. And I think sometimes our staff think that they do all of this work because that's just how it is set up. But is there anybody that's looking at it? And the answer is yes, this gal. This gal is looking at it. I read the reports that we have put that are sent to the-- to the Legislature that, that go to the Clerk's Office that are posted online. When people say, does anybody read those reports? Yes, I read the reports. Does anybody read the fiscal notes? Yes, I read the fiscal notes. Does anybody read the committee statement? I rely on the committee statement very heavily for any bill that comes out of any committee that I am not on, that we debate on the floor. Those committee statements are so essential to me to understand quickly the complexities of a bill. So thank you to all of the committee staff and the fiscal staff for all the work that you do; it does not go unnoticed by me, and it is immensely useful. OK. Amends language related to categories of Site and Building Development Fund grants to

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clarify that certain category of grant is to a city of the first class located in the Third Congressional District. That's about something specific, but I don't know what it is. Amends the Business Innovation Act to allow for 2 categories of planning grants. Amends Shovel-Ready Capital Recovery and Investment Act to allow an additional category of qualified non-profit and extend the application deadline from July 1, 2024, to September 1, 2024. And this, I know, is something about, it was like only sports or maybe it didn't include sports. It's either including sports or broadening it beyond sports; I don't recall exactly. So. OK. Amends the Economic recover-- Recovery Contingency Fund to allow the Museum Construction and Maintenance Fund to transfer \$750,000 in FY '24-25, and \$15 million in FY '25-26 to the Economic Recovery Contingency Fund to the Museum Construction and Maintenance Fund. I'm going to pause because I was going to ask Senator Clements-- ooh, he's in conversation about. Would Senator Clements yield to a question?

**ARCH:** Senator Clements, will you yield?

**CLEMENTS:** Yes.

**M. CAVANAUGH:** Thank you, Senator Clements. I apologize. I was trying not to ask you any more questions, but the FEMA transfer, it says-- well, now I--

**CLEMENTS:** What page is that?

**M. CAVANAUGH:** I'm looking at the fiscal note--

**ARCH:** One minute.

**M. CAVANAUGH:** --for this bill, and it was on--

**CLEMENTS:** And the dollar amount?

**M. CAVANAUGH:** It was on the second page of the fiscal-- the latest fiscal note, and it says COVID-19 Cash Fund, FEMA reimbursement, \$13,841,000.

**CLEMENTS:** Yes. The Governor was given a large amount of money during COVID--

**M. CAVANAUGH:** Oh, OK.

**CLEMENTS:** --in case we had things he needed to spend money on.

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**M. CAVANAUGH:** Right, yeah.

**CLEMENTS:** He spent some of it. But he's returning \$13.8 million unused.

**M. CAVANAUGH:** The FEMA part of that is what threw me off, because I was-- I was genuinely wondering if it had something to do with the floods we had in Fremont pre-COVID, because we've had--

**CLEMENTS:** No, it's COVID dollars.

**M. CAVANAUGH:** We've had a lot of-- a lot of things come in here. So thank you, I appreciate that. I swear I won't ask you any more questions--

**CLEMENTS:** Thank you.

**M. CAVANAUGH:** --in the next 7 minutes.

**CLEMENTS:** I thought you'd never ask.

**M. CAVANAUGH:** Thank you, Senator Clements. How much time do I have left?

**ARCH:** Two seconds.

**M. CAVANAUGH:** OK. Thank you.

**ARCH:** Senator Slama, you're recognized.

**SLAMA:** Thank you, Mr. President. Senator. Cavanaugh mentioned she was about 3 minutes short, so I figured I'd hop in and talk for maybe a minute and then kick her my time. And then she doesn't have to make the Clerk do more work than he needs to. I have voted red on LB1413 every round so far. I will vote red on it again. It's not any complaint on the Appropriations Committee's work. I do find it problematic in the long haul that we are raiding all the cash funds when our state is doing quite well. Those funds have historically been used when we end up being short, because Nebraska is one of the few states that does have a balanced budget requirement. I think we're shooting ourselves in the foot for years to come. So I will be voting red on LB1413, even though I would really like to thank Senator Clements and all the work that the Appropriations Committee has done on putting together what I think is a really, really good budget. And with that, I would like to yield the remainder of my time to Senator Machaela Cavanaugh.

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**ARCH:** Three minutes, 55.

**M. CAVANAUGH:** Thank you, Mr. President. Thank you, Senator Slama. And not to freak people out too much, but Senator Slama and I agree on a policy issue. What? It's upside down day. It took 6 years, but we got there. I also disagree with sweeping the cash funds when we are economically thriving. And I think that it's not really the most appropriate way to be good stewards of the taxpayer dollars. But I, too, appreciate the work of Senator Clements and the entire Appropriations Committee. And Senator Clements has been-- gone above and beyond gracious in answering my questions about the budget. So thank you, Senator Clements, for that because I certainly have had no shortage of questions over the 3 rounds of debate. And I seem to keep finding questions as I go through it. I will say, again, colleagues, I know it's, it's a lot-- it's a lot of work to read the budget. But it is important because there, there are things that sometimes pop up that happen in any bill that need to be tweaked. And that's the same thing with the budget. And even though it is perhaps to some a dry subject matter, it still deserves our full attention. And reading the budget and reading the budget book are the ways to give it that attention. We're doing one or the other. It's also a way to do it. I personally would say that reading the actual budget is not as overwhelming as it might initially seem. You can skim through it and just see when things are struck or underlined. And those are the changes. So there's like whole pages in here that have nothing on them-- or, nothing changed. And so you don't have to read, like, I don't have to read page 28. It doesn't have change; 29, 30 has some changes. Like you don't have to read the whole thing; you don't have to read every single line to read the budget. You just need to read the changes, things that are added and things that are taken out. So there's the Cliff Notes way of reading the budget. I see that Senator Clements is in the queue and we have exactly 5 minutes left. So I'm going to let him have the last word. If he wants to use that full 5 minutes. I yield the remainder of my time to the Chair.

**ARCH:** Senator Clements, you are recognized.

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

**ARCH:** Senator Cavanaugh, will you yield?

**M. CAVANAUGH:** Yes, I'm an expert.

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**CLEMENTS:** I missed one of the explanations. Would you tell me what STAR WARS stands for?

**M. CAVANAUGH:** You need to go talk to the Attorney General.

**CLEMENTS:** Statewide--

**M. CAVANAUGH:** Statewide-- OK, here we go. It is Statewide Tourism and Recreational Water Access and Resource Sustainability; but only one of the "ands" is used in the acronym.

**CLEMENTS:** Was that on a page in the green book?

**M. CAVANAUGH:** Oh, yes, it's page 20.

**CLEMENTS:** I was looking for that.

**M. CAVANAUGH:** It carries over to page 21.

**CLEMENTS:** Very good. That-- I was on that committee and I never could remember the name of the committee except for STAR WARS. Thank you, Senator.

**M. CAVANAUGH:** Yes.

**CLEMENTS:** I did get in the queue because this is a Final Reading for the final budget bill, LB1413, which is the cash transfers. This STAR WARS Fund was a cash fund that was set up. And, one of the important parts of that is flood control. It was after the 2019 flooding event. And also, regarding COVID, we were looking for ways to promote tourism as well. But the flooding-- flood control is eastern Nebraska, here in especially Saunders and Colfax Counties. So we did keep \$20 million available for that purpose. And there still is \$6 million allowance for a feasibility study for what Senator McDonnell calls Lake I-80. And so far there is a picture on a map and a drawing somewhere for Lake I-80, but I haven't seen that is going forward yet. But there are funds that are going to be looking into feasibility of that project. The other funds were transferred for other purposes. The Cash Reserve Fund, we did enhance the Cash Reserve Fund out of that. And the funds transfers that we did, I know that we were careful on what funds were transferred. There were, as I said before, a number of requests. The Governor recommended, recommended quite a few more than we approved in the committee. We tried to make sure it was a fund that has more revenue coming in than going out. And in the future, we'll have enough revenue and balance remaining to be able to be sustainable. And the other part of it is the transfers into the General Fund are, are

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helping out with the overall budget picture and keeping-- actually keeping money to the floor is part of what those fund transfers are doing. Without those fund transfers, there would be no funds to the floor because it's around \$200 million, the total amount. I again do want to thank the members of the Appropriations Committee. We are the 5-day committee that meets every session day when we're having hearings. And we had, again, many requests and did have to prioritize and, and did the best we can to try to--

**ARCH:** One minute.

**CLEMENTS:** --do what's best for-- thank you-- what's best for the state of Nebraska. Overall, we try to balance east and west so all different congressional district areas do receive funding. Because the committee is made up of 3 people from each congressional district, we get input from the different areas of the state. And so I do thank the committee and especially the Appropriations Committee-- excuse me, the fiscal analysts. Each one of them contributes to us, each agency that they-- each one of them has several agencies that they specialize in. And their expertise is very helpful in, in knowing what agencies' needs are and what their priorities are. So I do--

**ARCH:** Time, Senator.

**CLEMENTS:** Thank you.

**ARCH:** Mr. Clerk, you have a motion on the desk.

**ASSISTANT CLERK:** Mr. President, Speaker Arch would move to invoke cloture on LB1413 pursuant to Rule 7, Section 10.

**ARCH:** Members, we are on Final Reading. Please check in. Members, please return to the Chamber. We are on Final Reading. Members, the first vote is the motion to invoke cloture. All those in favor vote aye; all those opposed vote nay. Have you all voted? Mr. Clerk, please record.

**ASSISTANT CLERK:** 35 ayes, 7 nays to invoke cloture, Mr. President.

**ARCH:** The motion to invoke cloture was adopted. The next vote is the motion to return to Select File for a specific amendment. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

**ASSISTANT CLERK:** 1 aye, 40 nays on the motion to return the bill, Mr. President.

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**ARCH:** The motion fails. Mr. Clerk, next vote is to dispense with the at-large reading. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

**ASSISTANT CLERK:** 37 ayes, 6 nays to dispense with the at-large reading.

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

**ASSISTANT CLERK:** [Read title of LB1413]

**ARCH:** All provisions of law relative to procedure having been complied with, the question is, shall LB1413 pass with the emergency clause attached? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**ASSISTANT CLERK:** Voting aye: Senators Aguilar, Albrecht, Arch, Armendariz, Ballard, Blood, Bosn, Bostar, Bostelman, Brandt, Brewer, Clements, Conrad, DeKay, Dorn, Dover, Erdman, Halloran, Hansen, Hardin, Holdcroft, Hughes, Ibach, Jacobson, Kauth, Linehan, Lippincott, Lowe, McDonnell, Meyer, Moser, Murman, Sanders, Vargas, von Gillern, Walz and Wishart. Voting nay: Senators John Cavanaugh, Machaela Cavanaugh, Day, DeBoer, Dungan, Fredrickson, McKinney and Slama. Not voting: Senators Hunt, Riepe, Wayne and Raybould. Vote is 37 ayes, 8 nays, 3 present not voting, 1 excused not voting, Mr. President.

**ARCH:** LB14-- LB1413 passes with the emergency clause attached. While the Legislature is in session and capable of transacting business, I propose to sign and do hereby sign LB1413e. Mr. Clerk, for items.

**CLERK:** Mr. President, your Committee on Revenue, chaired by Senator Linehan, reports LB388 to General File with committee amendments. Additionally, your Committee on Enrollment and Review reports LB840 to Select File with E&R amendments. And your Committee on Business and Labor chaired by Senator Riepe reports LB1408 to General File with committee amendments. New A bill: LB1317A introduced by Senator Linehan. It's a bill for an act relating to appropriations; appropriate funds to aid in carrying out the provisions of LB1317. LB388A introduced by Senator Linehan. It's a bill for an act relating to appropriations; appropriate funds to aid in the carrying out the provisions of LB388. New A bill: LB1363A introduced by Senator McDonnell. It's a bill for an act relating to appropriations; to appropriate funds to aid in carrying out the provisions of LB1363.

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Notice of committee hearing from the Natural Resources Committee. An amendment to be printed from Senator Holdcroft to LB876. Mr. President, turning to the agenda, Select File, LB1188. First of all, Senator, I have E&R amendments.

**DORN:** Senator Ballard, for a motion.

**BALLARD:** Mr. President, I move the E&R amendments to LB1188 be adopted.

**DORN:** All those in favor say aye. Opposed, say aye. E&R amendments are adopted.

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

**DORN:** Speaker Arch for announcement. Senator Ballard, for a motion.

**BALLARD:** Mr. President, I move that LB1188 be advanced to E&R for engrossing.

**DORN:** All those in favor say aye. Opposed same sign. It is advanced. Speaker Arch, for an announcement.

**ARCH:** This is a motion. I move to expedite LB1188.

**DORN:** Without objection, so ordered. Next item, Mr. Clerk.

**CLERK:** Mr. President, next item on the agenda, General File, LB20A introduced by Senator Wayne. It's a bill for an act relating to appropriations; appropriates funds to aid in the carrying out the provisions of LB20. The bill was read for the first time on February 29 of this year and placed directly on General File.

**DORN:** Senator Wayne, to open.

**WAYNE:** Thank you, Mr. President. This is a small fee to update our computer systems when it relates to those voting. Thank you, Mr. President.

**DORN:** Seeing no one else in the queue, Senator Wayne, you're recognized to close. Senator Wayne waives. Colleagues, the question before the body is the advancement of-- to E&R Initial of LB20A. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, record.

**CLERK:** 37 ayes, 1 nay, Mr. President, on advancement of the bill.

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**DORN:** LB20A is advanced. Next item, Mr. Clerk.

**CLERK:** Mr. President, General File, LB126A introduced by Senator Day. It's a bill for an act relating to appropriations; appropriates funds to aid in carrying out the provisions of LB126. The bill was read for the first time on March 25 of this year and placed directly on General File.

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

**DAY:** Thank you, Mr. President. This is just the A bill to go along with the bill that we discussed last week. It-- the underlying LB126 is my portion of the bill, which is the bill to expand homestead exemptions to partially disabled veterans. And then along with the committee amendment that includes other portions of other senators' bills to clean up the homestead exemption program and work on eliminating any abuse or fraud within the homestead exemption, exemption program currently. We do not have the fiscal note back yet, but we need to move this to Select File so that we have it along with the main bill. I would appreciate a green vote. Thank you.

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

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

**DORN:** Senator Jacobson, will you yield to a question? Senator Day, excuse me.

**DAY:** Yes.

**ERDMAN:** Senator Day, I noticed this morning-- I looked up LB126A. Have you seen what is on the internet about that? Have you seen the fiscal note?

**DAY:** It's \$1 currently. Yes, because we don't have the fiscal note back yet. So this is just a placeholder for when we do get the fiscal note back.

**ERDMAN:** OK. So you say there are several bills. Is there about 9 or 10 bills in this bill? Is that correct?

**DAY:** No, I believe there's I think 4.

**ERDMAN:** OK. And your bill is the one that readjusts and writes-- is it a whole rewrite of the homestead exemption?

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**DAY:** No, mine is to-- currently we have homestead exemption for 100% disabled veterans. The-- my portion of the bill would expand that to 50% and above; partially disabled veterans.

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

**DAY:** Yeah.

**ERDMAN:** I, I was looking to see what the fiscal note was. And I seen that \$1 from the General Fund. I thought that was very peculiar. I've never seen a fiscal note that looked like that. Just for the sake of conversation here today, when we get ready to advance or move LB126 with the homestead exemption rewrite or revision, I have-- I have issues with that. And going forward, I may put a bracket motion on that bill. That is a bill on the homestead exemption, exemption rewrite that needs to have an interim study to see what the effect is going to be on those who are now involved in that program, as well as those that are going to be in-- included later. And so I don't believe that we can make that kind of change in homestead exemption without having a study to figure out exactly what the ramifications of that is. And I see on the green sheet that the fiscal note for LB126A is about \$19 million, according to the green sheet. And so we're adding to the money that we're going to spend on the floor with all of these A bills. So I just bring that to your attention. But when we move forward with this one, especially the homestead exemption, I have a very serious concern about that. And I believe that bill needs to be on hold until we figure out how it's going to work. Thank you.

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

**JACOBSON:** Thank you, Mr. President. Well, first of all, I'm going to kind of follow up on Senator Erdman's remarks because I, too, have concerns with the committee amendments. I-- I'm fully on board with Senator Day's bill. Senator Day's bill is fairly simple. It's really allowing veterans with disa-- right now if you're a veteran who's disabled, you must be 100% disabled to get a full homestead exemption. And what her bill does is says that if you're 50% disabled, you get a 50% exemption. And then it would be prorated from there from 50 to 100, all the way up to a 100% exemption. I really favor that. I'm very, very much in support of that. I cosigned, cosponsored her bill, or signed on to her bill, and I'm very supportive of that. As it relates to committee amendments, there's parts of the committee amendments that are good and there's parts of the committee amendment I think Senator Erdman is correct that, that we-- I would like to see

more study done. I'd like to be able to see more analysis run before we approve the committee amendments. And so I'm going to support the A bill at this point on General File, and I'm hoping that we can bring some amendments to the-- to LB126 when the bill itself is heard to be able to correct some problems. I think putting a cap on, on asset values I don't have a problem with. My primary concerns with the bill are that we've got a 2-tiered system where some people would be grandfathered-in and some people would not; I think we're creating a nightmare for the county assessors when we do that. The other thing is that, as I run the analysis as it relates to Lincoln County as an example, there are a lot of people that would be kicked off the program and there are people that would be in at a bigger number who are making more money and have a higher-valued home. And I don't think that's really the intent of the homestead exemption. I think when the-- when we talked on the committee, the committee had some good concerns. I know Senator Meyer had some concerns about, about fraud; I have that same concern. I think that's what they're doing by bringing the, the asset cap in. But there's some pieces here that we need to fix. But I don't want to hold up Senator Day's LB126 because it was brought a year ago. That part of the bill is a very good bill, so I'm hoping we can advance it in its original form. Or if we're going to enhance anything, add the asset cap, but maybe wait on the rest of the changes until next year. So thank you, Mr. President.

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

**CLEMENTS:** Thank you, Mr. President. I also have a concern about the LB126A. The amount that I saw was \$19.5 million. But I do understand that there are amendments to be changing that. I wanted to point out, though, in our budget that we've passed, we are short in funding the homestead exemption currently. And we're-- we are obligated to reimburse counties for those amounts. And we put \$14.7 million in additional into Homestead Fund this fiscal year and \$15.4 million more next fiscal year. So \$30.1 million of General Funds is already going in, in this budget cycle. And I think we're well over \$100 million that we are supplying for homestead exemptions in there. So it is a program people like. I hope that we, we do make sure that it is not abused improperly. But I just wanted to point out that the funding of that is going up mainly because as property tax goes up, the amount that gets exempted goes up. And the amount that we allowed in the budget last year, we funded at a dollar amount for homestead exemptions in the 2-year budget that we're having to add \$30 million more to the budget as an adjustment this year. Thank you, Mr. President.

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

**LINEHAN:** Thank you, Mr. President. Good afternoon, colleagues. So I want to thank Senator Day again. She had a priority bill, homestead exemption. She let the committee work on the bills. Just so we all realize, we had 6 bills on homestead exemption brought to the Revenue Committee this year: Senator Day, Senator Dover, Senator McDonnell, Senator Jacobson, Senator McKinney and Senator Fredrickson. All 6 of those senators had hearings. We had people at the hearings. I guess one of the reasons I'm standing up is the Revenue Committee has studied this, and we put together a bill that we thought was fair and covered more people and made sure there wasn't abuse. We have no idea where the fiscal note's going to be on that bill, because we can't get a new fiscal note until we pass it past General. So yes, when we get the fiscal note, we will have to look at the bill and make adjustments, I'm assuming. But as Senator Clements just said, we have a problem, folks. When I got here, I introduced a bill, maybe my second year or first year, that said anything on the homestead exemption over \$100 million would have to be-- we'd need help from the counties and everybody to pay it. Well, you can imagine nobody wanted to help pay it. So now we're at \$124 million and going up at almost 10% a year. So we have to look at this. And I know when people don't want to vote on something, they want to study it. So they don't want to say no. But this is an issue. And the one thing we talked about all last fall with the Governor and others that were on that committee or meeting group or whatever we called ourselves, was that we can't kick people out of their homes. And right now the way the system works, if you-- low income, low value, we pick up 100% of your bill. What the committee is trying to do is take care of more seniors, more disabled people, so they can afford to stay in Nebraska. So I would hope that people will reserve judgment until we get the fiscal note back and we're on Select File and we can talk about how good or how bad the bill is. Thank you, Mr. President.

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

**von GILLERN:** Thank you, Mr. President. Just, in addition, a couple of comments to what's already been said. Senator Clements mentioned the \$19.5 million fiscal note. That's a fiscal note on the original bill. And the original bill showed the step down in VA disability benefits from 90 to 80 to 70 to 60% all the way down. And in the new bill that we're looking at right now with the amendments, that starts at 50%. So it's a substantial change in the number of people that would qualify

for that disability reduction. Also, as was mentioned, if you're on the existing program, you can be grandfathered in; there-- people are not going to be kicked off of that. As Senator Jacobson mentioned, the asset cap I think is critically important that we-- if, if someone has a, a net worth of \$1 million, obviously they have the ability to pay their property taxes. So-- but sometimes people that have a net worth of \$1 million can-- I don't want to use-- I'm going to use the word "manipulate" their income, their taxable income, to make sure that that number falls below the criteria to qualify for the homestead exemption. So we want to make sure to eliminate that loophole. I think once we do those things it will actually reduce the, the cost to the state of the homestead exemption. And-- but again, as Senator Linehan mentioned, we won't know that till we get the fiscal note back. So I don't think this requires a study. It does require looking at the fiscal note once we get it back to determine whether the impact, financially, an impact to Nebraskans that need this homestead exemption is a positive or a negative impact. So we'll may-- have to make that decision once we see the fiscal note. Thank you, Mr. President.

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

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

**DORN:** Would Senator von Gillern yield to a question?

**von GILLERN:** Yes.

**CLEMENTS:** As a tax preparer, I fill out a lot of homestead exemption forms, but I've never had to ask somebody what their net worth is. How are we going to determine that?

**von GILLERN:** The determination would-- will be similar to what the Medicaid look-back exemption is. And to qualify for Medicaid, you have to have depleted your assets over a, a period. And they're able to look back over a 3-year period. And it's the same. The-- this, this bill mirrors the same process that is used for Medicaid qualification.

**CLEMENTS:** Is-- so a personal residence, is that excluded or included?

**von GILLERN:** I would defer to the bill's sponsor on that question. I'm sorry. I don't know the answer to that question.

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**CLEMENTS:** All right. Well, I-- am I going to have to be asking my clients how much the-- their assets are worth? Is that the idea?

**von GILLERN:** If they want to apply for the homestead exemption, then yes.

**CLEMENTS:** So they will have to do a certification, a form to fill out that states the dollar amount?

**von GILLERN:** Well, again, that, that, that process is already built in. That already-- the process is already established for individuals that qualify for Medicaid. And I presume you probably-- possibly do tax returns for individuals that qualify for Medicaid also. So it would-- it would mirror that process.

**CLEMENTS:** Well, some do, but a lot of them don't qualify for Medicaid because they have assets--

**von GILLERN:** That being the point.

**CLEMENTS:** --that count. So, well, I guess as a tax preparer, I'm not looking forward to asking people how much money they have. But I guess we'll, we'll, we'll just follow this as it goes. Thank you, Senator.

**von GILLERN:** Thank you.

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

**DORN:** Thank you, Senator von Gillern and Senator Clements. Senator Linehan, you're recognized to speak.

**LINEHAN:** Thank you, Mr. President. So I'm going to respond to a couple of questions Senator Clements has. Yes, the value of your house will be included in the million dollar cap. However, the way the bill is written now, the value of your house is, is not separated out like it is now. So now the value of a house-- what's knocking people, some people off, they live in the same house for 30 years, but their values are knocking them off homestead exemption. Then we have other people who have over \$1 million in assets, but let's say it's all in Berkshire. They don't pay any dividends, so they don't have any income. So even though they can have 2 or 3 or \$4 million in assets, if they don't have any income, they can still not pay property taxes. I really-- I don't like this kind of debating and it is on the A bill so I get-- this is legitimate. But as far as people-- what assets they have, I mean, I think a tax preparer probably has a pretty good idea of what people's assets are since they know what your mortgage is and

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what you're paying in property taxes and what interest you earned and what your dividends were and all your income. And first of all, here's what I think. I think if we have a bill that says you don't qualify if you have \$1 million in assets, people won't try. Because I think most Nebraskans follow the law. So I don't think the person this will be on is the person who's asking for homestead exemption when they know if they have assets over \$1 million they should not be asking for one. So again, when the bill comes back and we have a fiscal note, these are legitimate concerns that are bringing up. But we just-- we need to get that fiscal note back and look what's happening. And then we can adjust the bill. Thank you, Mr. President.

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

**BOSTELMAN:** Thank you, Mr. President. I guess to go down that path a little bit further, my question would be-- and we can talk about this on the bill as well. But, as I had an email, a person who is 66 years old, on Social Security, has owned their home their whole life, does a part-time job. Maybe they have some land, farm ground that they have. And it puts them over the threshold right now for homestead exemption. A house sold within the community that they're at for well above market price and now pushes their value-- assessed value of their house way above market price. So then the taxes go way above what it should, and the person can no longer afford it because they don't have enough income to pay the taxes. So I think that's the, that's the challenge we have. We can talk about that more. But if you say million dollars does not mean that you have the cash to pay the tax. Your net worth may be X amount of dollars. It doesn't mean you have the cash on hand to do it, to pay the taxes, to have cash available, to pay those taxes. So I think that needs to be considered. Thank you, Mr. President.

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

**DAY:** Thank you, Mr. President. So just in, in response to Senator Bostelman's remarks, anyone that is currently on the homestead exemption, exemption program would be grandfathered in to whatever they are currently-- whatever they currently have. So again, this is a fine discussion, and I appreciate that we're talking about this today. This is simply just an A bill, that we-- we need to get the fiscal note, which I'm hoping we get it back at the end of the week. I think there was a lot of thoughtful work from Chairwoman Linehan and the Revenue Committee; intentional work that went into putting this bill

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together. And I believe that the thoughtful and intentional work will continue on Select File, once we get the fiscal note back. We just need to move the A bill so that it can follow the main bill. And then we-- I'm happy to have this discussion on Select File. Would appreciate your green vote on the A bill today. Thank you.

**DORN:** Thank you Senator Day. Senators, the question before the body is the advancement to E&R Initial of LB126A. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, record.

**ASSISTANT CLERK:** 35 ayes, 0 nays on the motion to advance the A bill, Mr. President.

**DORN:** LB126A is advanced. Mr. Clerk, next item.

**ASSISTANT CLERK:** LB262A, offered by Senator Halloran. It's a bill for an act relating to appropriations; to appropriate funds to carry out the provisions of LB262. The bill was introduced on March 21 of this year, placed on General File.

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

**HALLORAN:** Thank you, Mr. President. As is obvious with all A bills, this activates the-- LB262, which has passed General File. Thank you.

**DORN:** Seeing no one else in the queue, Senator Halloran, you're recognized to close. Senator Halloran waives. Colleagues, the question before the body is the advancement of LB262A to E&R Initial. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, record.

**ASSISTANT CLERK:** 37 ayes, 0 nays on the motion to advance the A bill.

**DORN:** LB262A is advanced to E&R Initial. Mr. Clerk, next item.

**ASSISTANT CLERK:** LB484A offered by Senator Moser. It's a bill for an act relating to appropriations; to appropriate funds to carry out the provisions of LB484. The bill was introduced on March 25 of this year, and placed directly on General File.

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

**MOSER:** Thank you, Mr. President. LB484 is the bill that was brought by the car dealers, who wanted requirements of continuing education to be a licensed car dealer, just to eliminate potential problems with customers over what their expectations are, and problems with the state, based on what the laws are about selling cars and what you can

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say about them and what, what hoops you have to jump through. And so, there are no general funds in this A bill, so there's really no A bill, except that there's \$8,000 from the Vehicle Industry Licensing Fund for some startup costs, and kind of working through the beginnings of this. But it should be no-- I don't believe, any ongoing expense from that point forward. So thank you, Mr. President.

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

**MOSER:** I'd waive my close.

**DORN:** Senator Moser waives. Colleagues, the question before the body is the advancement of LB484A to E&R Initial. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, record.

**ASSISTANT CLERK:** 36 ayes, 0 nays on the motion to advance the bill.

**DORN:** LB484A is advanced to E&R Initial. Mr. Clerk, next item.

**ASSISTANT CLERK:** Mr. President, LB876A, offered by Senator Holdcroft. It's a bill for an act relating to appropriations; to appropriate funds to carry out the provisions of LB876, One Hundred Eighth Legislature, Second Session. The bill was introduced on March 25, placed directly on General File.

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

**HOLDCROFT:** Thank you, Mr. President. This A bill is to support my safe haven bill, which was advanced last week. It's 75K. It will be reduced, since we are removing these-- the, the safe haven boxes, by about 15K. So that remains, about \$60,000 that will be used for the programs, training for first responders, and for some website and information. So I appreciate your yes vote on LB876A.

**DORN:** Seeing no one else in the queue, Senator Holdcroft, you're recognized to close. Senator Holdcroft waives. Colleagues, the question before the body is the advancement of LB876A to E&R Initial. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, record.

**ASSISTANT CLERK:** 36 ayes, 0 nays on the motion to advance the bill, Mr. President.

**DORN:** LB876A is advanced. Mr. Clerk, next item.

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**ASSISTANT CLERK:** LB1023A, offered by Senator von Gillern. It's a bill for an act relating to appropriations; to appropriate funds to carry out the provisions of LB1023. The bill was introduced on March 25, placed directly on General File.

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

**von GILLERN:** Thank you, Mr. President. Obviously, this is the A bill to LB1023, which is the full expensing bill. We talked about this last week. It allows for accelerated depreciation on capital improvement expenses for factories and businesses. And we had an amendment that we added to this, that adds cooperative organizations to qualify also. The bill decouples this from the federal code which had this exemption in it, or this accelerated depreciation element in it, up until 2 years ago. And then, they removed it from the federal code. So it allows Nebraska to continue utilizing that tool to attract businesses from other states, and to keep some of our most significant manufacturing in-- similar businesses here in the state of Nebraska. There are a couple of other bills that are also part of LB1023, that, that refer to nonresident income, and allowing for folks to come in from out of state, to make sure that they don't have to-- if they're here for less than a small amount of time, they don't have to file a state tax return. There's a small benefit regarding telecom-- telecommunication services. There is a-- an inclusion to allow the capture of carbon dioxide equipment to qualify for the Nebraska Imagine Act. And then, there's a Relocation Incentive Act, to encourage folks from out of state to move into the state of Nebraska. I would appreciate your green vote on 1023A, so that we can move this important bill forward. It, it went to E&R, where it was advanced off of General File on the 21st, with a vote of 35-0. So I would anticipate your green vote today. Thank you.

**DORN:** Seeing no one else in the queue, Senator von Gillern, you're recognized to close. Senator von Gillern waive-- waives. Colleagues, the question before the body is the advancement of LB1023A to E&R Initial. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, record.

**ASSISTANT CLERK:** 36 ayes, 0 nays on the motion to advance the bill.

**DORN:** LB1023A advances to E&R Initial. Mr. Clerk, next item.

**ASSISTANT CLERK:** Mr. President, LB1027A, offered by Senator Clements. It's a bill for an act relating to appropriations; to appropriate the

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funds to carry out the provisions of LB1027. The bill was introduced on March 25, placed directly on General File.

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

**CLEMENTS:** Thank you, Mr. President. LB1027 is a bill regarding home schools, and adjusting how parents apply for exemptions on home schools. It's like \$8,000 for some administrative expense is all that is involved here. So I'd ask for your green vote. Thank you, Mr. President.

**DORN:** Seeing no one else in the queue, Senator Clements, you're recognized to close. Senator Clements waives. Colleagues, the question before the body is the advancement of LB1027A to E&R Initial. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, record.

**ASSISTANT CLERK:** 33 ayes, 0 nays on the motion to advance the bill.

**DORN:** LB1027A advances. Mr. Clerk, next item.

**ASSISTANT CLERK:** LB1031A, offered by Senator Bostelman. It's a bill for an act relating to appropriations; appropriate funds to carry out the provisions of LB1031, One Hundred Eighth Legislature, Second Session; and declare an emergency. The bill was introduced on March 21, placed directly on General File.

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

**BOSTELMAN:** Thank you, Mr. President. Good afternoon, colleagues. LB1031A is the, is the A bill for one of the Transportation Committee-- and Telecommunication Committee's priority bills. This bill-- this A bill contains a cash fund transfer of \$525,000 in FY '24-25, and another transfer in '25-26, from the Nebraska Telecommunications Relay System Fund to the Public Service Commission. There is no General Fund impact from this A bill. The purpose of the transfer is to assist in the implementation of Senator Wishart's portion of the bill, which increases the number of eligible persons residing in a home to receive specialized telecommunications equipment assistance from 1 to 2 people. Further, program participants may reapply for equipment assistance every 3 years rather than every 5 years. I ask for your green vote on LB1031A and its advancement to Select File. Thank you.

**DeBOER:** Thank you, Senator Bostelman. See no one else in the queue. Senator Bostelman, you're recognized to close. Senator Bostelman

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waives closing. Question before the body is the advancement of LB1031A. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**ASSISTANT CLERK:** 36 ayes, 0 nays on the motion to advance the bill.

**DeBOER:** The bill is advanced. Next item, Mr. Clerk.

**ASSISTANT CLERK:** LB1074A, offered by Senator Slama. It's a bill for an act relating to appropriations; to appropriate funds to carry out the provisions of LB1074; and declare an emergency. The bill was introduced on March 25, placed on General File.

**DeBOER:** Senator Slama waives opening. Seeing no one in the queue, Senator Slama, you're recognized to close. Senator Slama waives closing. The question before the body is the advancement of LB1074A. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**ASSISTANT CLERK:** 35 ayes, 0 nays on the motion to advance the bill.

**DeBOER:** It is advanced. Next item, Mr. Clerk.

**ASSISTANT CLERK:** LB1200A, offered by Senator Moser. It's bill for an act relating to appropriations; to amend Section 64 and 65 of LB1412, One Hundred Eighth Legislature, Second Session; to reduce appropriations to carry out the provisions of LB1200, One Hundred Eighth Legislature, Second Session, 2024; to repeal the original sections; and declare an emergency. The bill was introduced on March 25, placed on General File.

**DeBOER:** Senator Moser, you're recognized to open on LB1200A.

**MOSER:** Thank you, Madam Clerk. LB1200 is the TNT Committee priority bill. It includes LB1200, LB226, LB891, LB900, LB929, and LB966. Basically it's-- it has an A bill, but it really isn't a, a, a budget-buster, by any means. It reduces expenditures in general funds by \$24,000, reduces cash funds by \$20,000, and it reduces some federal funds by \$45,000. And it will reduce cash fund expenditures by \$1,632,000 in fiscal year '24-25 only. So I appreciate your support and the approval of this A bill. Thank you.

**DeBOER:** Thank you, Senator Moser. Seeing no one else in the queue, Senator Moser, you are welcome-- he waives closing. The question before the body is the advancement of LB1200A. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

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**ASSISTANT CLERK:** 37 ayes, 0 nays on the motion to advance the bill.

**DeBOER:** It is advanced. Next item, Mr. Clerk.

**ASSISTANT CLERK:** LB1284A, offered by Senator Walz. It's a bill for an act relating to appropriations; to transfer and appropriate funds to carry out the provisions of LB1284, One Hundred Eighth Legislature, Second Session. The bill was read for the first time on March 25, placed on General File.

**DeBOER:** Senator Walz, you are recognized to open on LB1284A.

**WALZ:** Thank you, Madam President. This is the A bill to LB1284, which is my priority bill, that moved to Select File last week. As a reminder, LB1284 has multiple provisions, including funding for professional development in computer science and technology, literacy, education, and dyslexia, and a pilot project for-- a pilot project for high-poverty schools to provide menstrual products to students. The A bill in front of us is for the \$2 million for the computer science funding included in LB1284. Under the computer science provision, \$1.5 million is appropriated this year. And if there are 5-- and if there are \$500,000 of private donations, the state will match that dollar amount. I am working with Senator Linehan on the funding components of LB1284, so the A bill is a placeholder until we have a new amendment. I would like to ask for your yes vote on LB1284A, so it can be amended onto Select File. Thank you, Madam President.

**DeBOER:** Thank you, Senator Walz. Seeing no one else in the queue, Senator Walz-- waives closing. The question before the body is the advancement of 1284A to E&R Initial. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**ASSISTANT CLERK:** 32 ayes, 0 nays on the motion to advance the bill.

**DeBOER:** It is advanced. Next item, Mr. Clerk.

**ASSISTANT CLERK:** LB1301A, offered by Senator DeKay. It's a bill for an act relating to appropriations; to appropriate funds to carry out the provisions of LB1301, One Hundred Eighth Legislature, Second Session. The bill was introduced March 25, placed on General File.

**DeBOER:** Senator DeKay, you are recognized to open on LB1301A.

**DeKAY:** Thank you, Madam President. And good afternoon, colleagues. LB1301A is the companion A bill to LB1301. This A bill would appropriate \$82,703 from General Fund for the fiscal year 2024 and

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'25, and for \$126,275 from the General Fund for the fiscal year of 2025-26 to the Department of Agriculture. The Department of Agriculture believes the complexity of real estate transaction and level of expertise required to investigate such transactions would require an Attorney III. In other words, this bill will pay this-- for the salary of a lawyer to carry out the requirements of LB1301, and help enforce its provisions. I would ask for your green vote for 13-- LB1301A. Thank you, Madam President.

**DeBOER:** Thank you, Senator DeKay. The question before the body-- seeing no one else in the queue, the question before the body or-- Senator DeKay, you're welcome to close. He waives closing. Now, the question before the body is the advancement of LB1301A. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**ASSISTANT CLERK:** 32 ayes, 0 nays on the motion to advance the bill.

**DeBOER:** It is advanced. Next item, Mr. Clerk.

**ASSISTANT CLERK:** Next bill, LB1306A, offered by Senator Murman. It's a bill for an act relating to appropriations; to amend Laws 2023, LB814, Section 56; change and eliminate appropriations to carry out the provision of LB1306, One Hundred Eighth Legislature, Second Session; repeal the original section; to outright repeal Section 16, LB1412, One Hundred Eighth Legislature, Second Session '24; and declare an emergency. The bill was introduced on March 25, placed on General File.

**DeBOER:** Senator Murman, you are welcome to open on LB1306A.

**MURMAN:** Thank you, Madam President. LB1306A is the A bill for LB1306, which eliminates an outdated commission. It had the complete support of the committee, the NSEA, the Department of Education, and the Council of School Administrators, and came out of General File with zero no votes. The A bill for LB1306 shows the costs of the commission will have a slight increase of about \$5,000 for the remaining fiscal year. But in the '24-25 fiscal year, the costs for the commission will drop to zero. So, in short, the A bill is asking us to spend about \$5,000 this year to not have any future costs with the commission. Thank you, and I yield any remaining time.

**DeBOER:** Thank you, Senator Murman. Seeing no one else in the queue, Senator Murman, you are welcome to close on LB1306A. Senator Murman waives closing. The question before the body is the advancement of

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LB1306A. All those in favor vote aye; all those opposed vote nay.  
Record, Mr. Clerk.

**ASSISTANT CLERK:** 30 ayes, 0 nays on the motion to advance the bill.

**DeBOER:** It is advanced. Next item, Mr. Clerk.

**ASSISTANT CLERK:** LB1329A, offered by Senator Murman. It is a bill for an act relating to appropriations; to amend Section 106, LB1412, One Hundred Eighth Legislature, Second Session, 2024; to appropriate funds to carry out the provisions of LB1329, One Hundred Eighth Legislature, Second Session, 2024; change appropriations; repeal the original sections. The bill was introduced on March 25, placed directly on General File.

**DeBOER:** Senator Murman, you are welcome to open on LB1329A.

**MURMAN:** Thank you, Madam President. LB1329A is the A bill for LB1329, which is the Education committee's package, which deals with a few different education topics, including career scholarships and school safety. The increase in spending that this A bill outlines currently shows about \$5 million. But I have some disagreements with this cost, and expect we're going to bring it down pretty significantly. Right now, \$5 million is allocated to conduct the mapping of schools for safety purposes. However, that \$5 million number is currently working under the assumption that every single school chooses to have their building mapped next year. In reality, many schools are not even planning on mapping their buildings at all. OPS and LPS, our 2 biggest school districts by far, are likely not planning on mapping their buildings at all. So that alone is going to bring the costs down dramatically. There are also other preexisting funds that can be used for the mapping, including the QCPUF Building Fund and existing ARPA funds. In reality, we are going to see a far smaller number than what we're looking at now. So I'm going to commit to work on this number, and I'm going to ask for your green vote on this A bill today. Thank you.

**DeBOER:** Thank you, Senator Murman. Seeing no one else in the queue. Senator Murman, you are recognized to close on LB1329A. Senator Murman waives closing. The question before the body is the advancement of LB1329A to E&R Initial. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**ASSISTANT CLERK:** 28 ayes, 0 nays on the motion to advance the bill.

**DeBOER:** It is advanced. Next item, Mr. Clerk.

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**ASSISTANT CLERK:** LB1368A, offered by Senator Ibach. It's a bill for an act relating to appropriations; to appropriate funds to carry out the provisions of LB1368. The bill was introduced on March 20 of this year, placed directly on General File.

**DeBOER:** Senator Ibach, you are recognized to open on LB1368A.

**IBACH:** Thank you, Madam President. Today I ask for your support of LB1368A, which is the trailing A bill for my priority bill, the Nitrogen Reduction Incentive Act. I'd like to remind the body, once again, that this is a one-time Cash Reserve transfer that will act as the seed money for this program while the Department of Natural Resources applies for grants and seeks other dollars that would sustain this program going forward. The bill also outlines a sunset, would-- and it was voted on last week, 35 to nothing, to advance out. Thank you, again. I ask for your green vote. Thank you, Madam President.

**DeBOER:** Thank you Senator Ibach. Seeing no one else in the queue, Senator Ibach, you are recognized to close. Senator Ibach waives closing. The question before the body is the advancement of LB1368A to E&R Initial. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**ASSISTANT CLERK:** 29 nays, 0 nays on the motion to advance the bill.

**DeBOER:** It is advanced. Next item. Items for the record, Mr. Clerk.

**ASSISTANT CLERK:** Thank you, Madam President. The bills read this morning, LB1412 and LB1413, both were presented to the Governor at 3:40 p.m. New resolutions, LR443 and LR444, offered by Senator Wishart; those will be referred to the Executive Board. That's all I have at this time.

**DeBOER:** Thank you, Mr. Clerk. Let's proceed to the next item.

**ASSISTANT CLERK:** Madam President, moving to Select File. First bill, LB130A. I have no E&R amendments.

**DeBOER:** Mr. Ballard-- Senator Ballard, for a motion.

**BALLARD:** Madam President, I move that LB130A be advanced to E&R for engrossing.

**DeBOER:** Colleagues, you've heard the motion. All those in favor say aye. All those opposed say nay. It is advanced. Next item.

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**ASSISTANT CLERK:** Next bill on Select File, LB204A. I have no E&R amendments. I do have other amendments. First, Senator Riepe, I have AM2844 with a note you wish to withdraw that one.

**DeBOER:** It's withdrawn.

**ASSISTANT CLERK:** Senator Riepe would move to amend with AM2871, also a note to withdraw.

**DeBOER:** So ordered.

**ASSISTANT CLERK:** Finally, Madam President, Senator Riepe would move to amend with AM13-- AM3222.

**DeBOER:** Senate Riepe, you are welcome to open on AM3222.

**RIEPE:** Good afternoon, Madam President, and Senators. AM3222 is an amendment to LB204A that reflects the emergency clause as adopted in LB204, and moves the funding from LB204 to the medical assistance program earmarked in the budget, Program 348. The fiscal impact of LB204 remains the same. As a quick summary, LB204A is the funding mechanism for LB204, my bill that increases the Medicaid dispensing fee for pharmacies located within-- with 6 or fewer locations. LB204 directs DHHS to established an enhanced fee for service pharmacy dispensing fee reimbursement of \$10.38 per prescription for independent pharmacies in the Medical Assistance Program. LB204 also directs DHHS to conduct a study of dispensing surveys-- fees every 2 years. The emergency clause was proposed and adopted to reflect the fact that funds are being appropriated for the 2024-2025 fiscal year, but the funding would not begin until the bill is effective. As such, it was wiser to avoid conflicts that might occur with implementation. Regardless, per LB204, the funding will only be distributed beginning with fiscal year 2024-2025. LB2000-- or LB204A advanced from General File with a 4-0 vote, with 5 excused absences. With that, I ask for your green light on AM3222 to LB204A. Thank you, Madam President.

**DeBOER:** Thank you, Senator Riepe. Seeing no one else in the queue, Senator Riepe, you are welcome to close on AM3222. Senate Riepe waives closing. The question before the body is the adoption of AM3222. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**ASSISTANT CLERK:** 29 ayes, 0 nays on the adoption of the amendment.

**DeBOER:** It is adopted.

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

**DeBOER:** Seeing no one else in the queue, Senator Riepe, you are welcome to close on a-- on LB-- Senator Ballard, for a motion-- well, he gets to--

**BALLARD:** Madam President, I move that LB204A be advanced to E&R for engrossing.

**DeBOER:** Colleagues, you've heard the motion. All those in favor say aye. All those opposed say nay. It is advanced. Mr. Clerk, for the next bill.

**ASSISTANT CLERK:** Select File, next bill, LB926. I have no E&R amendments.

**DeBOER:** Senator Ballard, for a motion.

**BALLARD:** Madam President, I move that LB926 be advanced to E&R for engrossing.

**DeBOER:** Colleagues, you've heard the motion. All those in favor say aye. All those opposed say nay. It is advanced. Speaker Arch, for an announcement.

**ARCH:** Thank you, Madam President. I want to give members a heads-up that, as part of Severe Weather Awareness Week, on Wednesday morning at 10 a.m., there will be a voluntary tornado drill for the occupants of the Capitol. As has been the practice in past years, the Legislature will remain in session. Senators will not participate in the drill. Participation in the drill will be voluntary for legislative staff. However, Senator Aguilar and I recommend that at least 1 person from each office participate, in order to ensure that everyone is aware of the emergency procedures in case of a real tornado. Senator Aguilar will be sending an email later today or tomorrow reminding you and your staff about the drill and the procedures for those staff who plan to participate. Thank you, Madam President.

**DeBOER:** Thank you, Speaker Arch. Mr. Clerk, for the next item.

**CLERK:** Madam President, Select File, LB880. I have nothing on the bill, Senator.

**DeBOER:** Senator Ballard, for a motion.

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**BALLARD:** Madam President, I move that LB880 be advanced to E&R for engrossing.

**DeBOER:** Colleagues, you've heard the motion. All those in favor say aye. All those opposed say nay. It is advanced. Next item.

**CLERK:** Madam President, first of all, Senator, I have E&R amendments.

**ARCH:** Senator Ballard, for a motion.

**BALLARD:** Mr. President, I move the E&R amendments to LB1167 be adopted.

**ARCH:** All those in favor say aye. All those opposed, nay. It is adopted.

**CLERK:** Mr. President, Senator DeBoer would move to amend with AM3118.

**ARCH:** Senator DeBoer, you're welcome to open on your amendment.

**DeBOER:** Thank you, Mr. President. Colleagues, this is a cleanup amendment which the courts asked us to make. Apparently, in some parts of the state, the term "first appearance" is a term of art, which is used to mean your arraignment. Since that was not the intention of the bill, we wanted to clear that up for the courts. So now, it just says "an appearance," and it doesn't say "first appearance," so there's no confusion with that colloquialism. Appreciate your green vote on this amendment. Thank you, Mr. President.

**ARCH:** Question before the body is the adoption of AM3118. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

**CLERK:** 30 ayes, 0 nays, Mr. President, on adoption of the amendment.

**ARCH:** The amendment is adopted. Mr. Clerk.

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

**ARCH:** Senator Ballard, for a motion.

**BALLARD:** Mr. President, I move that LB1167 be advanced to E&R for engrossing.

**ARCH:** All those in favor say aye. All those opposed, nay. LB1167 is advanced. Mr. Clerk.

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**CLERK:** Mr. President, Select File, LB1270. I have nothing on the bill, Senator.

**ARCH:** Senator Ballard, for a motion.

**BALLARD:** Mr. President, I move that LB1270 be advanced to E&R for engrossing.

**ARCH:** All those in favor say aye. All those opposed, nay. LB1270 is advanced. Mr. Clerk.

**CLERK:** Mr. President, Select File, LB1095. I have nothing on the bill, Senator.

**ARCH:** Senator Ballard, for a motion.

**BALLARD:** Mr. President, I move that LB1095 be advanced to E&R for engrossing.

**ARCH:** All those in favor say aye. Opposed, nay. LB1095 is advanced. Mr. Clerk.

**CLERK:** Mr. President, Select File, LB484. First of all, Senator, I have E&R amendments.

**ARCH:** Senator Ballard, for a motion.

**BALLARD:** Mr. President, I move the E&R amendments to LB484 be adopted.

**ARCH:** All those in favor say aye. Opposed, nay. They are adopted. Mr. Clerk.

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

**ARCH:** Senator Ballard, for a motion.

**BALLARD:** Mr. President, I move that LB484 be advanced to E&R for engrossing.

**ARCH:** All those in favor say aye. All those opposed, nay. LB484 is advanced. Mr. Clerk.

**CLERK:** Mr. President, LB932. First of all, Senator, there are E&R amendments.

**ARCH:** Senator Ballard, for a motion.

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**BALLARD:** Mr. Pres-- Mr. President, I move the E&R amendments to LB9-- LB932 be adopted.

**ARCH:** All those in favor say aye. All those opposed, nay. They are adopted.

**CLERK:** Mr. President, Senator Blood would move to amend with AM3149.

**ARCH:** Senator Blood, you are recognized open on your amendment.

**BLOOD:** Thank you, Mr. President. Fellow Senators, friends all, thank you for the opportunity to bring forward AM3149. And I want to thank both Senator Fredrickson and Speaker Arch for the opportunity to add this amendment. AM3149, originally LB822, is the Social Workers Licensure Compact. It was voted out 7-0 out of the HHS comm-- HHS Committee, with no opposition at the hearing. The Council of State Governments and the Department of Defense Military Families Office have partnered and identified 8 professions as priorities for interstate compacts, with social work being 1 of the 8. The legislation was developed in conjunction with major social work organizations, including the National Association of Social Workers, Clinical Social Work Association, Council on Social Work Education, and the Association of Social Work Boards. The Social Workers Licensure Compact is designed to ease the licensure barriers for licensed and qualified social workers moving into Nebraska. The Social Workers Compact will allow professional social workers with a bachelor's, master's, and clinical licenses to be able to serve clients in every state that joins the compact through legislation. This relieves the time-consuming and costly process of a social worker having to obtain a new, new license in Nebraska, or any other compact member state. It also expands the regulatory cooperation between states that join the compact through a shared database for background checks. AM3149 allows for telehealth services by the social worker in any member contact state, as well. It is important to note the social worker's scope of practice would be determined by whatever state the client is located in. Any multi-state licensure or contract renewal for social workers would also be determined by the laws/regulations of that social worker's home license. This compact goes into effect when 7 states pass it into law, and those states establish the baseline requirements for licensure. So it is Nebraska's benefit to be in the forefront of this legislation. Currently, 4 states have passed the legislation: Washington, South Dakota, Missouri, and Utah. And it is pending in 23 other states, and the bills all appear to be moving forward. As with the other compact legislation I am introducing this session, the Social Workers Compact addresses the healthcare workforce

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shortage in Nebraska. Nebraska desperately needs more social workers to deal with the mounting mental and substance abuse crisis. 88 of Nebraska's 93 counties are deemed to have a shortage of behavioral health professionals, with 29 of those counties not having a licensed social worker at all. According to UNMC, 1 in 5 Nebraskans had a mental health or substance abuse disorder in the pre-pandemic period. The demand and shortage of workers is worsened by the expected high number of social workers and behavioral experts that will be retiring in the near future. Most importantly, AM3149 would remove licensure barriers for our military spouses in this industry moving to Nebraska, and allow them to hit the ground running. The compact allows them to better assimilate into their new communities. I want to thank you for the opportunity to introduce the Social Workers Licensure Compact. Proponents included the National Association of Social Workers, the Child Savings Institute, the Department of Defense Military Community and Family Policy Office, the Platte Institute, and the Nebraska Board of Mental Health Practice. I encourage you to-- your green vote on AM3149.

**ARCH:** Seeing no one in the queue, you are welcome to close. Senator Blood waives close. Question before the body is the adoption of AM3149. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

**CLERK:** 30 ayes, 0 nays, Mr. President, on adoption of the amendment.

**ARCH:** AM3149 is adopted.

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

**ARCH:** Senator Ballard, for a motion.

**BALLARD:** Mr. President, I move that LB932 be advanced to E&R for engrossing.

**ARCH:** All those in favor say aye. All those opposed, nay. It is advanced.

**CLERK:** Mr. President, LB1069, Select File. First of all, Senator, there are E&R amendments.

**ARCH:** Senator Ballard, for a motion.

**BALLARD:** Mr. President, I move the E&R amendments to LB1069 be adopted.

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**ARCH:** All those in favor say aye. Opposed, nay. They are adopted.

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

**ARCH:** Senator Ballard, for a motion.

**BALLARD:** Mr. President, I move that LB1069 be advanced to E&R for engrossing.

**ARCH:** All those in favor say aye. Opposed, nay. It is advanced.

**CLERK:** Mr. President, Select File, LB1344. There are no E&R amendments. Senator Wayne, Senator Wayne would move to amend with AM3191.

**ARCH:** Senator Wayne, you are welcome to open on AM3191.

**WAYNE:** Is it my turn? OK. Sorry. I was up in Bill Drafting. I am going to ask my colleagues to give me-- I need somebody to talk for at least 30 minutes. Because I am removing all opposition to this amendment with another amendment, that I was-- literally ran down from Bill Drafting-- why I'm out of breath. There actually is stairs over here, on the right side by the Clerk's Office, takes you right up to Bill Drafting. But, OK. I'll tell you what this amendment does. If somebody hops in and talks for a little bit, I can get all oppositions remove-- removed. Because I got to get this amendment done. Thank you. All right. AM3191 adds 3 bills, but it's really just 1 bill, because LB350 was the pioneer tax credit bill that came out of the Revenue Committee. This was a part of the Governor's original budget. He had \$5 million in here for the budget. After long conversations with the Governor's Office and PRO, rather than create a new program, we felt it was easier to implement and enhance a current program. So, that was LB1356 this year, that I introduced. And it was the Community Development Assistance Act. That's Sections 1-11, and then-- I mean 1-12, and then Section 15. It says 1-11 on the handout, but it's 1-12 on the fif-- and, and Section 15. The other bill, LB1228, was in the Revenue Committee, and that was to limit the number of Good Life Districts. LB1356 came out of the Revenue Committee with LB1228, to limit the number of Good Life Districts. So I'm going to walk through part of this here on both of them. You may have gotten an email from the Nebraska-- Jacobson will get on the mic and tell me what it was. But we've removed the opposition, once I get this amendment put on. And I literally just figured this out about a half hour ago. So, that's what happens sometimes, but I'll still walk you through it. So the first thing we do is we changed the name from Community

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Development Assistance Act to Creating High Impact Economic Futures Act. Section 2 adds some definitions and harmonizes some changes in the definitions. One is around the Community Betterment organization itself. The Community Betterment organization is some outdated language, so we added in there that the community development area is not just this economically depressed area, but also economic redevelopment areas, enterprise zones, qualified census tracts. And then, the key here is any county that has less than 10,000 inhabitants. And we're trying to, again, focus on some things in rural Nebraska. And the last piece is we added the inland port. What this can be done-- or be-- can be used for, this tax credit, is for employment training, human services, medical services, educational services, home improvement services. These are all things that are currently in the statute. What we added to the statute was operations of an inland port. We added the word "mental" in front, in front of health. So it's mental health and regular health. We also added iHub section. And this is part of what the pioneer tax credit was about, was creating some funding streams for iHub and iHub investment. That was the original intent of the pioneer tax credit. So we added that language. We changed the location from just community development area to what I listed before, as economic redevelopment areas, community development areas. So we broadened it in western Nebraska to make sure that it can reach more small and rural areas. We also changed the tax credit from a 40% tax credit to a 1 to 1, or a 100% tax credit for those. And again, this is just harmonizing the language that is used in other tax credits, as far as how it is done. The biggest difference is right now, there is a \$50,000 cap on projects, which is why this TIF program has been difficult to run. If you think about it, \$50,000 in some of these projects are not a whole lot of money to make a difference. So we're removing the cap, but we are making sure that it is spread out across the state. So we're putting it-- the \$6 million total cap on the entire program. And we are breaking it out to \$2 million per congressional district. So we're actually adding more money to the funds, and that's kind of how that'll work. Lastly, what we are going to do is-- and as far as the Good Life, I'm going to talk about LB1228. And, I apologize; there should have been a handout that went around. So there's a couple of things, from a state's perspective. If we have too many Good Lives-- and it's no different than if we have too many inland ports-- it'll put a burden on our financial impact of our-- burden on our state, especially our state budgets, when you talk about sales tax. The reason why I compare that to the inland port, because the inland port does not-- if they own property, does not have to pay property taxes. So you'll recall, Senator Jacobson and I had multiple conversations on the mic about

whether to increase the number of inland ports or decrease it. The number on the amendment right now is 3 Good Life Districts. I am trying to get upstairs or make another phone call to get this amendment done, where we are going to, going to increase it to 5. That removes the city muni-- municipalities' opposition and Grand Island's opposition. So I'm trying to get that done. At a minimum, I will do a floor amendment if I have to, to increase it to 5. The other thing is-- particularly, what we found interesting when we started hearing people talk about the Good Life Districts, they were moving the Good Life Districts and manipulating the idea of what a visitor is. And what we're seeing, in particular in Omaha and in Lincoln, is they are trying to count students who are here for 9 months and if not, a year, going to school, as an out-of-town visitor, to meet their threshold. That was never the intent of the bill. And so I think it's disingenuous to include, let's say, UNO or Wayne State College. And now, you say everybody who's from out of town is considered a visitor. And then every time that person swipes their credit card, that counts towards the Good Life District. That wasn't the intent; it was about true tourism, and that doesn't mean a student who is, who is here. So those are the basics of the committee-- I mean, of the amendment that was voted out of Revenue. And I would ask some people to just give me a little time so I can go get this amendment done to make those changes. And those changes are real simple. We're changing it to 5. We're going to have a \$150,000 cap in CD 1 and 3 on per project. Because they-- actually they want that. Not what I want, but that's what they want. And the last amendment would be to-- I think already said that-- change it to 3-- to 5. And so, those are what we're going to do. And I will have that done here by 5:00, Mr. Speaker. With that, I will answer any questions if I'm not on the phone getting this amendment done. Thank you, Mr. President.

**ARCH:** Senator Linehan, you are recognized to speak.

**LINEHAN:** Thank you, Mr. President. And I'm not going to talk about the bill up there, but I am going to make an announcement, that I just-- I kind of verbally told people. And then, thank goodness I have good committee staff. Well, I have good staff. All my staff's good. Our staff is good. We will do a briefing on LB388. That's the tax package with the frontloading, and the sales tax, and the exemptions-- a briefing tomorrow morning, at 8:15, in-- it's the regular Revenue room, 15-- he's about to announce it, I think, or someone up there will. I think we just handed it to them. So, bring your questions. I am trying-- I know I look very weird here, working with all these numbers. What I'm trying to do is put together examples of how this would work for different households. I think there's some-- I think

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the big thing is people don't understand how much the frontloading changes property taxes across the state. It's very significant. I think the other thing, that we will explain more broadly tomorrow morning, is the property tax credit. The way it now works with LB1107 is very beneficial. I like it a lot. But I have a good CPA, who also is a member of this body, and they do my taxes so I take advantage of it. When you go through the school districts who, who are taking advantage of it, it's Elkhorn, Bennington, people who have accountants. When you look at the schools who are taxpayers in the districts that aren't taking advantage of it, it's your medium to lower income households are not taking advantage of it. So all the talk about who this helps and hurts-- I think, when you look at the examples in the morning, it'll be very clear who are the biggest beneficiaries from this tax package. So thank you, Mr. President.

**ARCH:** Senator Clements, you are recognized to speak.

**CLEMENTS:** Thank you, Mr. President. I was wanting to ask Senator Wayne some questions, but I'll-- we'll wait just a little bit. I'll introduce my comments by saying I'm concerned about LB1344 being, being from the Urban Affairs Committee, having amendments from 3 bills that were from the Revenue Committee, and that I didn't think we were supposed to be mixing bills from different committees together. And I'd like to ask Senator Wayne a question, whether he think it's appropriate to mix an Urban Affairs with 3 Revenue bills.

**ARCH:** Senator Wayne, will you yield?

**WAYNE:** Yes, I'd be happy to. I heard the question, or do you want to repeat it or--

**CLEMENTS:** Well, LB1344 is from Urban Affairs, and these-- there are 3 other bills in here from Revenue. And I thought we had a rule against that. Can you respond to why you're doing that?

**WAYNE:** Yes. So, Senator Bostar tried to put a bill on Senator DeBoer's bill, and that issue was raised. At the time, President Kelly said it was germane. We withdrew it. And then the next day, Speaker Arch announced that when a bill comes to the floor, the issue is germaneness. The rule that Senator-- or Speaker Arch laid out were 2 committee chairs, which said the committee amendment cannot include a committee-- cannot include a bill from a different committee. But once the bill gets to the floor, it's about germaneness. The reason why these are germane is because it deals with the inland port and the operations of the inland port, and the iHub and the, and the

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operations of the iHub. So they are germane because it deals specifically with those 2 issues.

**CLEMENTS:** I had another question. There's some tax credit. I see some tax credits. I haven't read it in-- through. But I see a 100% tax credit for contributing property, even contributing your time and services. Is that going to remain in there?

**WAYNE:** If, if the, if the services time is an issue, I can take that out. What I currently did was took the current law and just kept it the same. So this is actually the current standard, but it's a 40% tax credit. So all I changed, was it to 100%. But the, the language in there regarding service and tax credits is current law. But I-- I'm willing to take that out.

**CLEMENTS:** Is there an annual cap on the amount of the credits?

**WAYNE:** Yes. There is an annual cap of a total \$6 million across the state, \$2 million per congressional district. It is a non-refundable tax credit. So you can't-- if you-- it's non-refundable.

**CLEMENTS:** OK. Thank you, Senator Wayne. Thank you, Mr. President.

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

**BOSTELMAN:** Thank you, Mr. Speaker. Ouch. My concern with the bill, and I think Senator Wayne has already been contacted about this, is the elimination of the Community Development Assistance Act. The Community Development Assistance Act is an important tool for our smaller communities across the state. Because it provides community betterment and projects, as far as tax credits of businesses, corporations, insurance firms, others, for community development betterment projects. And I think we need to be careful that we don't remove that and take that away. Or if it is, that we maintain that in, in, in whichever form within the bill, because it does provide a, a significant service and tax credit opportunity for several projects across the state. Several of them are in, in my district. One of them, we just had a ribbon cutting just a, a couple weeks ago, at the Performing Arts Center in Ashland, Nebraska. I also know the, the-- a growing art museum renovation in David City has also benefited from this. And I do believe there's another one, the Splash Pad at Ceresco. So there are several projects within the districts-- my district, within our smaller communities, that have benefited from the CDAA. And I, I hope-- or my understanding is, is there's work being done to

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continue that program within the bill. So I'll be waiting to watch and see what Senator Wayne's amendment is. Thank you, Mr. Speaker.

**ARCH:** Senator Jacobson, you are recognized to speak.

**JACOBSON:** Thank you, Mr. President. I guess I'd ask Senator Wayne if he'd yield to a question or two.

**ARCH:** Senator Wayne, will you yield?

**WAYNE:** Yes.

**JACOBSON:** So Senator Wayne, you said you've got an amendment coming. So can you tell me what-- is there another amendment to follow here?

**WAYNE:** Yeah. We're going to-- we're-- I'm on the phone with Bill Drafting right now, to change it to 5 Good Life Districts, to put a cap on CD 2 and 1 at \$150,000 per project. Right now, it's at \$50,000. So the complaint we were getting is it should be a little more. So we're going to--

**JACOBSON:** So let's stop at that point, right there.

**WAYNE:** OK.

**JACOBSON:** So 1 and 2 would be capped at \$150,000, and--

**WAYNE:** No, 1 and 3. Sorry.

**JACOBSON:** 1 and 3. Excuse me. Because Omaha then, would get--

**WAYNE:** If Omaha-- if, if one--

**JACOBSON:** --no cap?

**WAYNE:** No, no. No, no, no. Each congressional district is only getting \$2 million each.

**JACOBSON:** Gotcha.

**WAYNE:** But in that \$2 million, per project, 1 and 3-- this is what the agency who was opposed said they would accept, is 100-- they want a cap. And I don't-- I think \$50,000 is too low per project, so I would like to go up to \$150,000.

**JACOBSON:** So you're saying then, that in-- that each congressional district would get \$2 million, annually.

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**WAYNE:** \$2 million-- potentially. They'd have to go out and sell the tax credit-- or raise the tax credits, get--

**JACOBSON:** Right.

**WAYNE:** --get-- yeah.

**JACOBSON:** \$2 million annually, but it would be capped per project.

**WAYNE:** At (\$150,000).

**JACOBSON:** At (\$150,000). But Omaha could use all \$2 million on 1 project.

**WAYNE:** Correct.

**JACOBSON:** OK. And there's no other limitations. I guess my concern is, is that we're-- I assume you're talking about using it at an inland port, correct? In Omaha?

**WAYNE:** Potentially, yes. Potentially, yes.

**JACOBSON:** And since North Platte has a inland port, (\$150,000) seems a little low, as well.

**WAYNE:** Well, I understand that. But also, you got to remember, North Platte, it gets access to some funding every year that we're not going to have access to for the first 3-4 years.

**JACOBSON:** I, I agree with that, but that's matching funding, as well. So--

**WAYNE:** If you don't want a cap, I'm fine with that. But that's a fight between the rurals, not, not on me.

**JACOBSON:** Gotcha.

**WAYNE:** I, I, I can go with no cap. I'm telling you what the agen--

**JACOBSON:** I'm not, I'm not necessarily disagreeing on the cap. I'm just a little concerned about the cap at (\$150,000), or why we're not making it consistent everywhere. So I, I get your concern on a bigger project at an inland port. I'm, I'm-- I've got the same issue. And so, the, the big question would be how we dice up that-- and I-- I'm willing to get on-- get together with you--

**WAYNE:** OK.

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**JACOBSON:** --off the mic, to kind of talk through what we might be able to do there--

**WAYNE:** OK.

**JACOBSON:** --with that amendment. Thank you.

**ARCH:** Senator Dungan, you are recognized to speak.

**DUNGAN:** Thank you, Mr. President. And good afternoon, colleagues. I am also hopping in the queue here, to try to give Senator Wayne a little bit more time to work on his amendment. I will not ask Senator Wayne any questions so he can kind of go work on that. But I will speak a little bit as to the bill here. Obviously, I'm on the Revenue Committee, and so we did have a chance to look through all of these amendments, prior to kicking them out and putting them together. I, I want to thank Senator Wayne for putting these together. I think that all of these are a continuation of his efforts that he's made, the entire time he's been here in the Legislature, to continue working on his development of the iHubs and the inland ports to better Omaha and better serve communities in Omaha that are oftentimes, unserved or underserved here, in the Legislature. I think that between Senator Wayne's bills and oftentimes, Senator McKinney's and other Omaha senators, there's a lot of effort put into those communities. And so I, I very much appreciate that. Specifically talking about the Good Life Transformational Districts, I think that the portion in here limiting the amount of those makes a lot of sense. That's part of why I supported that amendment. Going back to last year, when we first put thought into these Good Life development [SIC] Districts or transformational projects, the whole concept and idea behind it was we wanted to ensure that we were bringing in new development to Nebraska. Obviously, you know, there's a lot of conversation surrounding certain projects that are already in place. But the whole idea was we wanted to ensure that regardless of where you are in the state, whether it be eastern, central or western Nebraska, that you have access to these kind of projects which are really intended to create growth, create new development, and then also bring people in from other states to increase the amount of tourism and sales that we're seeing in Nebraska. So I very much appreciated those efforts. What I think the concern immediately became, though, however, was that we were going to ultimately see these Good Life Districts pop up everywhere, in a way that would ultimately diminish sales tax, tax revenues without actually bringing in the amount of development and bringing in the amount of people that was originally intended. And so when Senator Wayne came and presented this bill, he had had the conversation, I

think, about limiting it to 5. Not in any, any way, shape or form trying to pick winners and losers, but trying to ensure that the amount of projects that crop up throughout the state, are done so in a thoughtful way, and that we're not just carving out lines around already existing areas and retail, and then reducing the sales tax revenue in those if they don't, in fact, create new development, create new districts, or bring people into the state. So, he was actually very candid when he brought this to us, and essentially said, you know, maybe 5 is the number. Maybe it's not the number. We can talk about that. And it sounds like that's the conversation he's been having with some people who had opposition to the bill. And I think it's good to continue to have those debates and conversations, to determine what the proper number is. And obviously, colleagues, we can continue to work on this sort of project or these ideas, as time goes on. My hope is that we can always continue developing Nebraska. We always need to be cognizant of doing it the right way, but I am excited about the direction that Nebraska is going, development-wise. I think it's important that we continue to bring as many new businesses in as possible, and not just in Lincoln and Omaha. When you start to get out into greater Nebraska and look at the development that's happening in Grand Island, or Kearney, or Ord, Nebraska, which I talk about quite often, you really do see a lot of really cool, interesting things happening. And those kind of developments are vital if we are, in fact, going to both retain people in Nebraska, to prevent that brain drain, but also attract new people in. Some of you may know that I, I went to law school in D.C., and I moved back to Nebraska because I missed home afterwards. But a number of my friends gave me a hard time about Nebraska, who had never been here. They asked me oftentimes things like, oh, does Lincoln have paved roads? Does Lincoln have traffic lights? And I would say to them, clearly you've never been to Nebraska. And multiple times, they've actually come and visited me now. And all of them--

**ARCH:** One minute.

**DUNGAN:** --have been blown away-- thank you, Mr. President-- blown away by the cool things that we have happening here. So if people can actually come to Nebraska, if they can come to Lincoln and see what we're doing in Lincoln, I know that they're going to have that chance to, you know, really get to enjoy that, but also the rest of Nebraska, too. So we should be doing everything we can to do as much development in those areas, attract more people in, but do so in a way that is thoughtful and cognizant of ensuring that we're not diminishing the returns on those, and we're doing so in a way that actually benefits the state as a whole. So, again, I laud Senator Wayne for his hard

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work on this. I know this is a conglomerate of a couple of different ideas, but I think they all obviously are related to the same subject, with regards to bettering Nebraska, and development, both in Omaha and central and western Nebraska, as well. So I would encourage my colleagues to vote green on the underlying LB1344, and ultimately vote green on the forthcoming amendment. Thank you, Mr. President.

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

**M. CAVANAUGH:** Thank you, Mr. President. I didn't really have anything to say on this bill, but since Senator Wayne asked for some time to get an amendment drafted, I thought I would help him out, because, you know, he asked. So I could keep talking about the budget. That's something I clearly can talk about forever, or I can talk about something else. And I see Senator McKinney sent out a handout to everyone. This is on LB164. Is that further down the agenda? LB164? Or did we already get to it? It's coming up. OK. Oh, yeah. There it is. Well, I hope Senator McKinney doesn't mind if I just start talking about it. There's clearly an amendment here. It updates building and energy codes. Sounds really interesting. I think that's actually more controversial than one might think. And the bill we're on changes provisions to the Nebraska Innovation Hub. And I was not listening to the debate. I'm going to just be honest there. I was actually out in the Rotunda. I missed my last time talking because I was out in the Rotunda. I had not been out there at all today. And I went out because several people sent notes in to me, to talk to me about a slew of bills. And it is always interesting-- when I go out there, somebody will say, we want to talk to you about LB blank, blank, blank. And I will look at them with a blank face, and say, what is that bill? And I love when the answer is, it's your bill. I'm like, oh, of course it is. Obviously, I knew my own bill number. I do not memorize all of the bill numbers, so the little descriptions on each line are very helpful here, which is why I personally struggle with the worksheet order, because it is literally a page of numbers. And the first time I ever looked at this, my first year, I was like, what is this mess of just numbers? What, what does this possibly mean? How does this possibly mean anything to anyone? Is this like a computer code? Except for it's not just ones and zeros, which-- I have a lot of questions about ones and zeros and computer codes, also. How do ones and zeros translate into the multitude of things that we have in computers? But I'll wait for that question for later. So basically, I'm just having a stream of consciousness right now. You're all welcome. So, so the worksheet, however-- I will tell you all about the worksheet. The worksheet, which is now very full, because we are on day 50 of the second session of the biennium. And so we've got the carryover bills from last year,

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which is exactly what you might think, the bills that were introduced last year that are now carried over to this year. So we have the carryover bills. And they are all on here, as well as the current bills. And if you look at the worksheet, the, the, the thick line-- there's like a thin line, a thick line, and a thin line in the middle of it. And it says bills held by committee underneath that. And then it lists all of the bills. So if you look at that, it lists all of the bills that are sitting in each committee. So Appropriations has a-- 143 bills. The number in parentheses next to the committee tells you how many are in there. Banking has 60. Ag has 11.

**ARCH:** One minute.

**M. CAVANAUGH:** Business and Labor has 27. Education has 100. Exec Board has 18. General Affairs has 27. Government has 68. HHS has 86. And Judiciary has 152, coming in with the most. But close behind it is Appropriations with 143 and Revenue with 139. So, so that tells you-- so if you're bill number-- if you see a bill number in there, that bill is being held in committee. If you go up to the top, then you can see where it is in worksheet order. So we've got A bills, 24 priority bill-- 2024 priority bills. That just lists the priority bills. That doesn't tell you where they are. They might be down below, in worksheet. Then General File, Enrollment and Review, Select File, Enrollment and Review for engrossment, and Final, passed by the Legislature, approved by the Governor, and vetoed. There you have it. That's how you read the worksheet. Fun. Just a bunch of ones and zeros. So I think I'm out of time. Thank you, Mr. President.

**ARCH:** Time, Senator. Senator John Cavanaugh, you're recognized.

**J. CAVANAUGH:** Thank you, Mr. President. Well, so I rise in support of LB1344, and I look forward to hearing what is all going to be in the amendment we're going to vote on. And I was kind of going to keep talking about-- go off of what Senator Dungan was saying, about bringing new people in. There was a story in the World Herald today, about the city of Bellevue's desire to start a Good Life District, and how that would help them, you know, build up that area and get a water park that would be a regional attraction. I think they said 200 miles-- draw folks from 200 miles away. And that if they can't get a Good Life District, if we are limited to 3 and there's, I think, already 2 that have been signed, that they would still have other options to make sure they could pay-- make the bond obligations for that facility. Although they did look into-- I think they are passing a quarter-cent or half-cent sales tax-- local sales tax increase for the city of Bellevue, to help pay for those bonds in anticipation of

the potential of the-- not getting the good life designation. So it is really important, and I think Senator Wayne's work on this is really important. But to go back to these sort of attractions bringing folks in and introducing people to the state of Nebraska. We just had the NCAA tournament in Omaha. And as Senator Machaela Cavanaugh correctly pointed out, and many of you met-- some friends of mine came to town from across the country. 3 of them had-- that was their first trip to Nebraska, first trip to Omaha, first trip to Lincoln for all 4 of them. And they were really impressed. You know, took them out in the Haymarket district here in Lincoln, and they thought that was pretty cool. They really did appreciate the Capitol, although I don't know if that's necessarily a, you know, economic driver. I guess some people come here for that purpose. But they thought it was beautiful, and they really appreciated getting to come on the floor and meet all of you. So that was nice. But then they-- we went out to many parts of the city of Omaha, including the wonderful Blackstone District, which is in mid-- or in midtown, in District 9. But I did take them to Senator Hunt's district and show them some fine dining. And-- but Senator Hunt would say, the best district. But we all know that District 9 is the best district. But Senator Hunt does have, I would say, Senator-- District 8 does have some game, as it pertains to hospitality, food and beverage. And then I also-- they did go and visit District 49, Senator Day's district, and visited 1 of the-- I believe it's Cut Spike Distillery, in the La Vista area. So they got to see all of the fine parts. And they, of course, get to see Senator Fredrickson's district, District 20. Staying-- they stayed with my parents, who are constituents of Senator Fredrickson. But the point is, they got brought into town specifically because we had this event, the, the NCAA tournament. And we have the College World Series every year, in Omaha, and it brings in people who are not otherwise likely to come here. And then they-- those folks, my friends in particular, in this instance, this microcosm, did spend money at restaurants and some bars, and a couple of shops, some museums, in the city. And got to take in the fine sights of Omaha. And they are certainly impressed, and are interested in coming back. And of course, will, I hope, spread the word to their friends in their-- those far-flung places, about how great Omaha, Nebraska are as tourist destinations. And as Senator Dungan pointed out, folks in other places often think of--

**ARCH:** One minute.

**J. CAVANAUGH:** Thank you, Mr. President-- Omaha and Lincoln as not as developed as they are, which, of course, is relevant if that's something you're interested in, is seeing a city. And so we have the opportunity for the development of these Good Life Districts, like the

one that's proposed as a kind of hub or anchor attraction that will bring people in for a specific reason. And then while they're here, they might go and see other spots. And so this project in Bellevue, I think, is an exciting one, with this water park and whatever else they're planning to build there. And the project that I guess-- what do you call it, in Gretna, the-- which was the original one, has certainly a lot of excitement surrounding it, although I don't think we're actually going to get an NHL team, despite what the newspaper was reporting about that. But, you know, fortune favors the bold. You know, you swing for the fences. You're not going to get an NHL team if you don't try and ask for one. So I appreciate the folks working to try and get some big ideas out there.

**ARCH:** Time, Senator.

**J. CAVANAUGH:** Thank you, Mr. President.

**ARCH:** Senator McKinney, you're recognized to speak.

**McKINNEY:** Thank you, Mr. President. I rise in support of AM3191 and the underlining bill, actually, mainly because, you know, innovation hubs was a priority bill of mine a couple years ago. And I brought that bill mainly because I was-- it was before my first session in the Legislature. And I was trying to think of a bill to deal with economic development, because I represent the poorest district in the state. And we, at that time, hadn't had any type of economic investment from any entity at any level, state or local level. And I was just trying to think of a creative way to try to spur some type of economic activity in north Omaha. And I was on the Internet and, you know, going through Google searches, and just trying to think of every way possible, like, OK, what could we do creatively to try to address economics? And I remember my time working as a community organizer and speaking to people in the community and having those conversations, and many small business owners saying that although many people say there are opportunities for small business owners, and there's all types of programs and grants out there for them to access, the reality on the ground is accessing those opportunities is not the great-- it-- it's not the easiest. And it's not really centralized, although there are a lot of great programs out there. But for individuals in my community, for example, it's hard to access those programs or get to those opportunities. So I found a program in California actually, called the Innovation Hub program. I think at the time they had, I think, 13 innovation hubs across the state of California. And I just thought it was a good idea. And I remember everybody at the hearing-- this is the interesting part about innovation hubs. I remember the

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hearing. It was me and my LA at the time. And I go sit in front of the Business and Labor Committee. And I might have spoke for maybe 5 minutes. Nobody showed up in opposition, but nobody showed up in support, either. It was just me and my LA. And it was like, I opened and closed. And I was like, OK, am I crazy, or what am I doing here? But I was like, whatever. It was-- I actually wanted to prioritize it my first year, but it was some language I needed to work on. So over the interim, I worked on the language, and came back the next year, and prioritized it and got it passed. And since then, there's been a lot of activity around innovation hubs across the state, and also, across the country, of-- and billions of dollars of investment into innovation hubs across the country. Because it's been shown that innovation hubs have been the catalysts to change in communities like north Omaha, to help with innovation and economic development, to help small business owners build sustainability and help them get off the ground. And that was my intent and my vision behind Innovation hubs, is to try to do whatever I could to help small businesses in my community get a leg up and some type of support. So no matter if you were having a fresh idea or you've been in business for 10, 20 years, you could go to a innovation hub, which would be in the community--

**ARCH:** One minute.

**McKINNEY:** --and you could get that type of help, because it's needed and it's what's been missing. And I'm happy to see that other communities across the state are looking at innovation hubs, because it goes back to-- what I say, a lot of times, is the only way for the state of Nebraska to grow is for us to get creative, and get out of our box that we keep placing ourselves in. And we have to come up with creative ideas, and we have to look across the country and look across the world and see what creative ideas economically can we bring to the state of Nebraska to change the future of the state. And if we think outside the box, I think that's how we change the state. And I thought-- and I think many people understand that an innovation hub and-- as well as a Good Life District is a way to do that, so--

**ARCH:** Time, Senator.

**McKINNEY:** Thank you.

**ARCH:** Senator Hunt, you are recognized to speak.

**HUNT:** Thank you, Mr. President. I rise in support of AM3191 and LB1344. Being on the Urban Affairs Committee, learning about the inland port idea over the last couple of years as Senator Wayne has

been working on this concept, has been exciting for me because it's one of those things that, you know, if I hadn't been in this place and been in the position of being on the Urban Affairs Committee, I probably never would've thought about it. I never would have thought about this as an idea of a way to grow Nebraska. And it's one of so many really innovative and interesting ideas that have come from different senators who represent district part-- different parts of the state. The innovation hubs that Senator McKinney mentioned, another amazing thing that, you know, just, just the passage of the legislation, and having the opportunity and the platform of the committee hearing, having people come into the committee and share what it is that they're working on, how they're innovating in their spaces, and giving us, as a deliberative body, as a Legislature, as the people who control these aspects of budgeting in the state-- giving us an opportunity to support what they're doing has been one of the highlights of service for me. This morning during the budget debate, I was listening as there was the back and forth between Senator Walz and Senator Jacobson, and Senator Conrad and Senator Jacobson, about we're doing too much social spending-- da, da, da-- you know, too much welfare, things like this. And it's nice to work on projects like inland ports, like innovation hubs, like creative arts districts-- which was my bill-- that grow the state, that make it more attractive to people in a way that is not necessarily controversial, or doesn't have to be something that becomes a left versus right thing, or a progressive versus conservative, or urban versus rural thing. So these are the kinds of things that make me most excited in my service here. The creative arts districts, that was one of the most exciting things that I started working on, I think, in my very first year here, in 2019. It was-- many people don't know this, but I was meeting in my office with former Senator Heath Mello, after I got elected. And he gave me the idea. He-- I was talking to him. I remember exactly where we were sitting and what I said. I said, I really want to try to think of a bill that would be specifically good to my district, like something that, you know, can kind of show the gratitude I have for this community that, that I've been a part of for so long. I've been-- you know, I've had stores in my district for about 20 years. My kid goes to school there. I walk to the coffee shop every day. Like, if I wasn't a state senator, I would be just as proud and just as entrenched in my community. And I'm so grateful to them for giving me the trust and gift of this opportunity for representation. So I was trying to think of something that would be specifically good for them, but also, obviously, for everybody else. And it was actually Senator Mello who gave me that idea, to pursue some way to recognize the creative communities that we have in our

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state. And after doing more research about it, I learned something shocking, which was that only Montana and Nebraska, at the time, in 2019, didn't have designations for creative arts districts. And, you know, without, you know, being ignorant about it, you might ask yourself, well, can't they just call it a Creative District? Why does it need to be an official thing, et cetera? And I thought the same thing. But the reason it has to be recognized by the state through legislation-- hi, Senator Fredrickson-- is because there are federal funds that are available for officially recognized districts.

**ARCH:** One minute.

**HUNT:** So--thank you, Mr. President. So by not having creative arts districts designated at the state level, we were actually missing out on, you know, tens of-- maybe hundreds of thousands of dollars over the years, potentially, in federal funds that we can use to enrich our communities, again, in a way that is totally nonpartisan, not left versus right, totally non-controversial. Since the passage of that bill, we have several creative arts districts designated in Omaha. A new one just happened, I think, Joslyn Castle. I don't think I'm getting that wrong, but-- I think that's right. And of course, there's ones in Norfolk, in Kearney, in communities all across the state-- Lincoln. And these are things that I think creative communities all over the state-- where you live, if you don't have one yet, you should do some research and figure out how you can get with the Nebraska Arts Council, and make that happen for your neighborhood, too. Thank you, Madam Chair.

**DeBOER:** Thank you, Senator Hunt. Senator Dungan, you're recognized.

**DUNGAN:** Thank you, Madam President. I appreciate that background from Senator Hunt on the Creative Districts. It's something that's very near and dear to my heart. We actually, in my district, in LD 26, here in northeast Lincoln, have the only creative district that has been approved here in Lincoln. So I'd like to take just a couple seconds to talk about that, because I think it's really cool, and I spend quite a bit of time there. So there's a neighborhood right down the street from here-- I'm in that neighborhood, technically-- but a little downtown kind of area called University Place, UNI Place. And UNI Place is the home of a number of local shops, a couple of really great little restaurants. There's a Honduran place right there on the corner, on 48th Street. There's also a coffee shop/place to get drinks and food called Mo Java, that I spend quite a bit of time on the weekends. But there's also a couple of anchors in that area that have really helped lead the way to make LD 26 the home of Lincoln's only

Creative District. One of those that I want to give a special shout out to is the Lux Center for the Arts. For those who aren't familiar, the Lux is an art center. I don't want to say an art gallery, because it's more than that; it's not just an art studio, it's not an art museum, it truly is a center for the arts. And what makes it really special is, yes, they have a collection that they're able to show on a regular basis, but they also have rotating shows, where they bring in artists not just from Lincoln, but from all over the world, to bring art in there and be able to show that to people in Lincoln, free of charge, oftentimes. In addition to that, one of the coolest things the Lux does is they're actually the biggest provider in terms of amount of people served, of art classes in the state. Talking with the executive director from there, they actually give art classes to more people per year than UNL does. And I think that's really, really incredible. They offer painting classes, they offer sculpting classes. They actually have an entirely separate building where you can go and take multi-week classes on pottery, and have an opportunity to learn that entire process. So it's, it's really, really cool. Beyond that, they're also a real member of the community in LD 26, in a way that I think really gives back and enhances the cultural vibrancy of University Place. On a regular basis, the Lux Center for the Arts is putting on street performances or street shows, where they have festivals or they bring in food trucks and musical acts. They have art that you can come partake in, again, all free of charge. And so it really does provide an incredible avenue for the people in my neighborhood to come and experience University Place in a way that you might not otherwise get. They also had a project in the last couple of years, where they brought in mural artists to put murals up all around the University Place district. The first year they did this, I can't remember exactly how many they-- there were, I think maybe 9 or 10. If the Lux is watching, correct me if I'm wrong. But they brought in, I think, 9 or 10 muralists to come in and paint these. And it was really, really cool because, again, they weren't just Lincoln artists. They had artists from all over the world come to my neighborhood and paint these, these murals, that represent incredible displays of diversity. They, they represent incredible displays of community support and, and bringing us all together. And after they did that, they had a festival where they celebrated the opening of these. But now, they do tours, where you can show up at the Lux and you can go on a walking tour of the University Place neighborhood, along with somebody who can actually walk you around and explain to you what each of the murals are, where they came from. And along the way, you get to experience a lot of the, the sights and sounds of the University Place neighborhood. So I just wanted to kind of highlight that because it

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really is an anchor, not just in my community, but in Lincoln overall. And they were integral in getting University Place or UNI Place approved as a Creative District. And since then, I've already had an opportunity to learn about all of the other things they're going to be doing, so very, very excited for that. Wanted to give the Lux a shout out. I would also be remiss if I didn't also shout out the Blixt Arts Lab, which is a new, up-and-coming theater space in LD 26. So it's actually a little storefront theater, that either does their--

**DeBOER:** One minute.

**DUNGAN:** Thank you, Madam President-- that either does their own shows, or they allow others to come in and use that space, like the Angels Theatre Company, and other companies here in Lincoln. I went to a show at the Blixt Arts Lab, I think, maybe a couple weeks ago. It was a 1-person play that was just absolutely incredible. And to be able to literally walk there from my house, here in Lincoln, Nebraska, to go to a storefront theater, to be next to a world-class art center, and then have restaurants and coffee shops right down the street is pretty impressive. So a huge shout out to Senator Hunt, for all of her incredible work on the Creative Districts. It really has made an impact in Lincoln, and also, all across the state. Thank you, Madam President.

**DeBOER:** Thank you, Senator Dungan. Senator Blood, you're recognized.

**BLOOD:** Thank you, Madam President. Fellow senators, friends all, once the bill is newly amended, I will support the underlying bill. And I want to thank Senator Wayne, from Bellevue, from-- to changing the 3 to the 5 for us, because it really is needed right now for our development. So thank you for that. So since we're killing time, I want to talk a little bit about Bellevue and what's been going on. One of the things you guys did, as a body, that has been very beneficial to Bellevue is that you approved a bill that I brought forward that allowed us to grow south of Offutt Air Force Base. Some of you are aware, but many of you are not, that in Sarpy County, there was something called a land grab, years ago. And Bellevue didn't do a very good job of grabbing the land that we needed to grow. In fact, during some of that time, we had a mayor that said that we just wanted to stay a bedroom community, which really stunted our growth for a while. But now we are starting to boom. You heard about the spectacular water park. We've got a great organization called Green Bellevue, who is helping to take over some of the parks. We have 1 park that we're working on, called Mason Park, that is a sustainable park. It's a little bit behind because of certain circum-- circumstances. But

eventually, it'll be a really fun, educational park for kids and, and elderly people to come and learn more about sustainable plants here in Nebraska-- what a bioswale is. They'll be able to, like, walk by bushes and eat berries. It's actually kind of cool. But what I want you to know is that we're landlocked. Without that bill that you guys passed several years ago, we just keep generating the same space over and over and over again. And now we have the ability, because of this body, to do so much more in Bellevue, including some of the original economic development funding that happened prior to me being in this body, and things that have happened after I came to this body. So we are thankful whenever you take into consideration that sometimes, you need to bump things up to allow us to finish what we started. And so, I really do want to thank again, Senator Wayne, publicly, for hearing our concerns. Because, gosh, we're in a, a momentum forward, to do better and to change things in Bellevue, and to bring more technology to our community, and to bring more homes to our community, and to bring higher-paying jobs, which is something actually that Bellevue kind of lacks. We've always been kind of an outsource community for Omaha and other areas, such as, unfortunately, Papillion. Good for Papillion, and that's part of my district, too, but bad for Bellevue. Because they were able to bring some technology in that Bellevue wasn't. But now that is in Bellevue's future. We've always been a great partner with Offutt Air Force Base, which I always like to say on record for people who aren't sure. Offutt Air Force Base is not in Omaha. It's in Bellevue, Nebraska. And you laugh, but I have been to so many ceremonies on the base where they're saying, we really love Omaha. It's Bellevue. So I look forward to this bill moving forward. I think the amendment is going to make it for the greater good of all, but including Bellevue. If you haven't seen Bellevue lately, boy, we've got some of the most diverse restaurants in the area. We've got a nationally-known sushi chef. We also now have sushi train, by the way. So if you've never been to a sushi train and you like it when your, your meal comes on a little choo choo train by where you're sitting, Bellevue is the place to go. And right next door is a great drive-through boba tea place. So we got it going on. And if you go during the day, just 2 doors down is one of the most best-- the best-known chocolate places in the--

**DeBOER:** One minute.

**BLOOD:** --Omaha metro area. So we are poppin. We got great stuff coming-- going on in Bellevue. If you don't want to wait in line for a restaurant, you want to be seated and treated like you deserve to be treated, come on down to Sarpy County. Come on down to Bellevue. Come

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and have some food. And, and soon, you'll be able to visit our water park, as well. Thank you, Mr. President-- or Madam President.

**DeBOER:** Thank you, Senator Blood. Senator John Cavanaugh, you're recognized.

**J. CAVANAUGH:** Thank you, Madam President. Would Senator Blood yield for a question?

**DeBOER:** Senator Blood, will you yield?

**BLOOD:** Yes.

**J. CAVANAUGH:** I swear it's not a gotcha question, though I didn't ask you ahead of time. What is boba tea?

**BLOOD:** You live in Omaha, Nebraska, and you don't know what boba tree-- boba tea is? Have you ever had the-- it's usually like a fruited tea. And they have, like, tapioca beads on the bottom. And they give you a big fat straw, because the beads won't go up a normal straw.

**J. CAVANAUGH:** OK. I've seen pictures of this.

**BLOOD:** I mean, you have, I think, in, in Omaha, you also have a Thirst-Tea, like Bellevue does, but it's not as nice as ours. And you also have, like, Kung Fu Tea, on Pacific. And then there's another one on Pacific by Evans breakfast place there. There-- there's probably-- I know there's some-- at least 1 in Papillion. That's kind of our goal, to visit every one in Omaha metro area, but I know of at least 20.

**J. CAVANAUGH:** So you're a fan of this boba tea?

**BLOOD:** I, I am a fan. Once you-- first of all, I'm a tapioca fan. So for me, it's actually tasty. But if you don't like gelatinous things coming up your straw, you might not enjoy it.

**J. CAVANAUGH:** Well, I'll give it a try. I like tea. And I like fruity drinks, generally. I don't know how I feel about tapioca.

**BLOOD:** I-- it's the flowered ones I have trouble with, like when they want you to drink like, the rose tea one. I, I feel like I'm chomping on a rose. I don't enjoy the ones that tastes like flowers.

**J. CAVANAUGH:** Well, thank you, Senator Blood. I'll have to look--

**BLOOD:** My pleasure.

**J. CAVANAUGH:** --and see if we have a boba tea in District 9.

**BLOOD:** Or I may just have to bring you one tomorrow.

**J. CAVANAUGH:** Oh. Thank you. Well, District 9 has a lot of great restaurants and places. But I don't-- I guess I've, I've not sought out a, a boba tea place, so I'll be on the lookout for it. It might be at someplace like Midtown Crossing, which is a great destination in midtown Omaha. Though I like to point out some people, when you say, I say I'm from midtown-- and I'm west of Midtown Crossing by about 20 blocks-- they think I mean Midtown Crossing. But midtown, for those that are in the know for Omaha, is really things that are east of 72nd and probably west of downtown. And so that's where I live. I grew up in what, at the point when I grew up, was west Omaha, 90-- 90th Street area, which is now, by numerical definition, would be east Omaha. Because Omaha goes past 180th Street, to some places, 240th Street, I think. But nonetheless, still midtown. Senator Hunt and I both represent the heart of midtown, all of the best parts of Omaha. We can all agree that District 8 and 9 have all of the best parts of Omaha, and therefore all of the best parts of Nebraska. If you are looking for art, we have it. We have-- just a great article in the World-Herald, either today or yesterday, about the arts and entertainment district that was formed by the Joslyn Castle, and cathedral-- the cathedral-- Joslyn Arts Cas-- arts and entertainment district, where they have used the arts and entertainment district bill, that was, I think, maybe, brought by Senator Hunt. So thank you, Senator Hunt. And they have used that to create activities and community. And I think this-- the, the article-- I wish I could remember off the top of my head what the line was, but it said, you know, you create-- you, you create activities. And that allows you to create, you know, friends and neighbors, and get to know those folks, and that's how you build a community. And so that's what we love to see. There's a lot of great communities in midtown Omaha that are both local attractions-- the idea of the arts and entertainment district, I think, would be to bring folks in from around our community in Omaha.

**DeBOER:** One minute.

**J. CAVANAUGH:** Thank you, Madam President-- but also bring folks in for bigger events. We had the flower festival at the jo-- at the cathedral, earlier this spring, which was so popular that it was hard to go to. So many people were there, it was hard for people to go, but it's a beautiful event. But there's a lot of great events. And we can

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continue to promote those. The arts and entertainment district is a great example of the state of Nebraska, through the Arts Council, promoting our, our attractions that bring in people and build community, and bring in economic development through this. So we have that excitement building there. But that's part of what this bill does. LB1344 will help us to increase investment in our communities, and give us more tools to build these exciting, interesting spots to attract people to come visit. So I, again, support LB1344. And I will be--

**DeBOER:** Time, Senator.

**J. CAVANAUGH:** --be on the lookout for some boba tea. Thank you, Madam President.

**DeBOER:** Thank you, Senator John Cavanaugh. Senator Conrad, you're recognized. Senator Hunt, you're recognized.

**HUNT:** Thank you, Madam President. I want to know where this amendment is at. Senator Wayne says 3 minutes. All right. I have not been on the mic much this year. One thing I've been kind of looking in-- this is a, this is a tone change, probably for the worse. But one thing I've been kind of looking into with my staff in the last couple days, not that it-- anything will come of it other than maybe some sunlight, is Governor Pillen's plan to send Nebraska National Guard and state troopers to the southern border. I talk about this a lot on social media. You know, could talk 5 more minutes about social media. But I talk a lot on social media about how I really hate Nebraska using our state resources to, you know, go play Call of Duty, basically, at the southern border. That's what it is to me. It's-- we-- we've got people who want to, like, play war, and go down there, and act like there's a big-- I just don't see the need. I don't, I don't believe in it, at all. I don't think it's a good thing for the resources we have in our state, and I don't think it's a good thing for our country. But this article from the Examiner, from yesterday, says "As promised, Governor Jim Pillen will be sending another group of Nebraskans to patrol the southern border. In early April, 35 members of the Nebraska National Guard will deploy for 90 days in Eagle Pass, Texas, in support of counterparts with the Texas National Guard, the Governor's Office announced Monday evening. In mid-April, 10 troopers with the Nebraska State Patrol will head south to work for two weeks alongside the Texas Department of Public Safety." And the article continues, "Last year, the Nebraska Governor sent 2 separate deployments of guard personnel and state troopers to the southern border at a cost of nearly \$1 million." So right now, we've got 35 members of the Guard going to go

down there, and 10 state troopers. And so, the question to raise that I'm curious about-- last year when we did this, it cost nearly \$1 million to the state. Who-- where is the funding for these border missions coming from in our budget? What is the funding mechanism? What is the amount? And this is what we've been kind of digging into over the last day. Last time this happened, last year, Governor Pillen's administration did specify the funding source in advance. And they said it was ARPA. Last year, they said they used ARPA funding to send these troops to the border. And this time, they have not specified, in their press release, about it-- where the funding is coming from. And I think that's suspicious. And I think it's fair to inquire about, especially given that we've just advanced the budget adjustments this morning. So we don't know where the funding is coming from. We can speculate about it. It could either come from the Governor's emergency fund, or the Military Department's ARPA appropriation, which is what happened last year. And also, to take those funds from ARPA is arguably illegal, because it's not in line with the prescribed purpose of those funds. It was appropriated to the military for administration and programming of their operating budget. So it's debatable whether it's an appropriate use of those ARPA funds to send, you know, our, our troops down to the southern border. If it is the ARPA military appropriated funding, there might also be a constitutional question. We might be ignoring budget language that we have, about the prescribed purpose of the funds. So these are just questions that I have, that I've been looking into for the last few days. And another question related to the budget. If we have all this extra money in the military department--

**DeBOER:** One minute.

**HUNT:** --budget-- thank you, Madam Chair-- to use on this kind of thing, then why are we raiding all of these other funds, as we've done throughout this budget process? If we have so much extra money that the Governor can send 45 of Nebraska's personnel, of Nebraska's guardians of public safety to Texas for 90 days without any input from the legislative budget process, then maybe we need to look at the appropriation that the Governor's getting and shrink that down a little bit. It also-- I mean, it also plays into the fact that illegal border crossings that are happening in Eagle Pass, Texas, they're dramatically down recently. And this is what makes me think it's really just kind of theater. It's political theater. It's helping Republicans in Texas, as it's--

**DeBOER:** Time, Senator.

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**HUNT:** --helping Republican leadership here. Thank you, Madam Chair.

**DeBOER:** Thank you, Senator Hunt. Senator Dungan, you're recognized.

**DUNGAN:** Thank you, Madam President. Is this my third time or just my second?

**DeBOER:** It's your third opportunity.

**DUNGAN:** It is my third time. OK. Well, colleagues, I'm still continuing to just take a little bit of time while Senator Wayne works on this amendment. In doing so, I was thinking about other things we've talked about this year, as well. And I was thinking back to when my rowmate, John Cavanaugh, introduced his bill with regard to rickhouses. Some of you may remember that the rickhouse is the facility wherein bourbon is ultimately going to be aged or other, I guess, whiskeys and things like that, too. But it's a facility where the bourbon can go into a barrel and be aged. And I spoke at that point in time about what bottled-in-bond bourbon meant. And I think I gave a little bit of a description of what it took to be classified as bottled-in-bond. And I talked a little bit about how the Bottled-in-Bond Act in America was our first real consumer protection law as it pertains to food or drink. So I think that's kind of interesting, and something that I thought was fun. However, I received a number of texts and emails immediately after that speech, telling me what I had left out, and telling me that I was incorrect, or at least, maybe, omitted some very important things. And so I wanted to take this time we have here today, to make sure that I talked a little bit about Colonel Edmund Haynes Taylor Jr. You may know him more from his name on a bottle, which is E.H. Taylor. But E.H. Taylor is a very integral person in the bourbon industry. And one of our friends, who is often out in the Rotunda, texted me that I'd, I'd, I'd accidentally left out Mr. Taylor. So I wanted to make sure I read a little bit of the history of, of Colonel Taylor into the record here, so we're clear about the impact he's had on the, the bourbon and rickhouse industry. E.H. Taylor, Jr. was a visionary in the whiskey field, with a mind for distilling that was years ahead of its time. He founded a world-class distillery, made advancements in the industry, and fought for the parity-- I'm sorry-- purity and legitimacy of bourbon, gaining him the title "the father of the modern bourbon industry." Taylor is celebrated for the countless innovations he contributed to the bourbon industry in his time. His first involvement in the industry came as a banker, aiding in the organization and financing of several distilleries. Through his experience as a banker, Taylor became personally acquainted with several prominent whiskey makers. Taylor's

1869 purchase of a small, Leestown distillery that he christened O.F.C., was his first foray into distilling, making an immediate mark on the industry by modernizing, expanding, and upgrading the plant. Among his innovations were copper fermentation tanks, state-of-the-art grain equipment, column stills, modernized buildings, a more efficient sour mash technique, and a first-of-its-kind steam heating system that's still used in barrel warehouses today. A skilled politician, Taylor was instrumental in fighting for higher standards in the bourbon industry, pushing for the passage of the Bottled-in-Bond Act of 1897. As if his involvement in the bourbon industry wasn't enough, Taylor served as the mayor of Frankfort for 16 years. The O.F.C. Distillery was purchased ultimately by George T. Stagg in 1879, and remains an integral part of Buffalo Trace-- the distillery's history. Taylor is remembered as the last of a breed, a true bourbon aristocrat who was responsible for linking the classic and modern eras of bourbon making. So, colleagues, I just wanted to make sure we were all aware of the impact of Colonel Taylor. And I apologize to the, the experts in the field, for leaving that out the first time. I would also point out that I believe now, looking at his Wikipedia entry, Colonel Taylor passed away during prohibition, which probably was a very sad time for him to go. With that, I will continue to listen to the debate and the conversation that we've been having here, on LB1344. I continue to be in support of LB1344, and in support of the ideas and concepts contained in AM3191. My understanding is that Senator Wayne is working on getting an additional amendment that I think will change some of the things in AM3191, to make them more amenable to some parties.

**DeBOER:** One minute.

**DUNGAN:** Thank you, Madam President. At which point in time, my hope is that we can all come together and vote on that. I don't know if we're going to get there before dinner. I see that Senator Wayne is in the queue following my rowmate here, Senator John Cavanaugh. So hopefully, he'll have an update for us. But I intend to continue the conversation as long as we need. Thank you, Madam President, and colleagues.

**DeBOER:** Thank you, Senator Dungan. Senator John Cavanaugh, you're recognized. And this is your third opportunity.

**J. CAVANAUGH:** Thank you, Madam President. Thank you, Senator Dungan, for that lesson in history. You know, I appreciate it. Well, first off, I, I was-- like we all know, when you talk on the mic, you get-- some folks reach out to you. And one of my constituents reached out to me, and pointed out-- so in District 9, we have Thirst-Tea, at Midtown

Crossing, which I think was one of the names that Senator Blood mentioned, Thirst-Tea, which I appreciate a good pun-- and the Thai rolled ice, ice cream place in Aksarben, Kung Fu Tea on 72nd. So, got a few that I, I guess I have-- I was remiss in overlooking the boba tea craze, so I've learned something today. But again, I rise in support of LB1344. And I did take the opportunity to look up this article from the World-Herald, and in this quote that I thought was particularly interesting. And it's from John Paul, who's the Joslyn community engagement lia-- liaison. He said, our castle and Creative District is a place where people find connection with one another, where residents and visitors are transformed into neighbors and friends, and where a sense of community is built around extraordinary artistic and inspiring cultural events. So I thought that was pretty well said, about our aspirations for these arts and Creative Districts. I think it's really great. I'm very excited about what we've seen in District 9, in midtown, in the Joslyn Castle neighborhood area, as a result of the-- achieving the designation, and the projects that have been undertaken by the folks who came together to create that Creative District. And I look forward to seeing what other exciting things they do. And it is a lesson about, you know, these sort of investments can pay these great dividends, in terms of creating community and places for the people who live there, but also for people to come and visit, and, of course, our, our goal of creating economic development and investment. People come and they spend some of their hard-earned money. And that goes into the pockets of the businesses, but also through, you know, the taxes, goes back into the community and the state, through that. And, of course, certain events-- big enough events can draw people in from outside the state, and then bring in dollars from across the country, like we just saw at the NCAA tournament this weekend. A lot of folks from South Dakota came in for the South Dakota State Jackrabbits. And we have a fan. I'm sorry. They didn't win that first round game. I think they played Iowa State in the first round, if I remember. We had a lot of, a lot of folks from Iowa State, a lot of folks from Illinois, a lot of folks from Drake, which is also Iowa. So those are all close-by states where people came in. There was a contingent from Washington State, which is-- I can't remember the name of the town, Pelham [SIC], I think, Washington. It's in way eastern Washington, almost in Idaho. But there were a good number of Washington State fans who came in for that game. And then Duquesne, which is from Pittsburgh. And I met a nice gentleman on the street from Pittsburgh, after Duquesne won their upset win in the first round. And he was very excited. He had driven in from Pittsburgh, and he had planned to turn around and go back to Pittsburgh, but he needed to buy-- get a hotel room until Saturday

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night, because of Duquesne's win. And so, that type of unforeseen infusion of money--

**DeBOER:** One minute.

**J. CAVANAUGH:** --is, is the result of both the fortuitous result of a Cinderella, as we call it in the NCAA tournament, where the, the lower seed team upsets the higher seed team, which is, of course-- those of us who love that tournament all watch specifically for those types of upsets, unless, of course, they're playing against our, our team. Creighton University won on Saturday night, and was not upset by number 11 seed Oregon. And so we're very excited about that. If you had an opportunity to watch that, you were lucky because it went to double overtime, and it was a thrilling game. So, they play again on Friday night against a higher seed. So Creighton will be, will be looking to upset a higher seed team in Tennessee. I believe it's 9:40, if I remember right, on Friday night. So mark your calendars if you want to see some good basketball, see our local Omaha team win. And I guess I am probably out of time. But I, again, support the bill and I assume, the forthcoming amendment, but we'll see. Thank you, Mr. President-- Madam.

**DeBOER:** Time, Senator.

**J. CAVANAUGH:** Madam.

**DeBOER:** Mr. Clerk, for an amendment.

**CLERK:** Madam President, Senator Wayne would move to amend with AM3232.

**DeBOER:** Senator Wayne, you are recognized to open on your amendment.

**WAYNE:** Thank you. AM3232, what this does is it removes the opposition from the-- the email that many of you have maybe have saw earlier. And, what it-- and also, the opposition from the municipalities, relating to the maximum. So this will insert the maximum amount of credits in Congressional District 1 and 3, as \$150,000 per project. And then it will also change it from 3 to 5. That's what everybody wanted, so that's what we did. And with that, I will close.

**DeBOER:** Thank you, Senator Wayne. Senator Wayne, you're next in the queue. Senator Wayne waives. Seeing no one else in the queue, Senator Wayne, you are recognized to close on AM20-- AM3232.

**WAYNE:** There's not a lot of people here, so who knows what's going to happen when I get done talking. But here's what I will tell you,

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again. What we're trying to do here is take an existing program, make it better, then create a whole new program for a pioneer tax credit, which is around entrepreneurs and getting dollars to small businesses to, to grow, and, and community projects. I handed out detailed lists of a grid of what's in the current bill, what's in the current amendment, AM3191. Again, I made those changes that were necessary to remove opposition. Again, there is a, a total cap on this of \$6 million. But I do want to talk briefly about the innovation districts, as peop-- or the Good Life Districts, as people come in. It is important-- that we have a conversation around limiting the good life districts because they are our state revenue dollars. We allow part of those sales tax to go back to the developer or stay with the developer, which means it's less revenue for us. So we have to be mindful of how we are doing this. And by putting a cap at 5, if there needs to be legislative changes down the road, that can happen. But this is a good safeguard to make sure we're not losing too many dollars. Thank you, Madam President.

**DeBOER:** Thank you, Senator Wayne. The question before the body is the adoption of AM3232. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 28 ayes, 0 nays on adoption of the amendment, Madam President.

**DeBOER:** It is adopted. Seeing no one else in the queue, Senator Wayne, you are welcome to close on AM3191.

**WAYNE:** Thank you. I will be having one more additional amendment that will come up; it will be real short. And this one is actually-- Senator Clements came up, he said something to me about it and I agree with him from a policy standpoint. So we should always try to make bills better. This amendment right now is the amendment that's before you. Again with, with the last vote, we have a limitation on 5, not 3. And we have a cap per project in Congressional District 1 and 3 of \$150,000 per project because that's what they wanted. Again, the total cap statewide is \$6 million. And that'll be divided up \$2 million per congressional district. Thank you, Madam President. And I'll ask for a green vote.

**DeBOER:** Thank you, Senator Wayne. The question before the body is the adoption of AM3191. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 30 ayes, 3 nays, Madam President, on adoption of Senator Wayne's amendment.

**DeBOER:** It is adopted. Next item on the bill.

**CLERK:** Madam President, Senator Wayne would move to amend with FA320.

**DeBOER:** Senator Wayne, you are recognized to open on A-- or FA320.

**WAYNE:** Thank you. This amendment deletes on page, page 10, lines 2 through 10. And this is actually current law; we just reorganized it. But I do agree with Senator Clements in this regard that if you're going to volunteer your time, you should volunteer your time. I do know, you know, from a tax perspective, this isn't at the federal level nor at the state level. So it is kind of odd that this was in current law. So I agree with Senator Clements. We should take that out and clean it up. If you donate your time, if you're an accountant and you donate your time, then you should be donating your time because you want to do, not to get a tax credit. So I do agree with that. And I would ask for your green vote to remove that subsection. Again, this is part of current law. But I do agree from a policy perspective we should remove that. Thank you.

**DeBOER:** Thank you, Senator Wayne. Senator Clements, you're recognized.

**CLEMENTS:** Thank you, Madam President. Yes, I saw that a person could volunteer their time and then have it valued at whatever hourly rate that was supposed to be. And what I saw in the, the bill now is that it's a 100% tax credit, and I'm not sure if it still remains 100%. But if I'm volunteering my time for some project, I really wouldn't expect to have it valued at \$20 an hour, 10 hours and get \$200 tax credit from the state. It's just basically, might as well be an appropriation bill to give me money for volunteering for things. I do like volunteering for items and don't expect a reimbursement from the state for it. Would Senator Wayne yield to a question?

**DeBOER:** Senator Wayne, will you yield?

**WAYNE:** Yes.

**CLEMENTS:** What's the percentage tax credit that would have been on that benefit?

**WAYNE:** It would have been 100%. But we are removing that with the FA to-- they won't get any tax credit for donating their time or their service.

**CLEMENTS:** Right. So I do support this floor amendment because I, I think a person could donate dollars, cash that they've earned. But

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their time, I don't think the state should be able to pay 100% of the value of someone's time. So I do support FA320, but I voted no on the previous amendment. I'm not going to vote for the bill. But I appreciate Senator Wayne offering to remove this provision. Thank you.

**DeBOER:** Thank you, Senator Clements and Wayne. Seeing no one else in the queue, Senator Wayne, you are welcome to close on FA320.

**WAYNE:** And just for the record-- thank you, Madam President. Just for the record, I did not ask Senator Clements for a vote. I, I, I literally said, I'm not asking you to vote for this, but I think this is the right policy decision. So I'll do the floor amendment. He would not do the floor amendment, but I did the floor amendment. I'm just giving him a hard time. Thank you, Madam President.

**DeBOER:** Thank you, Senator Wayne. The question before the body is the adoption of FA320. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 37 ayes, 1 nay on adoption of FA320, Madam President.

**DeBOER:** It is adopted. Next item on the bill.

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

**DeBOER:** Senator Wayne, you are welcome to-- Senator Ballard, for a motion.

**BALLARD:** Madam President, I move that LB1344 be advanced to E&R for engrossing.

**DeBOER:** Colleagues, you've heard the motion. All those in favor say aye. All those opposed say nay. It is advanced. Next bill, Mr. Clerk.

**CLERK:** Madam President, General File, LB164 introduced by Senator McKinney. It's a bill for an act relating to buildings; adopts updates to building and energy codes; and repeals the original section. The bill was read for the first time on January 9 of this year and referred to the Urban Affairs Committee. That committee placed the bill on General File. Madam President, when the Legislature left the bill earlier this year, pending was the committee amendment. There are additional amendments. Madam President, Senator Wayne had AM2175 pending. He has a note here he would wish to withdraw that amendment.

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**DeBOER:** So ordered. Sen-- Senator, Senator McKinney, you are welcome to do a one-minute refresh on the bill and the committee amendment.

**McKINNEY:** So the bill, LB164, it's being amended. So it's not going to be dealing with bill-- building codes at all. We did a white copy amendment and that is the committee amendment. And we brought the amendment because of Omaha establishing an inland port authority, and also because we as a Legislature, we committed dollars to different projects in the area. And we wanted to ensure that all of these projects were properly coordinated with each other around the airport business park and innovation hub. And with, with the amendment, we was-- we were attempting to bring each within each other. And I have another amendment after this. But the purpose of the amendment was to bring coordination with the projects to make sure things were transparent and done properly with the best interests of the community. Thank you.

**DeBOER:** Thank you, Senator McKinney. Mr. Clerk, for an amendment to the committee amendments.

**CLERK:** Thank you, Madam President. Senator McKinney would move to amend with AM3104.

**DeBOER:** Senator McKinney, you are welcome to open on AM3104.

**McKINNEY:** Thank you, Madam President. So AM3104 aims to encourage economic growth, support workforce housing and improve infrastructure in Nebraska. With the Economic Recovery Act, we committed, what is it, \$90 million to develop an airport business park, \$30 million to develop an innovation hub. And with that, the Department of Economic Development was tasked with seeking out grantees and those to, to do those projects. And, and in doing so, they "seeked" out grantees to do the project around an airport business park. And they had them go through a planning grant process and those type of things. And through that process, a lot of issues had come to the surface around mainly engagement with the community and what was going on in the area around the proposed airport business park and the area around Carter Lake and Levi Carter Park and in Omaha. And because of those concerns, I got with Senator Wayne and we put together this amendment to try to provide some coordination, to try to provide the community with a voice and to try to make sure that there was some guardrails and some transparency in place, mainly to make sure that these projects were completed. But they were completed with the-- with the community's voice at the forefront as much as possible to make sure these things happen. The city of Omaha established a-- well, they passed an

ordinance for inland port, port authority, and I believe they just applied to the state for the designation. So in this bill, it will require inland port authorities within a metropolitan class (city) to create and operate an innovation district, hold quarterly public input meetings, conduct a community survey, only use grant funds in the airport authority area, provide direct oversight of the operation of any innovation hub located within a city of a metropolitan class, form a community advisory committee, hire a consultant for financial planning, support housing construction and support-- and, and submit reports on current and completed and future projects to the Urban Affairs Committee and to the Legislature. And also there will be a board and the members-- and the members of the board will, will include the mayor or the mayor's designee, at least 2 members with experience in real estate development, at least 2 members with experience in community organizing and development, at least 1 member with experience in financial services and budget oversight. Then there's also the creation of a community advisory board, which is a 9-member board. These members shall include at least 2 owners of residential property located within the inland port district, at least 2 owners of-- owners of businesses located within the inland port district, a member of the city council of such city of the of the metropolitan class whose city council district is within a port district, a member of the Legislature whose district is located within the port, and a youth representative or someone closely involved with youth in the community. Each recipient also of a grant that's provided shall attend all meetings of the community Advisory committee. It allows a public official to serve as commissioner of the inland port authority. It disallows an individual to serve as a commissioner or an employee of the inland port authority if they or a family member owns an interest in a private firm, company, or other entity that receive financial benefit through any funding provided from a grant awarded through the statutes around the inland port authority. The creation of Inland Port Authority Fund, which is to be used to carry out the functions of the inland port authority within the boundaries of a city of a metropolitan class. It outlines how the grant recipients are to utilize the funds. Under the fund, the State Treasurer shall transfer any interest earned on or after July 1 of 2024 and on or before June 30, 2026, from ARPA to the Inland Port Authority Fund no later than October 1, 2024, or-- and on or before June 30 each year after through June 30, 2026. Any interest earnings on July 1, 2024, or June 30, 2026, from the Nebraska Capital Construction Fund. Transfers credited to such funds are designed for the construction of the new State Penitentiary shall go to the Inland Port Authority Fund. These are already commitments that were committed last year that are just being

transferred to the Inland Port Authority Fund. There's also commitments for museum construction in an amount of \$7 million in fiscal year 2025 and 2026. And also there's provisions of Senator Bostar's LB1416 in which he'll get up and speak about as well. And that's most of what this is. And it's also transfers of \$30 million from the Economic Contingency Fund to the-- to the Inland Port Authority Fund as well, and then any unobligated funds remaining in the Economic Contingency Fund on July 31, 2026, will go to the Inland Port Authority Fund as well. And I know there's been a lot of questions about what's going on with LB164, what's going on with all the projects in North Omaha and all the questions. And I would just say that what we've been attempting to do is to make sure that at the end of all these projects being done and once they're completed, and we look back 5, 10 years from now, we don't say that we missed an opportunity to change a community. We're not looking back and saying that we screwed up or we missed the mark or things didn't go how they weren't supposed-- things didn't go right. That's the-- that's the core of all this is to put things in place to where we have some transparency and oversight of these projects, to make sure that the North Omaha community is taken care of, and those individuals that are tasked with doing these projects are looking out for the best interests of the community and not financial gain. That is the core of these amendments and why we brought them, because a lot of concerns were raised by the community about a lack of engagement and outreach and, and care, honestly. And I think a lot of those concerns are valid. It's not even I think they are valid. Because when you-- when it's this much investment and this much change that's going to happen, I think you have to be as intentional as possible. And I do not think that those entities who are supposed to be doing these projects were being as intentional as they should have been, which is-- which was shown in community meetings that I attended, and they were there, and it was very clear that the community was upset and they didn't feel like they were being heard. And I'm doing what I was sent down here to do is to represent the people in my community and try to look out for their best interests. And that's why we brought AM3104, and I hope that I can get your support. Thank you.

**ARCH:** The Legislature will now be in recess until 6-- stand at ease, not recess-- don't go out for recess-- stand at ease until 6:30, at which time Senator von Gillern, Jacobson, and Wayne, you are next in the queue.

[EASE]

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**SERGEANT AT ARMS:** Attention, Senators. The Legislature is scheduled to reconvene in 5 minutes.

**DORN:** The Legislature will resume shortly. Please return to your seats. The Legislature will now resume. Mr. Clerk, for items.

**ASSISTANT CLERK:** Thank you, Mr. President. Amendment to be printed from Senator Holdcroft to LB876. And your Committee on Enrollment and Review reports LR1188 and finds the same placed on Final Reading. That's all I have at this time.

**DORN:** Returning to the queue, Senator von Gillern, you're recognized to speak.

**von GILLERN:** Thank you, Mr. President. I'll speak slowly as people are trickling back in tonight. But Senator Mckin-- Senator McKinney, I got a couple of questions for you here in just a second. But I just wanted to to say that I've come to rely on the committee statements as the session has gone on. And it's a good way to kind of-- it's kind of a good roadmap to figure out how bills get started and where they've gone and how they've evolved into what they-- where, where they are today. I'm looking at this committee statement and I'm frankly kind of lost. I see the original bill. I see what it was originally targeted towards, which is what generated my attention being in the building industry, and wanted to make sure that the codes are up to date. And then I saw that the amendment was posted and then tracking that. The amendment and, and the, the new white copy bill may be terrific, but again, I'm trying to track it through the committee statement. So, Senator McKinney, would you yield to a question or 2, please?

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

**McKINNEY:** Yes.

**von GILLERN:** The-- so AM2105, was that previously another bill? Because the committee statement doesn't state that if it was.

**McKINNEY:** That was an amendment to the bill.

**von GILLERN:** So it was not a bill, a separate bill previously that was amended into LB164.

**McKINNEY:** No, it was a white copy amendment to the bill--

**von GILLERN:** OK.

**McKINNEY:** --that we had a hearing for.

**von GILLERN:** You did have a hearing for it. OK. Where can I find that hearing? Because again, I'm looking at the committee statement and the, the proponents and opponents in the committee statement are obviously for the, the original bill. And maybe it's-- again, I'm a little-- a little late to the game here trying to track all this. But is the-- is the hearing-- are the hearing notes in the committee statement some-- somewhere? Oh, here I got hearing amendment 2105 on January 16. Senator Wayne, Warren Skiles [SIC] and Jen Creager, is that-- are those the, the testifiers?

**McKINNEY:** Yes.

**von GILLERN:** OK. All right. I'm sorry. I got to reading through the amendment and I didn't get all the way through and I was trying to track. Again, the committee statements are so helpful when I look back through them to try and figure out how we got from where we were to where we are. So all right, I'll continue reading on for that. Thank you for your time. I yield my time, Mr. President.

**DORN:** Thank you, Senator von Gillern and Senator McKinney. Senator Wayne, you're recognized to speak.

**WAYNE:** Hello. Thank you, Mr. President. Colleagues, this has been a lot of moving parts. We've had a lot of amendments, and there's been some things that were non-controversial that were in the committee amendment that somehow didn't make it into this amendment. But-- and I'm saying some things. It's only one thing that I've seen so far. Otherwise, just grammar. But nevertheless, the one thing that I'm not seeing that was non-controversial and Senator-- in the original AM2105 is Senator Jacobson. We had an agreement on the mic, and this is why I'm saying it again so everybody's clear that that agreement still stands. That on page 6 of the-- not, not of this amendment, but the previous one, North Platte was trying to make sure their airport was included so they wanted 15 miles. I am going to make sure that happens on Select if we get there because that's what we said. I don't know how that got missed off of this amendment to this amendment. And the reason I didn't read for it nor Senator McKinney is it was a noncontroversial issue. So when we got the new amendment, we were looking at the controversial stuff to make sure we got stuff done, But that'll be fixed and addressed. And with that, I will yield the rest of my time back to the Chair.

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**DORN:** Thank you, Senator Wayne. Seeing no one else in the queue, Senator McKinney, you're recognized to close on your AM3104.

**McKINNEY:** Thank you, Mr. President. Again, AM314-- AM3104 is an amendment to address some concerns that were brought up over the interim and into the session that was raised by the community about the process of what was going on around the projects that are going on around the airport business park and innovation hub. And we're just trying to make sure that there is proper coordination with the projects and that, honestly, that the community isn't forgotten about. And they have a voice and that whoever completes and do-- and does these projects centers the community in everything that they do. And that is the point of all of this is making sure that no matter if the community agrees or disagrees or whatever, that they're at the table with a voice. And that's the biggest thing for me is to make sure that the people are not forgotten about as, as much as possible. But also if we're going to-- if we're going to invest this much dollars into an area, we should make sure that we have some transparency and oversight to see these things through, to make sure that they're done properly. So we're not looking back 5, 10 years from now, saying it was a missed opportunity to do some great economic development, job-- you know, job creation, change the community for the better. Because one of the things I told myself when I got-- when I ran for office is I was going to focus on economic development, because that's what I felt like North Omaha needed. And somebody asked me a while ago, like, what, what do I want my legacy to be? Something I really don't think about. But when I was asked to think about it, hopefully whenever I walk away from this place is that I changed the trajectory of my community to where it's not the poorest district in the state, and people are thriving and people are being successful and less and less of my people are going to the new prison that we're building. That is my hope. And that is my goal behind all of this. So we need things like this to ensure that happens. And that is the purpose and the premise behind AM3104 and why we amended the bill, because it's that important to make sure these things go right. And with that, you know, I hope that I can get everyone's support. And there is some things that we'll have to fix on Select, and I'm willing to answer any questions and work with anybody to get it to where it needs to be. But there's a lot of moving parts, and I feel like, you know, if you have questions, come to me. But don't wait till the bill gets on the board to ask those questions. Just come to me. You know, if it's on the agenda or you see it's coming up, just come talk to me. I'm willing to answer any questions you might have. And I think we could avoid a lot of confusion by having those conversations before a bill gets on the

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board, honestly. But with that, I hope I can get your support. Thank you. And can we get [RECORDING MALFUNCTION]

**DORN:** There has been a request to place the house under call. The question is, shall the house go under call? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**ASSISTANT CLERK:** 17 ayes, 1 nay to go under call.

**DORN:** The house is under call. Senators, please record your presence. Those unexcused senators outside the Chamber, please return to the Chamber and record your presence. All unauthorized personnel, please leave the floor. The house is under call. Senator Armendariz, Senator Linehan, Senator Slama, Senator Dover, Senator Meyer, Senator Moser, Senator Hughes, Senator Ibach, Senator McDonnell, Senator Halloran, Senator Wayne, Senator Erdman, Senator Riepe, Senator Dungan, Senator Bosn, the house is under call. Please return to the Chamber. Senator Armendariz, Senator Meyer, Senator McDonnell, Senator Ibach, Senator Moser, Senator Riepe, Senator Bosn, the house is under call. Please return to the Chamber. Senator Armendariz, Senator Meyer, Senator Moser, Senator Ibach, Senator Riepe, Senator Bosn, the house is under call. Please return to the Chamber.

**FREDRICKSON:** Senator Armendariz, Senator Meyer, Senator Ibach, Senator Moser, Senator Bosn, please return to the Chamber. The house is under call. Senator McKinney, we are missing Senator Bosn. May we proceed? Senator McKinney has allowed us to proceed. The question before the body is, is AM3104. All those in favor vote aye; all those opposed vote nay. All those voted who wish to? Record, Mr. Clerk.

**ASSISTANT CLERK:** 30 ayes, 0 nays on the adoption of the amendment to the committee amendments.

**FREDRICKSON:** The amendment is adopted. I raise the call.

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

**FREDRICKSON:** Seeing nothing further on the bill, Senator McKinney, you are welcome to close on the committee amendment. He waives. The question before the body is the adoption of AM2105. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

**ASSISTANT CLERK:** 32 ayes, 0 nays on the adoption of committee amendments.

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**FREDRICKSON:** The amendment is adopted. Mr. Clerk.

**ASSISTANT CLERK:** Mr. President, the next amendment I have is from Senator McKinney, AM2075. But, Senator, I have a note you wish to withdraw this one.

**FREDRICKSON:** So ordered.

**ASSISTANT CLERK:** In that case, I have nothing further pending on the bill.

**FREDRICKSON:** Seeing no one in the queue, Senator McKinney, you're recognized to close. He waives closing. The question before the body is the advancement of LB164. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

**ASSISTANT CLERK:** 31 ayes, 0 nays on the motion to advance the bill.

**FREDRICKSON:** It advances. Mr. Clerk, next item.

**ASSISTANT CLERK:** LB164A offered by Senator McKinney. It's a bill for an act relating to appropriations; to appropriate funds to carry out the provisions of LB164. The bill was introduced on March 25 of this year and referred directly to General File.

**FREDRICKSON:** Senator McKinney, you're welcome to open on the bill.

**McKINNEY:** Thank you, Mr. President. This is the A bill to LB164. We still got to do some changes on Select, so it will change. And I just ask for your green vote to move it forward. And we'll work through those changes from now-- from now till then. Thank you.

**FREDRICKSON:** Thank you, Senator McKinney. Turning now to the queue. Seeing no one in the queue, the question-- oh, Senator McKinney, you're invited to close. He waives. The question before the body is the advancement of LB164A. All those in favor vote aye; all those opposed vote nay. Mr. Clerk, please record.

**ASSISTANT CLERK:** 26 ayes, 0 nays on the motion to advance the bill.

**FREDRICKSON:** It advances. Mr. Clerk, next item.

**ASSISTANT CLERK:** Mr., Mr. President, next bill, LB1092 offered by Senator Murman. It's a bill for an act relating to civil liability; to adopt the Online Age Verification Liability Act. The bill was introduced on January 9. It was referred to the Judiciary Committee.

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That committee placed the bill on General File with committee amendments.

**FREDRICKSON:** Senator Murman, you are recognized to open on the bill.

**MURMAN:** Thank you, Mr. President. As we begin our debate here tonight on LB1092, I've been thinking about a point that was made during the LB441 debate. It was said on the floor that no matter how appropriate or inappropriate the content in our schools is, as long as our kids have internet access on their phones, they're going to be exposed to even worse content. This is a fair point. There's indeed endless hours of unlimited graphic material on the internet that right now our children have unfettered access to. However, it doesn't have to be that way. This is why I have introduced LB1092, the Online Age Verification Liability Act. LB1092 seeks to prevent the distribution of online pornography to minors by requiring a form of age verification. While it's currently federally illegal to show children pornography, it is rarely enforced. Instead, the online pornography industry has virtually free rein to distribute content to children, and we know they are doing so. The research tells us that nearly 3 in 4 teens have reported being exposed to online pornography. The harms "childrens" face from easy access to pornography include increased sexual aggression, anxiety, depression, interpersonal relationship problems, and dangerous sexual behaviors. The American Psychological Association has highlighted concerns about the link between exposure of children to pornography and the wider sexual abuse of children. The harms our young women face include reinforcing harmful gender stereotypes, unhealthy and sexist views of women and men, and increased violence against women. Let me repeat this last point because it is that important. The research finds that childhood exposure to pornography is not only linked to serious mental health problems for our kids, but they also influence behaviors which are linked to violence against, especially women. The content that our children are being exposed to is increasingly concerning. Online pornography is undoubtedly violent and that violence is taking its toll. Research has shown that nearly 90% of scenes in pornographic videos portrayed physical aggression, with that aggression almost always perpetrated against women. Consuming these videos, especially when someone is a minor, influences inappropriate and often violent behavior, which can lead to unhealthy relationships. This bill simply puts a basic safeguard in place to prevent minors from accessing pornographic websites by requiring basic age verification. There are different ways a website could do-- could go about this, but the mechanisms are already in place. A digital copy of a state ID could be submitted. Many e-cigarette and vape online stores and online gambling

sites throughout the country utilize third-party sites, such as AgeChecker or ID.me. At least 7 other states in this country already have this practice in law. So if you are concerned about how companies will have to comply, understand those companies already are doing that in at least 7 other states. If they can do it in those states, they can do it here. The Age Verification Providers Association lists 12 possible forms of third-party age verification options on their website. If you want to learn more about the difficult-- the different methods of age verification available, I would take a look at their website. Because of this, the bill recognize a website could utilize a different commercially reasonable method. If an online platform fails to put these reasonable guardrails in place and a minor does access pornography, that platform could be held liable by the minor or their parents or guardians. Finally, some may point to concerns about legality and privacy of such a system. When the big pornography industries challenged the Utah and Louisiana laws, both times the judge dismissed the case. When a similar law was challenged in Texas, the law was upheld in court. If you have legal concerns about this bill, I would recommend looking at the Free Speech Coalition v. The State of Texas case in which age verification for porn sites is upheld as legally sound. This decision just came out about 2 weeks ago, which was after the bill had already had its committee hearing. I believe if the decision had come out before the hearing, many of the questions and concerns would have been better answered. Because of this case, we should be clear. States have an interest to protect minors from pornography, and age verification is a reasonable and legal practice. Some might also be concerned about the idea of a company saving user data when they go through verification. This is also taken care of, as the bill requires sites to not retain the identifying information and allows for recovery of damages if the websites do not follow this requirement. The Age Verification Providers Association describes the process as a double-blind approach, meaning the age-restricted website is not given any information about the identity of the user, and the age verification provider records no data about the identity of the website seeking to confirm a user's age. I will also point to an amendment I've worked on. Originally, my legislation was based very closely on Louisiana's law, but I've made a few changes for clarity. One of the main concerns I heard from constituents was it-- was the original bill was trying to create an entirely new form of state-issued digital IDs, and that's not the case. So I think this amendment makes it clear that not what this bill does or, or intends to do in any way. That's not what this bill does or intends to do in any way. To conclude, I'd like to point out that similar legislation has been passed in the Utah Senate with a vote of 7 to 0, the

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Louisiana Senate, Senate with a vote of 34 to 0, and the Virginia Senate with a vote of 37 to 3. Commonsense age verification has been signed into law by Republican and Democratic governors alike. This movement is growing not just in America, as just a few weeks ago, I saw an article that age verification passed in the Canadian Senate and has passed the first 2 votes in the House of Commons. And I've got a list of states that this bill has passed in. As of yesterday, it passed both houses of the Kansas Senate and legislature, but it has not been signed by the governor yet. But it is law in Louisiana, Utah, Montana, Mississippi, North Carolina, Virginia, Texas, Florida, and Indiana. POLITICO Magazine in 2023 wrote that age verification laws have become perhaps the most bipartisan policy in the country, and they are creating havoc in a porn industry that many had considered all but impossible to actually regulate. Just how popular is this bill with Nebraskans? Let me leave you with this last piece of information. LB1092 received 228, 228 letters in support, with only 11 in opposition. I would say that ratio is hard to argue with. Understand, colleagues, that this bill received hundreds of letters.

**FREDRICKSON:** One minute.

**MURMAN:** And when you do the math-- thank you-- over 95% of those came out-- tho-- those letters were in support. Nebraskans overwhelmingly support this legislation, and I hope you will too. With that, I'll yield my remain-- remaining time. Thank you.

**FREDRICKSON:** Thank you, Senator Murman. Turning to the queue, Senator Dungan, you're recognized to speak. Oh, I apologize. We have committee amendments on the bill. Senator Wayne, you are recognized to open on the committee amendment.

**WAYNE:** Thank you, Mr. President. I will keep this short. The committee amendment is a white copy amendment where we make a couple of changes to what is considered obscene material. At one point during the committee hearing and discussion, Senator Blood had referenced why certain things were referred to, were certain-- male versus female; we, we cleaned up that language. We also cleaned up the standard of what it was. Really basic. It's a white copy amendment, but it-- but that's just because of how we had to write it. You'll hear a lot of conversation about the bill, but the bill is only 3 pages with the white copy amendment. There's also a couple additional amendments that Senator Murman has filed that has changed part of the white copy amendment that we have-- did. One thing we added was a no-- "shall not knowingly and intentionally publish or distribute." So we just cleaned up the legalese language in it. So there's really not a whole bunch of

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change from the regular to the white copy amendment, other than the things that I'm sure my colleague, Senator Blood, will still point out. It's that-- because there was heated debate multiple times; we actually execed on this 3 or 4 times-- 3 or 4 times and it did come out of committee. So I would ask you to vote green on AM2585. Thank you, Mr. President.

**FREDRICKSON:** Thank you, Senator Wayne. Mr. Clerk.

**ASSISTANT CLERK:** Senator Murman, I have a series of motions and amendments from you. First is MO1292, which is a bracket motion, followed by MO1294, MO1293, FA305 and FA306. I understand you wish to withdraw all of those.

**M. CAVANAUGH:** Objection.

**FREDRICKSON:** The objection is withdrawn. Mr. Clerk.

**ASSISTANT CLERK:** In that case, I have a priority motion. Senator Machaela Cavanaugh would move to bracket the bill until April 11.

**FREDRICKSON:** Senator Cavanaugh, you are welcome to open on your bracket motion.

**M. CAVANAUGH:** Thank you, Mr. President. Colleagues, at the start of session, we had a rules debate. In December, we had a meeting and we talked about the rules. Well, I didn't talk about the rules. You all talked about the rules. When I was asked "What do you make of these rules?" by the media, I said what I've always said. I will use the rules. I will work within the rules and I will use the rules how I see fit. You all saw fit to implement this rule change that was only one motion can be taken up on debate on a day and a time, and on and on and on. So you all caught on to this and started filing protective motions on your bills. Here's the thing. If you don't take up your motion and somebody else files a protect-- a motion, that gets taken up. If you do file-- take up your motion, I can object to you withdrawing your motion. So we still debate your motion. And then I can put in a motion to reconsider the vote on your motion. So all you did was nothing. You stopped me 0% on filing any priority motions on any bills this entire year. But I hope you all enjoyed how much time we took at the start of session to debate these rule changes that you wanted to use to penalize me, because that's what this body likes to do. This body likes to penalize Senator Machaela Cavanaugh in any way, shape and form that you absolutely can. And I'm going to have a lot to say about that, a lot to say about that. But I am interested in this

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bill. I am interested in learning more about this bill. So for now, I'm going to stick to this bill. And I know that Senator Blood is on the committee and she has a lot of thoughts to share. So for now, I'm going to yield my opening to Senator Blood.

**FREDRICKSON:** Thank you, Senator Cavanaugh. Senator Blood, you're yielded 7 minutes and 56 seconds.

**BLOOD:** Thank you, Mr. President. And thank you, Senator Machaela Cavanaugh. Friends, I do stand in support of this bracket and against the underlying bill. I do appreciate the fact the Judiciary Committee and Senator Murman changed the language in the original bill, because originally the bill basically only referred to women's genitalia in a very graphic way, but did not refer to men's genitalia, which I thought was very puzzling. So I was very happy to see that they did indeed fix that. So Senator Murman's bill is the least restrictive way to protect our children. And I'm not asking you to not support this bill, surprisingly. But I really, really hope you guys turn around, the few that are left in here, and listen. Because by passing the bill this year, you're putting the cart before the horse. And I'm begging you today for your full attention because many of you will be moving forward in this body next year, and there's going to be more bills that come up like this. And you need to be better informed. Because if you want to protect our children and other Nebraskans as well, we must first pass legislation that creates a data broker registry. I'm going to walk you through all of this, by the way. So Senator Bostar, as you remember-- because most of you voted on it-- did a bill on behalf of the Attorney General's Office in reference to privacy and consumer rights, but it didn't include a registry. This, by the way, was another error and putting the cart before the horse. In addition to this registry, passing clear privacy laws, fighting corruption, and we should also address criminalizing AI-generated porn without consent if we're worried about these issues. And we are going to be way behind the curve by next year on stuff like that, because we get hyper focused on things that are insulting to us. I don't know what that noise is. Sounds like a rattlesnake. Anybody? Hopefully everybody has boots on. We can't look to Congress as Senator Bostar noted in his bill's opening, because they refuse to hold big corporations accountable for privacy abuses. And that's actually what Senator Murman said in his handouts, which are, by the way, completely identical. So I don't know why we got 2 different versions of it. So, to be very honest, banning apps like TikTok that will likely lose popularity in 5 to 10 years does nothing to protect your privacy. It's just another hollow performance, which a lot of these technology bills are, that doesn't strike at the heart of the problem. Were we to

create a data broker registry-- please remember those words, "data broker registry"-- it would require all data brokers to register if doing business in our state. Nebraskans could then-- now you'll understand why this will be really helpful had the Attorney General done this with his bill-- ask that their names be removed; request to know what personal information the brokers are selling; request they delete personal information; request to know or access what personal information the data broker is collecting; request to limit the data broker's use and disclosure of sensitive information; request to opt out of sale or sharing of personal information. If you folks go online and think that people aren't taking your data, you are probably mistaken unless you use-- utilizing a VPN. So we know parents can use blocking and filtering software, but that does-- that also does not sufficiently prevent online access to things like porn, which is why I understand Senator Murman is pushing this bill. But the guardrails to support the success of the bill do not exist in our state. Let's use Louisiana as an example. They carried legislation like this before many other states. Pornhub, Redtube and Youporn are now asking in their state to verify ages with Allpasstrust. Allpasstrust is what is known as a third-party verification site that works with something called LA Wallet. In that state, it's used to get state-issued digital driver's license. You create an account with Allpasstrust, and they give you a universal login to access porn sites. So-- I'm sorry, did you say something? Oh. Sounded like you said something. So I know what some of you are saying. You're like, "Good, adults only" when you hear this. But there are important concerns for you to consider. The more hands a piece of information passes through, the greater risk is that it will be mishandled, shared and leaked. Alltrustpass's [SIC] privacy policy states: Alltrustpass's privacy policies-- too many p's. Alltrustpass's their privacy policy, and it states that it does not share your personal information with third parties or allow them to access it, except for third-party suppliers. So what does that mean? Because I know I'm throwing a lot of technology at you guys. What that means is that someone like a hosting provider can collect your email address and passwords that they store as a hash: your age status; are you married or not married; are you gay; not gay; and technical data like your IP address, cookie data including items from Google Analytics and, of course, your location. So we've opened the door to that now. Scammers are already exploiting this in other states by creating clones or porn sites to track users into giving up personal information, including ID occu-- documents. These scammers can swindle users out of their money, take loans out in your name, even mimic your interface just for starters. Interface is like your computer, your mouse, your screen. That's what interface is. My staff asks me so now

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I'm sharing that with you. I will note that users can utilize a VPN to get around these restrictions and preserve their pol-- their privacy, and also allow them to look like they're living in another state so they can get around the IP [SIC] verification. And you should know that any teen and grade schoolers who are motivated-- motivated can find I-- AI-generated sites to craft a photo ID or passport, especially in the dark web. The resources when it comes to ID scan bars are a hit and miss, and I will admit that. But they're getting better. But the fake passports are problematic because the RFID chips--

**FREDRICKSON:** One minute.

**BLOOD:** --become moot when converted to a 2D image. So today you're going to pass a bill celebrating how you made it harder for kids to get to porn-- paid porn sites while opening up a giant door allowing Nebraskans who are adults to have their data stolen. You forget that most online porn is free and even available on sites like Twitter. Thank you, Mr. President. I'll wait to-- for my next turn on the mic.

**FREDRICKSON:** Thank you, Senators Machaela Cavanaugh and Blood. Turning now to the queue, Senator Dungan, you're recognized to speak.

**DUNGAN:** Thank you, Mr. President. Good evening, colleagues. I do stand-- I think I'm still-- listening to the debate about this, I think there's been some interesting points raised, and I certainly am curious to continue the conversation. I, though, however, was very interested in what Senator Blood was saying. And as a member of the committee who originally heard this, I would like to hear more of her conversation. So, Mr. President, I would yield the remainder of my time to Senator Blood.

**FREDRICKSON:** Thank you, Senator Dungan. Senator Blood, you're yielded 4 minutes and 34 seconds.

**BLOOD:** Thank you, Mr. President. So moving on, there are at least 260 million porn websites based on the last count. And I want to point out that MindGeek-- and you may not be aware of this-- who's worth \$1 billion, owns most of the biggest free and paid porn sites. They have a monopoly-- monopoly-- I'm having trouble with p's today-- and it grows bigger and bigger. They are the owner, by the way, of Pornhub, Youporn, RedTube and fan sites like OnlyFans. Funneling all this data into your concerns that are being expressed to me on this bill, you want to protect the kids. I get that. But it's so easy to bypass by verification with the VPN usage. And again, VPN is so easily accessed

on the internet and easy to use, so much so that a grade schooler could do it. And it's so much more important, I think, to emphasize parental responsibilities when it comes to kids and technologies, because that is a war that you can't win one bill at a time unless you start with a strong foundation like data broker registry. So I want to talk briefly on the hand-- there's handouts, but they're identical-- just one has picture and one doesn't-- where they gave us an op-ed, an opinion piece. And I noticed one of the names right away as being a person that had wrote for the Federalist Society. And then when I looked up all of the people, I realized that they had all written for the Federal Societ-- Federalist Society, saying that Big Tech knows that age "verification" is necessary. And they wanted Congress to know that. Congress is never going to do anything, by the way. But what's really interesting is that organization, what their mission is, is that they believe individual citizens can make the best choices for themselves and society, and basically that government needs to stay out of it. I think that's really interesting that they wrote this op-ed. So if you look at the op-ed as I did, one of the things that it talks about is something that is called ZKP. So for those of us that know a little bit about blockchain-- I know Senator Bostar is one of them in the room. I'm one of them. I don't know who else we have that knows a little bit about blockchain. But this is actually a very complicated concept, and it requires significant processing time. And it really is hard to use on real-time applications. So I think it's weird that they wrote an op-ed on it. To me, it showed kind of a-- we're going to tell you something you don't know and use big words, but we don't necessarily understand it. Some are professors, so I don't want to insult anybody, but that's how I read it. And so the technology requires for a large-scale and cost-effective deployment, it's just really not available right now. So if somebody like Pornhub or whoever the state wanted to do it, you couldn't do it. So I don't know why we got this handout, but there's basically 2 types. If you want a little bit about it, I'd look it up. There's both active-- excuse me, no. Interactive and non-interactive are the 2 types of ZKP. But that's a whole 'nother debate because I could talk about that for hours. So the other concerns that I have with the bill--

**FREDRICKSON:** One minute.

**BLOOD:** Thank you, Mr. President. --is that the age of sexual consent in Nebraska is 16. Now, I don't personally think that that's good policy, but it's not against the law for a 16- or 17-year-old to have sex with an adult. But this bill requires age verification for those under 18, so that would be inconsistent when it comes to our laws here in state stat-- in Nebraska in state statute. The age of majority in

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Nebraska is 19. So why is the bill 18? So I'm confused by that as well. And I'm not sure how we justify mixing up what's already in state statute because we believe that children of a certain age should cater to what we'd like to do in this bill. With that, I will wait for my next time on the mic. Thank you, Mr. President.

**FREDRICKSON:** Thank you, Senator Blood. And you are next in the queue.

**BLOOD:** Thank you, Mr. President. With that, I would ask that Senator Kauth yield to a question. And I will note that I did tell her in advance.

**FREDRICKSON:** Senator Kauth, will you yield?

**KAUTH:** I will.

**BLOOD:** Senator Kauth, if I remember correctly, at the beginning of the year, you had a biometric collection and preservation of biometric data bill.

**KAUTH:** Yes.

**BLOOD:** Is that correct?

**KAUTH:** Yep, LB954.

**BLOOD:** So, can you tell me how your bill might be impacted by this bill?

**KAUTH:** By the online verification bill, I'm not sure how they interact. I am interested in your data registry because I think that does have some play into LB954. But I'm not sure how it would impact with LB1092.

**BLOOD:** I, I have to be honest, I just went by memory of the title and I haven't read the bill. So what I would ask-- but the title is pretty self-explanatory. What I would ask you-- I will read it, I promise. What I have to ask you is that isn't the goal to make sure that Nebraskans aren't victim to people stealing their data?

**KAUTH:** Correct. Correct. And to-- the goal of LB954 is to give Nebraskans control over their data; to say if you want to sell your data, great, but you have to have full informed consent. Which means they say, here's what we want to do with it, here's how long we're going to keep it. Yes or no, you, you approve or disapprove of that.

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LB954 makes sure that you can't have things implanted in you, that you can't be forced to do things.

**BLOOD:** I'm sorry. Did you say implanted in you?

**KAUTH:** Yes. The, the scary thing is there are some companies that are using little RFID chips for passports or for access into buildings.

**BLOOD:** Oh, I got to tell you--

**KAUTH:** I mean, the technology is possible. And so, so this bill is, is partially saying, hey, if it's possible now, we want to make sure that as Nebraskans, we have the right to always say yes or no. Like that's-- that shouldn't be a condition of employment to say this is how you have to access your computer.

**BLOOD:** So your bill really needs a registry as well in order to really implement that appropriately.

**KAUTH:** I, I, I-- you and I are going to have to sit down and talk about that. Yeah.

**BLOOD:** And I got to be honest with you, my Weekly Reader in grade school said that one day we were going to have those chips and we'd be able to do cool things like open our garage doors--

**KAUTH:** Sure.

**BLOOD:** --buy groceries. So I don't know if I'm against those chips in your hand.

**KAUTH:** But I just-- I'm not-- I'm not necessarily against them if you choose to, but I don't want either a business or a government entity or someone to say, you have to do this if you want this service. We have, you know, we have phones that you give your facial biometric--

**BLOOD:** Right.

**KAUTH:** --data to, to access your phone. You shouldn't have to do that. So there's, there's a lot of it in this bill.

**BLOOD:** Did you know that your face is actually more accurate than a fingerprint?

**KAUTH:** Yes, I did, I did.

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**BLOOD:** We must educate everybody while we're on the mics tonight. So, so, Senator Kauth, you can see my concern then, is that there's a lot of people trying to pass not bad bills, but bills that maybe would do better if we had a strong foundation first. It's like we're putting the cart before the horse.

**KAUTH:** Well, I-- so I, I agree that there are things that will help make it better, but I disagree with the fact that, that we should wait until it's perfect. Because I see this bill, LB1092, as being-- it's a first step. And yes, people can get VPNs; they can take those extra steps. But if we make it a little bit more difficult-- and the scary thing is, as you pointed out, kids are pretty tech savvy, so they may be well ahead of us. So that's-- I, I do support this bill. I think doing a little bit is a good idea, but I think making it stronger with a data registry broker is really intriguing.

**BLOOD:** All right, that's fair. Thank you, Senator Kauth.

**KAUTH:** Thank you.

**BLOOD:** So I'm going to agree to disagree on the last statement. I-- we don't wait until it's perfect. We wait until it's right. Because by implementing things that aren't perfect or done correctly, we open the doors to victimize adults who will be--

**FREDRICKSON:** One minute.

**BLOOD:** --forced to utilize this system. And I have more things that we're going to talk on tonight, because I really want people to have a really good grasp. Because when I'm gone from this body, if you keep passing these technology bills and you don't have a strong foundation, you are opening up others to the very thing you're trying to protect children from. If we are worried about sex trafficking and grooming, we should be worried about this bill and making sure it's right before we implement it. Thank you, Mr. President.

**FREDRICKSON:** Thank you, Senator Blood. Senator John Cavanaugh, you're recognized to speak.

**J. CAVANAUGH:** Thank you, Mr. President. Well, I honestly don't know where I'm at on this bill. I would say I think that Senator Murman is well-intentioned, but I really am appreciating the conversation from Senator Blood. And I really thought it was, the conversation between Senator Blood and Senator Kauth was very interesting. And I told Senator Blood I'd yield her my time if she wants it. But if she wants

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a break, I can talk for a little bit. You don't want it, or you do want it? OK. I will yield my time to Senator Blood.

**FREDRICKSON:** Senator Blood, you're yielded 4 minutes and 30 seconds.

**BLOOD:** Thank you, Mr. President. And thank you, Senator Cavanaugh. If you look on your desk and you haven't put it in the recycling bin already, you'll notice an article that I shared that actually came from CNN on March 15, 2024. And it says: Searches for VPNs spike in Texas after Pornhub pulls out of the state. Now, why do you think that is? Hmm. Well, we just talked about how people utilize VPNs to get around the age verification. Now, I know what's going to happen after I sit down and Senator Murman gets to talk or someone speaks on behalf of his bill. We're going to hear something like, but, you know, doing something is better than doing nothing. Well, no, that's not right. Doing something that doesn't have a strong foundation that protects the consumers that are not children is not correct. It's not right. It's not good policy. And I said this several times in the hearing-- and not in the hearing, excuse me-- in exec that this bill was not ready for prime time. I wasn't trying to be mean to Senator Murman. I wasn't trying to sink his bill. But when he wanted his bill out of committee, out of everybody in the committee, there was one senator he did not talk to, and that was me. So it didn't feel like he was interested in making a better bill; it just felt like he was interested in getting his bill out and pushing it forward. And this is, again, a time that I, I disagree with Senator Kauth is that doing something wrong is not doing something. It's still doing something wrong. The Attorney General should have done his research better. Instead of having Senator Bostar push that through, he should have had Senator Bostar push through the broker registry directory, because that's consumer protection, not some random list of what consumer protections he can do. And I really am concerned that we don't have a technology committee, although I've talked about it I think since my very first year. You really should have a technology committee because we keep having these bills where there's not a good comprehension of how technology works. And the people that bring us these bills fool many of our senators into believing that they're safe. I still remember during the hearing where they're like, well, the ID verification is really quick, and then it magically goes away. But if you can prove that a kid got pornography, you can take them to court. Well, if it magically goes away and no one's saving your data, how do you magically know how to take them to court? Senator Bosn questioned that. I questioned that. I don't remember any other senators, but I'm sure at least another third or fourth did as well. There's just too much technically wrong with this that shows it clearly is not well

connected with the understanding of technology. So the VPNs-- and I hope you do read this story. And if it's in your recycling bins, pull it out and take a look. It does talk about what courts ruled on porn sites, and it talks about the U.S. District Court. And it talks a little bit about, I think, what Senator Murman discussed. But we also know when it comes to courts there's several--

**FREDRICKSON:** One minute.

**BLOOD:** --levels of courts. And we always know that when one court says something, another court can say another thing. Right? So I don't take much mind to it right now. But I do know that with a VPN, if I was interested in porn, which I certainly am not, is that I can get on a VPN and I can pretend I'm from another state and I can look at porn anyway. And if you go to your computers right now and I don't know how good our cybersecurity is, but if you went to your computer right now and said, how can I use a free VPN service, I guarantee there's going to be bunches of stuff that comes up. And I don't know a whole lot of grade schoolers that don't know how to Google, let alone teens. So why do we expect that when we push this bill forward, that that's going to change? It-- it's not. But my biggest concern again is that--

**FREDRICKSON:** That's your time, Senator.

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

**FREDRICKSON:** Thank you, Senator Blood. Senator Machaela Cavanaugh, you're welcome to speak.

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

**FREDRICKSON:** Senator Murman, will you yield?

**MURMAN:** Certainly.

**M. CAVANAUGH:** Thank you, Senator Murman. I'm reading over AM2585, which I believe is the white copy amendment to the bill, and I have a few questions. On page 2, lines-- starting on lines 4: A newspaper, news publication, or news source printed on-- or an online or mobile platform. So those are considered news-gathering organizations. So-- but some things would fall under that category that would have, very clearly, porn, such as social media platforms that are used for news correspondents. So how is that going to work? How is Twitter or X or whatever it's called-- how is that going to be monitored with this

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bill when it is a news platform, but also a place that people can access pornography?

**MURMAN:** Yes. Those are exemptions that the bill does not address, actually exempts those--

**M. CAVANAUGH:** So it would exempt--

**MURMAN:** --things you just said.

**M. CAVANAUGH:** --it would exempt X/Twitter.

**MURMAN:** Yes. Yes.

**M. CAVANAUGH:** And why are we exempting that if that's easily accessible for youth?

**MURMAN:** Well, the reason we exempt social media is just because we can't cover everything. So this bill is just covering websites that deal in pornography.

**M. CAVANAUGH:** So the platforms that are dealing directly in pornography, like, I think Pornhub is one that I believe currently has an age verification process. Is that correct?

**MURMAN:** I don't know about that, but this bill only uses independent age verifiers.

**M. CAVANAUGH:** What does that mean?

**MURMAN:** The-- it's like a double-blind platform. So if you, trying to access porn, and you show your ID to show that you're over 18, the website that you're trying to access does not receive any of that information. And the independent verifier does not keep the information at all.

**M. CAVANAUGH:** So--

**MURMAN:** And they don't even know why you are trying to verify your age.

**M. CAVANAUGH:** So then how will we keep track of whether or not these sites are verifying age or not?

**MURMAN:** We don't keep track of that.

**M. CAVANAUGH:** So is there any enforcement mechanism on this?

**MURMAN:** Yes.

**M. CAVANAUGH:** What is--

**MURMAN:** You can take a civil action. If a underage minor does access the website, a civil action could be taken.

**M. CAVANAUGH:** By who?

**MURMAN:** And if your ID is kept or compromised, you can also take civil action.

**M. CAVANAUGH:** Who, who can take a civil action if a minor accesses porn?

**MURMAN:** Either that minor or the parents.

**M. CAVANAUGH:** And how can the company that they-- the, the platform that they got access to if they aren't allowed to have any proof of the verification, how can they defend themselves in court against the civil action if there was no proof that the verification took place?

**FREDRICKSON:** One minute.

**MURMAN:** Well, the proof would be if the minor did get access to the website without-- if the website allow-- allowed the minor access without--

**M. CAVANAUGH:** But if the--

**MURMAN:** --any kind of verification.

**M. CAVANAUGH:** --if the minor went through the verification and somehow tricked the verification platform into thinking they were 18 or older, use their parents ID, something, and they got access to the website, and then they told their parents, oh, we didn't-- they didn't check my ID and then the parents sue and the, the platform has no way to verify-- know their ID was checked.

**MURMAN:** That-- yeah.

**M. CAVANAUGH:** So how, how can the-- how can the company then defend itself against that lawsuit?

**MURMAN:** Well, if the minor used a fake ID, the parents would not have a case.

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**M. CAVANAUGH:** But there's no proof. There's no evidence if none of this information is kept.

**MURMAN:** Sure. Well, we want to--

**FREDRICKSON:** That's your time, Senator.

**MURMAN:** --the most important thing is to protect.

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

**FREDRICKSON:** Thank you, Senators Cavanaugh and Senator Murman. Senator Hughes, you're recognized to speak.

**HUGHES:** Thank you, Mr. President. I rise today in support of LB1092 and the amendment, AM2585. I would like to thank Senator Murman for bringing this. I'm glad Senator Murman brought this bill. I think we're having some very good conversations this evening in here on this topic. And there is no perfect solution to try to address our children being able to access what is all available to them online. I think we do have a role here to play, and the Legislature has a responsibility to make sure, to the best of our ability, that businesses operating in our state or on our soil or on our internet have safeguards to protect our kids. The, the duty is to protect these kids. LB1092 does require websites to use a third-party age verifier and also requires that information not be stored. And I think if you're worried about the safety of your information, then don't visit these websites in the first place. You're likely sharing your-- they are likely sharing your information without your consent as is. So I urge your support of this and let's get one Nebraska one step closer to protecting our kids. Thank you, Mr. President.

**FREDRICKSON:** Thank you, Senator Hughes. Senator Day, you're recognized to speak.

**DAY:** Thank you, Mr. President. I am listening to this conversation. I believe that this bill, the premise of the bill I agree with. The intentions of the bill I agree with. There is some pretty awful stuff out there on the internet that is easily accessible to kids. As I mentioned many times on the floor, I have 2 boys, 15 and 11. And the things that they have access to is terrifying at times. And I agree. However, I struggle with the execution of this, and I struggle when we are forcing people to put personal information on the internet, and how that information and their privacy is going to be protected in that process. I will also mention that, yes, I am terrified of the things that are on the internet, but I have worked very hard in my

house to cultivate an environment where my children can come and have conversations with me about these types of things. So that's also an important piece of this conversation. So make sure you're doing that. If you're worried about what your kids are seeing on the internet, make sure you create an en-- a welcoming, positive environment in the home where kids can come and have conversations with you about this type of content. So I will yield the rest of my time to Senator Machaela Cavanaugh.

**FREDRICKSON:** Thank you, Senator Day. Senator Cavanaugh, that's 3 minutes and 18 seconds.

**M. CAVANAUGH:** Thank you, Mr. President. Thank you, Senator Day. Colleagues, I am actually quite anxious about this debate tonight. I am anxious about how it's going to go, and I'm anxious about what people are going to say on the microphone based on previous debates. I was just asking Senator Murman some very genuine questions about how this is going to work. They are very legitimate questions, and I appreciate him yielding to those questions. What I don't appreciate, colleagues, I don't appreciate people in this body walking around disparaging me to you. The same people that asked me to perform a sex act to them on the microphone are talking about me watching porn. I don't appreciate it. I'm tired of being bullied. And I'm tired of you all not standing up for me and not standing up for women. I'm tired of having my power taken away from me. I'm tired of being victimized. I'm tired of men in this body deciding what is right for me. And I am tired of the bully that Steve Halloran has become in this body and that you all have let him be. I'm tired of the women who haven't stood up. And I'm tired of the men who haven't stood up. And he walks around and talks to you about me looking at Pornhub while we're discussing this bill again. And did any of you stand up to him and say, that is so out of line, you probably should check out for this debate? No, you probably laughed. I am a victim of sexual violence. There are women in this body and women who work in this building who are victims of sexual violence. And it is not funny. It is not a joke. And what Senator Murman is attempting to do is serious business. And it's a serious debate. And it deserves a serious conversation because he wants to protect children from accessing inappropriate information. And I appreciate that. And I want to talk about it, and I want to talk about it without fear of the men in this body victimizing me further. I yield my time.

**FREDRICKSON:** Thank you, Senator Day and Senator Cavanaugh. Senator Murman, you're recognized to speak.

**MURMAN:** Thank you, Mr. President. I just wanted to try and answer some of the things that have come up. Senator Day mentioned that she does her best as a parent-- and I really appreciate that-- to communicate with her teenagers and prevent them from, or at least do everything she can to prevent them from accessing porn on the Internet. And that, of course, is the ideal way to protect your, your kids is to have a relationship with them. And, you know, they are going to make mistakes, but be, be as supportive of them-- and at the same time be firm and let them know exactly what you believe. And, hopefully, they will-- especially as they grow older, realize that you were doing your best to raise them in, in the way that you best could. As far as the-- addressing the civil liability of a teenager getting on the, the porn website without going through the verification process, the civil liability would be if the website did not use some kind of age verification. And, of course, if that was the case there would be more than one minor that would be getting access to the website. In the little bit of time I have left, I would like to address the verified personal networks. It's been mentioned on the floor that teens can get around the verification by using these-- possibly, getting around all the safeguards we have there. And, of course, that can happen, but we-- we're just doing everything we can to prevent that from happening. As I mentioned in my open, 58% of the individuals exposed to pornography got on the porn site unintentionally. So we can't stop every single instance of someone getting on there-- getting on the website. We can at least prevent it from happening unintentionally. So the verification prior to seeing the content will, will prevent that from happening. Every additional step which we put in front of our teens prior to accessing pornography is a second chance to stop and consider what they are accessing. So this bill is there to, to help the parents-- the good parents like Senator Day-- to prevent those things from happening, at least accidentally, and make it at least difficult to do that intentionally. So the Age Verification Providers Association acts like a double-blinded clinical trial in medicine. So the person that is trying to access the porn site,--

**FREDRICKSON:** One minute.

**MURMAN:** --the-- thank you-- the verifier-- the independent verifier does not know why that person is trying to verify their age, verify that they're an adult. You know, it could be for gambling, it could be for buying alcohol, it could be for a lot of things. But the independent verifier would not know that. And then the porn site also would not know who it was that got on the website. And that-- of course, that's by design so that freedom of speech is not-- for adults

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is not compromised. And I can talk a little more on that, but I think my time is about up so I'll yield the rest of my time.

**FREDRICKSON:** Thank you, Senator Murman. Senator John Cavanaugh, you're recognized to speak.

**J. CAVANAUGH:** Thank you, Mr. President. Well, colleagues, I appreciate the substantive debate that we're having. And, again, I really do appreciate-- learned a lot from Senator Blood and I-- and I appreciate the good intention of Senator Murman. And as the debate progresses, I do have some technical concerns about this, because I think Senator Blood has hit on a lot of stuff that, honestly, I don't understand. And she's right that this body needs people who understand the computer science technical aspects of things because it's becoming more and more important and we need to get educated about it. And it's just-- it's not a space that I'm well versed. And so I appreciate Senator Blood always willing to take the time to educate me. And, you know, I think all of you should really be listening to what she's been saying because it is really interesting. But I did want to, I guess, address before going forward, what Senator Machaela Cavanaugh was just saying, that this is-- we're, we're-- we are in a-- dangerous waters having a debate about an issue like this again late at night, 7:49 at night. And that's when people start to exercise poor judgment. But the people who exercise poor judgment continue to do it and I don't think that they're going to change. I don't know exactly what happened, but if Senator Halloran is going around and saying the things that it sounds like he was saying, that that's just a further demonstration of his poor judgment. But there is a concern in the Legislature, overall, about folks not wanting to meet it head-on and not, not enough people calling it out and just hoping that we can move on. I really appreciate Senator von Gillern's words on the-- last Wednesday, and Senator Slama's and Senator DeBoer's, Senator Blood's, and the other Senator Machaela-- Senator Cavanaugh. That's not enough. That's not enough people. It's not enough members of this body taking issue with what is transpiring here. I know that you all want-- when you ran for office, you worked really hard. You went to your neighbors and your friends and your family and asked them for money and support and help. And you come here with wide idealism because you don't do it-- I know you don't do it for the money. You do it because you care. And I'm sure you thought when you were running for Legislature that you were going to go to a place where people were going to have conversations about what it is are our goals and our objectives and what we see as our vision for the state of Nebraska and how best to serve that goal; and not this sort of low-brow conversation of personal attacks and gutter talk. And I know that at your core, most of you, don't want it

to continue. But the problem is, when you don't call out this bullying conduct, it continues. And so that's-- it's, it's as simple as that. It's as simple as standing up and saying I disagree, saying I think that's inappropriate. This is not what we're here for. You shouldn't be doing that. We're better than that. That's, that's what we should be doing whenever you meet with that kind--

**FREDRICKSON:** One minute.

**J. CAVANAUGH:** --thank you, Mr. President-- whenever you meet with that kind of language. So this is, admittedly, an uncomfortable conversation. And I thank Senator Murman for bringing forward something and being willing to have a serious conversation about how this works. And that debate is entitled to the respect of our attention when Senator Blood brings up these very valid concerns, and Senator Kauth engages in that conversation with Senator Blood about these concerns to flesh it out, and the conversation with Senator Murman. Those things deserve our attention and our respect. Now, we don't have to pay attention to all nine, you know, all the time, but-- you know, some people got to go to the bathroom or whatever, but you do owe some level of decorum and you-- it's all within you, you all can do it. And so that's what we need going forward in the last 10 days to, to actually accomplish--

**FREDRICKSON:** That's your time, Senator.

**J. CAVANAUGH:** Thank you, Mr. President.

**FREDRICKSON:** Thank you, Senator John Cavanaugh. Senator Dungan, you're recognized to speak.

**DUNGAN:** Thank you, Mr. President. Colleagues, I still rise, I guess, listening to the conversation and curious about some of the issues we have. I think already Senator Blood has raised a number of the concerns that I had originally looking at the bill. In reading it, I've also continued to have some concerns with regards to the structure of it and also just the, the way it works, really, functionally. So I do look forward to continuing that conversation. I do want to just echo some of the sentiments that were just said, and I don't want to belabor the point. I know we can talk about it and we will talk about it as time goes on. But, colleagues, we do have to do better. And I would encourage my colleagues, especially the men in here, to do better from time to time. And we all do things that we regret and we all do things I know that are not always perfect, but we need to hold ourselves to a higher standard. And, certainly, when the

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people at home are watching what's going on here and they're hearing about these things, it can be very disconcerting. I think that the veil has been taken off to a certain extent, some of the things that happened behind the scenes here and in workplaces, in general. It's not isolated to the Capitol. And I think that we need to be very cognizant of the way we respond to them, and we need to be very cognizant of the way that we respond both individually to our colleagues, but also as a body. And we need to take very seriously the things that happen here because we owe it to not just our colleagues, but to Nebraskans everywhere. So I, I want to take this opportunity to say that I, I think that the behavior that we've been hearing about and seeing, obviously, in this body, both publicly and privately, is unacceptable. I don't mean that as a personal attack, but certainly I think we can and should do better. And I think that we need to. So I just wanted to make sure that was very clear. I'm sure we'll talk about it more, whether later today or, or in the future with the LR that has been brought by Senator Cavanaugh. And I know we're going to continue to have the conversation as a body, but my hope is that we can hold ourselves accountable because the people of Nebraska expect that. So that's all I'll say about that for right now. I do have further questions about this bill. And I was going to ask Senator Murman some of those, but I think I want Senator Blood at this point in time to be able to finish her thoughts that she was at least talking about or continue those, so I would yield the remainder of my time to Senator Blood.

**FREDRICKSON:** Senator Blood, that's 2 minutes and 43 seconds.

**BLOOD:** Thank you, Mr. President, and thank you, Senator Dungan. Friends, you heard me talk about how I think this bill isn't ready for prime time. And I want to address that a little bit. Let's talk about the functionality of the bill. So if you look at the bill, there's an exception for news gathering that would allow a porn site to have a feature like news or aggregate news sites like the Drudge Report if you're really conservative or maybe all vices-- Voices Progressive [SIC], and then it would bypass our bill altogether because we have that exception in the bill. I'm not a lawyer. I consider myself smart. But if, if a 63-year-old grandma can figure that out, I guarantee Pornhub and their, their well-paid lawyers are going to figure this out. So it does too much and not enough at the same time. So I had someone tell me earlier, and I thought it was a really good example: it's like page 3 of the girls in the British tabloids. And I don't know if you know this, but, like, it'd be a really legit news source, but then you go to page 3 and there'd be topless women with alleged stories around those topless women. And they got away with it because

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they were legitimate news. This is exactly what we're doing with this bill. So, again, when you say we have to do something-- well, again, are we doing something and nothing at the same time? That's exactly what we're doing. We created a loophole that any semi-literate person could figure out. So I respect what Senator Hughes said in reference to they shouldn't be on there anyway,--

**FREDRICKSON:** One minute.

**BLOOD:** --but the thing that I've noticed in Nebraska-- and it really started last year-- is we've really become a nanny state. It's really been a slippery slope of how we know better than the parents. And we know better, so much so that we're going to enforce legislation to tell you how you should raise your kids and what we think they should be able to and not be able to look at. Now, kids should not look at porn. I'm not talking about the pornography part of it. I'm talking about how we want to be everybody's parents in this state now. And as a Republican-run state, that is something I thought I would never, ever see. But maybe that's because we can't talk about property taxes anymore if we fix them. Maybe this is our new next-- our next new thing, but I don't know. With that, I will wait until my next time on the mic.

**FREDRICKSON:** You are next in the queue.

**BLOOD:** Thank you, Mr. President. So I agree with Senator Jen Day, that as parents it is our responsibility to create an environment that allows our children to be safe and that we need to be watchful, and I said that at the beginning of the introduction. Because we are the parents; you, as senators-- just like you're not doctors, you're not parents, except for your own family. And, yes, we do pass laws, things like seat belts and speed limits for the greater good. But what we are doing is not for the greater good. It isn't about stopping every incident, is what Senator Murman said. You're right, it isn't about stopping every incident. But what you've done Senator Murman-- and, again, I said from the very beginning, I know your intentions are good, and I always remind you that our farm is in your district so you're my senator. You can't pass a bill to pass something. You have to pass a bill because it's right. And I did have Senator Walz, who is always such a compassionate person, say what can we do to fix it? Well, that would be a data registry, but we haven't had a hearing on that. And it's really unfortunate that we didn't have a technology committee because then we could have helped Senator Kauth, and we could have helped Senator Bostar, and we could have helped everybody else who had technology bills. And we could have got them on the right

path if we had the right people on those committees. But that never happened in my time, unfortunately. So, instead, I get to stand here until I lose my voice, which could be a long time, and talk to you about what's wrong with this bill and how we can make it better. But it's not ready yet. It's a bill that, maybe, needs to be brought back next year once we do the data registry. So even though bills like this have been enacted in other states, what we're doing is we're subjecting others who are utilizing these sites to intrusive government regulation. And, again, I know, and I said this in my intro, we're going to say well, well good. They shouldn't be on there anyway. Well, that's not our choice. I think pornography is a horrible message for children. And, by the way, for adults because it's not realistic. And I think it sets a bar that is unrealistic for some people and it breaks up a lot of marriages. We know-- we worry about addictions like alcohol and drugs, but I've never heard anybody talk about pornography addiction on this floor, and that breaks up a lot of marriages. But my job is not to judge those people. My job is to create-- craft good legislation and this, unfortunately, has good intent, but is a bad piece of legislation because it sweeps up all Nebraskans as part of the regulation intended to protect only minors. But it insufficiently narrows, excuse me, insufficiently narrowly tailors and, and it is unconstitutional as a result. And we could talk about constitutional things all night long, but that would be more of a Dungan, John Cavanaugh thing. I don't like those conversations, but we know that it's less constitutional now because the amendment removes some of the specific language that identified what was harmful to minors. Now, it's even more up to the discretion of the courts to decide what speech is and isn't protected under the First Amendment. It also removes substantial portions-- language, which we just talked about, which means a website posting any content the bill considers offensive to minors is subject to the law. Is that what you really want? Any language that could be considered offensive to minors is now subject to law.

**FREDRICKSON:** One minute.

**BLOOD:** Further, evidence of the law is not sufficiently narrowly tailored. Again, not ready for prime time. So not only does this amendment fail to alleviate the constitutional concerns, it also makes these concerns worse. No offense to my committee, but I was very vocal on this bill so I, I, I don't think anybody is surprised that I don't like any of this. So we have to not only fix the language so it's correct, but we have to protect all consumers. But if we move this bill forward and, unfortunately, Senator Kauth's as well, and we've already moved Bostar's bill, so, "meh." We're not doing justice to

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Nebraskans. I am not disagreeing with the premise of this bill. I am just disagreeing with how the bill is written. I am disagreeing with the fact that no one did their research in a way that they under--

**FREDRICKSON:** That's your time, Senator.

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

**FREDRICKSON:** Thank you, Senator Blood. Senator Machaela Cavanaugh, you are next in the queue and this is your last time before your close.

**M. CAVANAUGH:** Thank you, Mr. President. Would Senator Murman yield to questions? I'm sorry, Senator Murman, we got cut off a little bit before and I just wanted to go back because this-- would Senator Murman yield?

**FREDRICKSON:** Senator Murman, will you yield?

**MURMAN:** Yes.

**M. CAVANAUGH:** Thank you, Senator Murman. So this is-- and, and reading this over is kind of the crux of my concern is how this would be enforced. Because I will say I do appreciate-- so my kids are 10 and under, they have devices, we have parental controls on their devices. But I do live in constant fear of what they are going to accidentally come across, because my oldest loves to take my phone and go on YouTube and watch YouTube reels. So, like, I feel you. I, I feel what you're trying to do here very much; as a parent, I appreciate it. But I have to take that part aside and look at the policy of it. And I just-- I guess I don't understand the enforcement mechanism. If the people who are collecting the age verification don't keep the data and the sites don't have access to the data, how do we then verify or even spot-check that this is happening?

**MURMAN:** Well, I appreciate that, that you're trying to keep your kids safe.

**M. CAVANAUGH:** Thank you.

**MURMAN:** And I'm actually working together with you with this bill and, hopefully, improving on keeping everyone safe. The-- Pornhub has actually pulled out-- I think I'm correct in saying it's pulled out of 7 states now that have passed this bill.

**M. CAVANAUGH:** Yes.

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**MURMAN:** So apparently it's working. So that's why they're pulling out of those states.

**M. CAVANAUGH:** Well, well, so I think I'm-- I would-- I guess I would assume, I don't know, that part of that issue is that they collect the data and they keep it. And this bill would prohibit that from happening. No? They don't keep it? OK.

**MURMAN:** Well, this, this bill says they-- this bill does not allow them or the verifying agency to keep the data. Now I'm not sure if they can keep the data, but this bill says they, they-- the bill does-- says that you can sue if, if a--

**M. CAVANAUGH:** If they keep the data.

**MURMAN:** --if a minor gets on there.

**M. CAVANAUGH:** If a minor gets on there,--

**MURMAN:** Yeah.

**M. CAVANAUGH:** --you can sue. Can you sue if they keep the data or if--

**MURMAN:** I, I really don't know about--

**M. CAVANAUGH:** OK.

**MURMAN:** --if they can keep the data. But this bill doesn't address that.

**M. CAVANAUGH:** Because that-- my other concern is uploading personal information to a third party and knowing that it's secure. And I worry about teenagers who are going to upload it not really understanding what they're doing, and then there a minor has uploaded their information and what safeguards do we have to know that even though they will be rejected that their information is secure?

**MURMAN:** Yes, their information never goes to the porn site.

**M. CAVANAUGH:** OK, but what about the site-- the verification site? I'm not familiar with these sites that do the age verification.

**MURMAN:** No, they, they don't-- can't keep the information at all either. They don't even know, like I said, why the person is asking to get their age verified. They don't know if you're trying to gamble, buy alcohol, you know, what the reasoning is at all.

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**M. CAVANAUGH:** So does-- is, is this mechanism used for gambling age verification as well?

**MURMAN:** Yes.

**M. CAVANAUGH:** OK. So it's the same process--

**FREDRICKSON:** One minute.

**M. CAVANAUGH:** --as gambling age verification.

**MURMAN:** It's, it's one process. I mean, there's-- I think the-- oh, I talked about the website, the verification agency website. I think there's-- was at least 12 verification agencies listed on that website.

**M. CAVANAUGH:** OK. I'm sorry, I missed that. Where-- was that something you passed out?

**MURMAN:** No, that was in my opening.

**M. CAVANAUGH:** Oh, OK. All right. I'll have to relisten to your opening for that. I won't make you relist the 12 verification agencies. I think we're about out of time. Thank you for answering my questions.

**MURMAN:** Thank you.

**M. CAVANAUGH:** Thank you, Mr. President.

**FREDRICKSON:** Thank you, Senators Cavanaugh and Murman. Senator Walz, you're recognized to speak.

**WALZ:** Thank you, Mr. President. Very quickly, and then I'm going to yield my time to Senator Blood. But I do want to say how much I appreciate the fact that Senator Murman, Senator Cavanaugh, Senator Blood are so concerned, honestly, about protecting our children. And I sincerely hope that there's something that we can do to work together to make sure that we're doing exactly that, that we're able to protect our children. And with that, I will yield my time to Senator Blood.

**FREDRICKSON:** Senator Blood, that's 4 minutes and 30 seconds.

**BLOOD:** Thank you, Mr. President. So we know-- because Senator Murman, Murman told us-- that states like Utah, Washington State, they, they move bills forward and now they're in the courts, which they should be. But the thing is when you look at bills like this and their bills is that you're not making a difference between autonomy, autonomy and

your First Amendment rates-- I can't talk-- and your First Amendment rights for the older teens and young adults who are able to use this versus young children. Another thing that makes this bill not ready for prime time. And you talk about Pornhub allegedly leaving, but I don't know if you missed this in my introduction, but Pornhub is owned by MindGeek, a \$1 billion company that's actually, I believe in England, by the way. So they-- who'd, who'd of thunk. I would have thought it'd be like in Nevada or something and they have a monopoly. And maybe Pornhub is gone, but I guarantee that YouPorn, Redtube, fan sites like OnlyFans are probably still there. It's a shell game and we fall for it. We fall for it because we have a lack of knowledge of what's going on. What was really interesting after I talked about VPN and how easy it is for kids to find it is someone actually had their family search for it while I was on the mic and they texted me and they found 30 pages of information and how easy it could be to get a free VPN so you can get around this stuff. And then the thing that's interesting to me, too, is that you exclude social media, but the states that are pushing bills like this are now trying to go after social media. In fact, I think the Florida governor just passed a bill or signed a bill today in reference to that; I think 14-year-olds and under. You might want to Google that. But the thing that concerns me is that you can pass this bill, but I guarantee you teenage girls right now are getting Snapchats. And I'm going to use the anatomically correct word for it and not the slang for it that they have on Snapchat, but there's a lot of teenage girls getting unsolicited pictures of boys' penises and sometimes men that are trying to groom them. And you're not going to be able to stop that, unfortunately. And those young women are then traumatized. And the thing that I still haven't heard a response to, Senator Murman, and, perhaps, you can talk about this in your closing, is that the age of sexual consent, again, in Nebraska is 16. And, again, I don't personally agree with that, but I'm not going to be here next year, maybe you guys can change that. And I don't think that's good policy, but it's not against the law for a 16- or 17-year-old to have sex with an adult which is disgusting. This bill requests age verification for those under 18. What's wrong with this picture? The age of majority in Nebraska is 19. So why does the bill say 18? So at 16, you can have a full-blown sexual relationship with an adult,--

**FREDRICKSON:** One minute.

**BLOOD:** --16-, 17-year-old, but you can't look at pornography. Not that you should be looking at pornography, I'm talking about the logistics of this bill, so I don't want to be misquoted. This is an uncomfortable situation and I know I'm going to be misquoted no matter

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what I say tonight because there's just nasty trolls everywhere. But this bill is not ready for prime time, and we can't fix it well enough this year that we should be passing this bill. So you guys can wave your flags and look-- say, oh, look, we saved children from pornography. Well, you didn't, and you likely didn't save them from Pornhub because there's all these other entities that are going to come in right after them. And you, unknowingly, have opened up the door for adults, whether you like them looking at porn or not, to have their information given to a third party who you don't know who that is because we don't have a registry. And if you find the small print on many of the contracts that you read when you enter things like that, they say no third-party person but, and you heard me say that in your intro.

**FREDRICKSON:** That's your time. Thank you, Senators Blood and Walz. Senator McKinney, you're next in the queue.

**McKINNEY:** Thank you, Mr. President. I'll yield my time to Senator Blood.

**FREDRICKSON:** Senator Blood, that's 4 minutes and 53 seconds.

**BLOOD:** Thank you, Mr. President, and thank you, Senator McKinney. So I'm going to go back to the logistics again of how we are now violating the privacy of adults. Senator Kauth's bill has, again, good intentions like Senator Murman's bill and it talks about consent. But who are you giving consent to if you don't know who those people are that are stealing your data? And, by the way, we're coming up on election season right now, did you ever wonder how you get so many things on social media or in the mail or phone calls that pertain to your likes and dislikes? You should know that all of these major companies that help campaigns are also stealing your data. Don't be fooled that they're not. And a lot of you have paid for that data, by the way. I just don't understand how we continue to pass bills that are-- I call them cause bills or hot topic bills. We don't want to be the senators that say, oh, we didn't protect the children; oh, we didn't protect the babies; oh, we didn't protect those cute little puppies. And so we seem to pass all of these bills forward when they're not ready, or we choose to ignore what's wrong with them. And this is a case. And, quite frankly, I think we could have resolved a lot of that had Senator Murman actually talked to me instead of going around me to the other committee members, and maybe that's because I let him know up front all my issues with the bill. And, again, he did fix some of the issues with the committee amendment by changing the genitalia, which to this day I think is very bizarre that the only

genitalia that was mentioned was female genitalia, because we don't have to look at porn to know that porn isn't just naked women. Porn, unfortunately, is also bestiality, children, gay porn, asexual porn-- I don't know what that would look like, but there's lots of different types of porn. Everybody's got their, their thing. And who am I to judge as long as they're not hurting children and not hurting animals, not hurting women, not hurting their spouses or, or a trafficking victim. I care about those things. But I also care about the fact that you're letting people know your child's location or your location. I got to tell you, in every state that's past these bills, scammers have taken advantage of it. And if you listened to my intro, which I'm not going to repeat again, and I just hope and wish people would actually listen, is that they're creating these sites to mirror the actual porn sites so they can get your information and they can go buy a house or a car, they can get credit cards, they can, literally, steal your identity and put you in the poorhouse. And a lot of smart people who are anxious to get into the porn sites are missing some of the red flags on that, and that's not going to get better. And, again, of course, that's a crime. And that involves law enforcement and the federal government, but that's not going to stop it from happening. So if this bill is so important to you, wouldn't it make sense to put a firm foundation to help Senator Kauth, to help Senator Bostar, to help Senator Murman by coming back next year with it?

**FREDRICKSON:** One minute.

**BLOOD:** And to include a data registry for these data brokers. Because without that, these boogeymen that we're so scared of, that are doing pornography and also violating your privacy to boot, aren't going to go away and you're not going to even be making a tick in this issue. It's just pretend. It's just hollow, just like what they just did with TikTok. TikTok is going to go away in 5 to 10 years. It really is. And to think that they're the only people stealing your data is kind of ignorant. And I'm not saying you guys are ignorant, I'm saying-- and I-- and I needed a better word, but that's the word that came to my mouth. I'm sorry. We're all smart people on this floor. We can all read, we can read the news, we can read data, facts, and science. I mean, I still remember the hearing with Facebook and people were, like, up in arms. What do you mean they're getting our data? Well, how did you think they were making money? All those Facebook ads.

**FREDRICKSON:** That's your time, Senator.

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

**FREDRICKSON:** Thank you, Senators McKinney [SIC] and Senator Blood. Senator John Cavanaugh, you're recognized and this is your last time on the motion.

**J. CAVANAUGH:** Thank you, Mr. President. And I-- again, folks, I would say listen to what Senator Blood is saying. She's making a lot of really good points. And, Senator Blood, I did listen to your intro and I've learned a lot from what you've been saying. So my approach to this bill was I read the committee amendment and then I read the amendment to the committee amendment. I guess I didn't read the original bill because I saw the committee amendment was the white copy amendment. So I don't know the particulars of what you're, you're referencing that was in the original bill that got cut out. But in my read of the committee amendment and then the amendment to the amendment, which is not on the board at the moment-- we're still on the committee amendment, which is AM2585. And I know Senator Machaela Cavanaugh has asked Senator Murman some questions so I probably won't put Senator Murman on the hot seat at the moment, because I know can be very tiring to be-- have folks asking you questions all the time. And I appreciate his-- the spirit in which he engages in the debate. But just looking through, I guess, flagging some of my concerns about the bill. And I think Senator Machaela Cavanaugh hit on this, which is under-- I think it's on page 2, Section 3, there is both the charge-- and that's actually what the part that was amended in the amendment to the amendment-- there's both the charge that a commercial entity shall not knowingly or intentionally publish harmful-- materials harmful to minors unless the entity has reasonable age verification methods to verify the age of the individual attempting to access material. And then that's Section 1-- or subsection (1) after Section 3 and then subsection (2) is a commercial entity or third party that performs an age verification required by the section shall not retain any identification information of the individual after access has been granted to the material. I, I see those two sections and I'm confused, I guess. I understand why they both exist. And this is one of the problems with-- of this bill, in general. This is a very difficult-- just idea to effectuate because Senator Murman is trying to recognize privacy concerns which I, of course, appreciate. And he's attempting to create an age verification to protect or prevent young people from accessing these sites. But to-- if somebody says you let my kid on this website and they want to sue or bring a cause of action, how is the website going to substantiate that they did actually verify the age of whoever it was went on the site because they're supposed to destroy this information? And-- so if they destroy the information, how are they going to, to protect themselves? And then-- so if

somebody brings suit and says you let my child on the site and they say, no, we verified the age, look, we've got proof, are they then subject to a violation of subsection-- Section 3, subsection (2)? So is this, like, the classic book "Catch-22," right, where you-- no matter which way you go, you're in trouble. That's not the specific, I know there's going to be people out there who say that "Catch-22" is-- the, the premise of "Catch-22" is much more nuanced than that. But it's become in common parlance the, you know, damned if you do, damned if you don't. But anyway-- so that's what-- one of the concerns is just how does this actually work? How is somebody supposed to comply with this law? And that's a really big question with any law we're passing, is what-- when somebody-- when we pass a law, it should be clear. Somebody should be able to go, oh, Nebraska just passed this, this is how we would actually comply with it. And it's possible what Senator Blood is talking about is a lot of these entities have just left states--

**FREDRICKSON:** One minute.

**J. CAVANAUGH:** --thank you, Mr. President-- have stopped operating in these states. And maybe that is the, ultimate, intention of Senator Murman and, and folks who advocate for this law is that they would-- they're not actually interested in making a working law, they're just making a complicated system that people are going to say we can't comply with, therefore, we won't participate. But then that brings up another question that Senator Blood just talked about, which is people are going to go around it in a very easily available way, which is these VPNs. And so the law doesn't serve the intention it's supposed to serve. It's overly confusing and incomprehensible. And it doesn't actually have the effect we wanted because people are still going to just go around it these other ways. So if there is a way to actually accomplish this, I'd love to hear it. Senator Blood is talking about a lot of things that we could do to actually effectuate this objective. But, again, I would say I don't-- I'm not smart enough to know-- to understand exactly what she's saying, but I'm listening, Senator Blood. I'm trying to learn. But so--

**FREDRICKSON:** That's your time.

**J. CAVANAUGH:** Thank you, Mr. President.

**FREDRICKSON:** Thank you, Senator John Cavanaugh. Senator Dungan, you're next in the queue and this is your last time on the motion.

**DUNGAN:** Thank you, Mr. President, and good evening again, colleagues. I, I certainly won't try to debate with Senator John Cavanaugh what the actual plot of "Catch-22" is. I think that would be me being overly pedantic, which I don't want to be today. But I do agree that there are a lot of catch-22s contained within this bill. A lot of parts of it that I just found confusing as well. Even outside, though, of the actual operation of the bill, I think one of my biggest concerns and things that I've been listening to on the debate here today is exactly what others have mentioned pertaining to these third-party companies getting control of or, or being able to take possession of our identification and not knowing what they're doing with it. You know, one of the things that people talk about all the time, and I think a technology committee of some capacity would be able to speak to this, is what our phones or our computers or other devices are or aren't collecting at any given time. I've done the experiment before where I mentioned something a bunch around my phone to see whether or not it's able to pick up on that and then sends me a bunch of ads about it. And it actually has, has worked a couple times. So I, I think it's entirely possible that our phones are actively collecting information on an ongoing basis in order to target ads at us and be able to take that meta information and, and use it to pertain to algorithms. Certainly, I think the same things could potentially happen when providing identification to these third-party sites who it sounds like, for all intents and purposes, have very opaque agreements with regards to what they can and cannot use our information for. I'm not one of those people who's overly concerned about my information being stolen. Certainly, we all use our phones all the time for things like purchasing things on Amazon or, or using accounts, and I-- I'm not a conspiracy theorist about it, but I do have concerns when we, as a state, start to enter into agreements with companies not full well knowing how or what they're going to use our information for. I think this can be a concern that we have when we're talking about devices that take our information. I think we should be concerned about these kind of contracts that we enter into when we're talking about companies that install surveillance cameras. You know, one of the things that we've always talked about is that we certainly don't want to become some sort of, you know, nanny state where we have cameras around all the time that are able to observe us. And I think that that extends towards companies utilizing information. Now, I understand in this circumstance we're talking about specific age identification as it retains-- pertains, rather, to this, quote unquote, harmful material as defined in the LB1092 language. But, in general, I think that we, colleagues, should be skeptical when we, as a state, are partnering with private companies that obtain personal

information. And it's something that I think we should all be at least curious about, how that would work, what those companies do, how they operate, in an effort to fully understand what we are or are not agreeing to. There are other states and other jurisdictions where they have ruled-- excuse me-- ruled unconstitutional these kind of identification requirements. I understand that there's other states that have not, and certainly, there's, you know, always going to be difference in court opinions as it works its way up. But there is clear precedent in certain jurisdictions that the restriction of any information pursuant to identification, verification through these kind of things is problematic and potentially a First Amendment violation. So I just want to raise that flag because I think it's certainly something we can continue to talk about. It's something I have concerns about. I obviously want to be very clear, I understand Senator Murman and others' concerns they've raised about what children are or are not exposed to. We certainly don't want kids learning negative relationship habit-- habits; we certainly don't want kids learning unrealistic or, or potentially harmful expectations around sexuality as they're in their adolescence or going through puberty. I think we--

**FREDRICKSON:** One minute.

**DUNGAN:** --thank you, Mr. President-- we always want to model the best relationship behaviors. And we want to make sure that students and kids have access to healthy materials and not unhealthy ones. So I, I agree that there is a concern of what people are or not being exposed to. But I think we need to be very careful when we, as a state, create laws like this. And I think that the, the reason there's been such pushback so far is not the intent, it's the execution. And when you're having that conversation about process versus content, it's OK to focus on the process; you can't just ignore the process because you like the content. So, colleagues, I'd encourage you to remain curious. I think we're going to be talking about this a little bit further today, and I look forward to hearing more of the conversation. Thank you, Mr. President.

**FREDRICKSON:** Thank you, Senator Dungan. Senator Hunt, you're recognized to speak.

**HUNT:** Thank you, Mr. President. I was also anxious, as Senator Cavanaugh mentioned-- Machaela Cavanaugh mentioned on the mic, for this debate today. This is a conversation that always goes different ways. And the way people conduct themselves in the body during these conversations is predictable and difficult, because people either

approach these "crotch-watch" bills in one way or the other. Either they're very sincere, as I believe Senator Murman is, or someone like Senator Albrecht, or anybody introducing bills like this, really sincere about protecting children, really worried about what kids are looking at online, really think there's a legislative solution to it. And then there's the-- on the other hand, the set of people who regard it with kind of a prurient interest, people like Senator Halloran who gleefully, you know, cannot contain their joy to read pornography, to read something licentious on the microphone with the goal of getting a rise out of people. It's like, you know, getting off on making everybody else non-consensually-- against our will-- participate in their sick obsession with this type of sex. And that's what makes these conversations around these bills-- that's what puts so much anxiety in the body and makes it so uncomfortable. I think Steve Halloran right now is in the lounge with his friends watching this. And, you know, I think we are talking about a pattern of really disturbing behavior. In Government Committee this year, many of you weren't there-- Senator Blood would remember this; she introduced a bill to create a state tartan that was requested by the Girl Scouts, a Girl Scout troop in Nebraska who designed a tartan pattern that could be our state tartan in Nebraska. And it was a good hearing, there were-- there were Girl Scouts there. And at the end, I think, Senator Halloran asked a question or something, and Senator Blood said, well, if we pass this bill, you know, I challenge you to wear a kilt in the pattern of our state tartan. And then apropos of nothing, for no reason, he responded in front of all these kids and everybody, would I have to go commando? The whole room-- it was either like a nervous laugh or like horror. And so this is something in the public record that you can all look up, and it's just this pervasive pattern of behavior of these "crotch-watch" bills being part of a prurient, performative, exhibitionist interest for some people in this body. And that's why I don't like these bills coming up. For some of you, there's overlap. You know, you-- I think it's some kind of, like, sexual repression or something. And this is the way you, you find a safe place and a safe way to express that is through legislating what other people do with their bodies that you're afraid to do with your own. My position is that not everything we dislike should be illegal and that's why I oppose this bill. I think that the system, while imperfect, that we have today works OK. I trust parents and safe adults to raise their children, to raise their families, to put their own limitations on screen usage and technology in their own homes. I trust school administrators to do this in their schools. And they do-- they are. There's endless varieties of third-party software that

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parents install in their homes to monitor Internet usage. You know, Speaker of the House Mike Johnson, he talked about--

**FREDRICKSON:** One minute.

**HUNT:** --how his son is his porn "accountabili-buddy," that they've got software installed on their devices so that if his son or he-- it, it covers search terms, images viewed on the phone or on the tablet or on the computer-- it's not just porn websites but, like, any kind of licentious porn-y searching, whatever-- then one of them gets a notification on their phone that the other one is looking at pornography. So that's what the Speaker of the House does with his son. The point is, there are many, many ways for parents to oversee what's happening, what their kids are taking in. And I don't agree with what Senator Murman said about how Pornhub has pulled out of so many states so we know this is working. I, I don't share the goal of preventing anybody from consuming pornography. I don't think that that's a good goal. I don't think that's compatible with, with First Amendment values or the values of freedom that we have in this country--

**FREDRICKSON:** That's, your time, Senator.

**HUNT:** --and in this society. Thank you, Mr. President.

**FREDRICKSON:** Thank you, Senator Hunt. Senator Blood, you're recognized to speak and this is your final time on the motion.

**BLOOD:** Thank you, Mr. President. Friends, I am getting all kinds of text messages and emails and I'm going to try and share some of this with you on the mic. Hopefully, I'll still have at least one more person that will share some time with me. So if you go to Pornhub in Texas, what comes up is: Dear user: As you may know, your elected officials in Texas are requiring us to verify your age before allowing you access to our website. I would like to point out before I finish reading this that I did not download this. This is a screenshot that someone sent to me. Not only does this imaging on-- imaging on the rights-- it's teeny tiny, so I'm having trouble reading it-- of adults to accept, accept protected speech, it fails strict scrutiny by employing the la-- least effective and yet also most restrictive means of accomplishing Texas' stated purpose of allegedly protecting minors. I think I said that in my intro. While safety and-- why safety and compliance are at the forefront of our mission, providing identification every time you want to visit an adult platform is not an effective solution for protecting users online, and, in fact, will

put minors and your privacy at risk. Deja vu to my intro. Attempting to mandate age verification without any means to enforce at scale gives platforms the choice to comply or not, leaving hundreds of thousands of websites open and accessible-- I'm going to add this word-- to your children. And we've seen in other states such bills have failed to protect minors by driving users from those few websites which comply to the hundreds of thousands of websites with far fewer safety mechanisms. Attempting to mandate age means to enforce at scale, to comply or not, leaving-- there's a word blocked out-- websites open and accessible. And we've seen in other states such bills have failed to protect minors by driving users from these few websites which comply. That's redundant. Unfortunately, the Texas law for age verification is ineffective, haphazard, and dangerous. Not only will it not only protect children-- not only will it not actually protect children, but it will also inevitably reduce content creators' ability to post and distribute legal adult, adult content and directly impact that ability. So they're talking about things like the adults only, where women-- not always-- are doing it by choice-- their bodies, their choice-- and communicating with those that they allow onto their private sites. And that's how they generate income. And there's a lot of college students, by the way, paying for their college degrees with these OnlyFans sites. I can go on and on and read it, but basically it says everything I said in my intro, only with more lawyer-speak. So maybe this is, like, a John Cavanaugh/George Dungan thing. Danielle Conrad is not here, so. Pornhub hasn't gone away. They're still there. They're just there under other names and we're falling for it. We're like, oh, Pornhub is not there anymore. But they're posting still on their site and telling people what's wrong with the legislation. I still haven't heard an answer to the age discrepancy between state statute and the way this bill is written, and how we can justify telling people who are of legal age to have sex with adults but they can't look at porn. And to say that we hate porn, so why should we allow them to look at it? That's just not the American way. Because like it or not, every person in this body that chooses to look at pornography has the right to do so, whether we like it or not. Just like you have the right to your religion, just like you have the right to your freedom of speech, just don't yell fire in a, a movie theater.

**FREDRICKSON:** One minute.

**BLOOD:** You have the right to look at it, whether we like it or not. Because last I looked, I still live in America. I don't know, we hear a lot about China and Russia lately buying up property, so maybe that's going to change. But I think that we have to remember what our

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job is as policymakers and our policy-- our job is to do no harm. And when we pass bills like this, we're going to do harm and not protect children. Because children are pretty darn smart when it comes to computers, and they're going to show mom and dad how they can get around it really quick. Thank you, Mr. President.

**FREDRICKSON:** Thank you, Senator Blood. Senator Vargas, you're recognized to speak.

**VARGAS:** Thank you. In about a minute, I will yield some time to Senator Blood. So I'm just letting her know in advance. I'm still listening to the debate. You know, one, I think the main thing that I'm worried or concerned about has a little bit more-- and I might have different opinions from some of my colleagues-- has more to do with just the operationalizing of anything. You know, for Senate-- for the state of Virginia, you know, I was reading on the effects of their policy for age verification. And there's a lot of questions on whether or not it's, it's operational, whether or not it's actually doing what's intended consequent-- the, the, the intended-- what they're trying to do, or whether or not companies are just skirting it. Generally, looking at this, I'm not as opposed to the intent. I just want to make sure whatever you're doing is actually doing that intended reason. And if it's not, then that's a problem because we shouldn't be making bills that are just not actually doing what you expect them to do. So with that, I'll yield the remainder of my time to Senator Blood.

**FREDRICKSON:** Thank you, Senator Vargas. Senator Blood, that's 3 minutes and 51 seconds.

**BLOOD:** Thank you, Mr. President. I have people asking me things like what about OnlyFans, which could simply be someone who has a foot fetish? I don't know. I mean, I personally don't think that's sexual, but obviously somebody does because we know that there's tons of sites with fetish-- fetishes. So, yeah, I guess you can't look at people's feet and be aroused because that would be considered dirty. And then people are asking about things like Hulu and Netflix and, like, are they stealing your data? I got a great story about Hulu. One day I got an email and it said, you are a Handmaid's Tale superfan. And I'm, like, oh, this is scant-- this is spam. Somebody is, like, trying to spam me. I'm going to block them. And then I did a reverse check on the email and realized that it's the same email that my billing came from and that it was legit. And I'm, like, oh, OK. And they're, like, you have a package coming. And it was an awesome prize package, by the way. I'll describe it another time. But I got a bunch of free stuff from Hulu. But then it reminded me of, like, how do I watch Hulu and

how do I watch Netflix? Well, I watch it on my internet, right? We watch streaming on the internet. So how did they know I was a superfan and that when I got up at, at 6 a.m., I was watching Handmaid's Tale while I was doing my hair and makeup? Well, because they're tracking our data. Right? You heard what Dungan said. Like, you talk about your-- on your phone about something and, eventually, like, shoe things come up. You look for something on the Internet and what happens for the next week or more? I'm looking for a car. Well, you're going to get a lot of car ads for weeks and weeks and weeks because your data is being tracked. Do you clear out your cookies every time? Do you clear out your search history every time? I know in our house, we had to put up extra security because during one of my campaigns we busted somebody sitting with a laptop in our street trying to hack our system. And now my son has shut it down. So much so that my husband, when he gets new devices, can't figure out how to get on to the internet, which I kind of love having that in my house, but it's also forced me to learn more, as you've heard, about how technology works and what's involved with it. I know because so many of you have your heads down, but few are left in here and haven't really turned to watch and listen about what I've had to share. How are you going to vote? And here's the concern that I have is that why are you willing to vote for bills that are not ready for prime time? We haven't heard clarification on the age verification, maybe one of--

**FREDRICKSON:** One minute.

**BLOOD:** --Senator Murman's pals can, can yield him some time so he can talk on that, because I'm not going to share my time. I'm selfish that way. Plus, it keeps me awake when I debate because it's really quiet and dark in here. But I do know also that we have people in the body that are uncomfortable with issues like this, and because they have a comfort level about this issue, they're more prone to support things like this because they don't really want to talk about it. They're afraid what people will think of them if they talk about something being technically wrong with the bill because it's about the kids, it's about the babies, it's about the puppies. We've got to do better. We can do better. I said at the very beginning that I wasn't trying to sink Senator Murman's bill, but I wanted you to clearly understand-- it's getting noisy back there. Oh, it's Senator Dorn, I think his hearing aid isn't working. So I want-- no offense, Senator Dorn.

**FREDRICKSON:** That's your time, Senator. Thank you, Senator Vargas and Senator Blood. Senator DeBoer, you're recognized to speak.

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**DeBOER:** Thank you, Mr. President. Colleagues, I was one of the 6 votes that this bill had out of committee. But I've been listening to the floor debate and there's actually been several things brought up that I hadn't thought of. One thing I'd like to throw out for folks to think about, which I had thought of in the committee process, but then I, for some reason, didn't go back and check out what happens, is what happens with these sites when they are not based in the United States? So what kind of jurisdictional reach do we have to try and enforce this? So that's a question I'll just put out to the ether for everyone. I am listening. I think the aim is good to keep children away from these-- away from pornography. Because, to be honest, there's a lot of-- there's a lot of porn out there that is I'm told, and I have read research about it that it is, you know, really harmful for kids, especially young girls, that it develops really bad ideas of what relationships are like and stuff like that. So I don't really like that being given to young kids. So that's a concern. But I am listening to Senator Blood as well as others make their points today. And so I'm conflicted, to be honest. So I guess I'll continue to listen and that means I will give Senator Blood my time if she would like it.

**FREDRICKSON:** Senator Blood, that's 3 minutes and 8 seconds.

**BLOOD:** Thank you, Mr. President. I just texted the wrong person a response. That's why I looked panicked at that moment. Lots of people texted me and asked me questions about this bill. So thank you, Senator DeBoer, and that is one of the questions that I have as well, because you heard me say in the introduction that MindGeek is the owner of Pornhub. And I think I read that they had-- I can't guarantee my memory's correct, but usually I'm pretty good with stuff like this-- I think it was, like, 1,600 employees amongst their big company and they're located in England, but they prey upon us in the United States because, apparently, we really like porn in the United States. But, again, free country. We don't have to like it and we don't have to look at it. But just like they have the right to be alcoholics, which we hate and hurts society, it hurts families and hurts the individuals, they still have the right to do it. We don't let them drive cars and kill people. We have things like that in state statute, just like we have in statute that you can't show children pornography and it's against the law. But you heard me earlier when we were talking about VPNs. Literally, somebody that was watching tonight googled it and got 30 pages of how to get free VPNs to get around this. All it takes is Bobby on the schoolyard talking to Jimmy and saying I can't get onto the paid pornography sites. By the way, we're talking about paid sites. Free sites are still going to be around, so

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would you need ID to get on those sites? Because it seems like we're only talking about paid sites, or would you just go to Twitter? So-- and that's another thing I want to remind you as adults who are allowed to do what you want to do, whether it hurts you and your family or not, that's your business. I don't want to be in your bedrooms and I don't want to be in your homes, but I, I want you to know that what we're seeing in states that are trying to push--

**FREDRICKSON:** One minute.

**BLOOD:** --legislation like this, the next thing is social media. And then what comes next after social media? I don't know. I, I, I like my First Amendment right. I like the fact that if you got a fetish and it's your thing, it's your business. I do not like that we have become a nanny state, and that all of a sudden we're worried about how parents parent and what we think is best for you based on our own morals; some of us, because of our Christian values. You know I always tell people, when people ask me why I vote certain ways, I always say, you know, this isn't the District of Carol, it's District 3. And although I have very specific ideas about what I like and don't like, and pornography is not something I'm not a big fan of, I don't vote for Carol, I vote for what's best for my district and all of Nebraska.

**FREDRICKSON:** That's your time.

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

**FREDRICKSON:** Thank you, Senator DeBoer and Senator Blood. Senator Hunt, you're recognized to speak.

**HUNT:** Thank you, Mr. President. You know, Senator Blood got me thinking about VPNs. There's a lot of reasons people use VPNs. I use them frequently. One reason people would use it would be, if they're on public Wi-Fi, it just gives you a little bit more security in your browsing, in your-- you know, whatever it is you're doing on your computer. I do a lot of work on my computer which involves financial figures, you know, like invoicing and payroll, you know, just things that contain a lot of personal information. So I often use VPNs when I'm on public Wi-Fi working, in an airport, things like that. Some people use VPNs-- I've used a VPN to watch a TV show that was on Netflix in Canada, but not broadcasting in the U.S. And so if you connect to a VPN that's based in Canada, then your device thinks that you're in Canada and lets you watch that TV show. That's a common reason. I traveled to China a couple years ago, and I used a VPN there just for extra security. One, one-- and people also use them for, for

bad reasons, too. You know, to hide their identity. One example I can think of is after the LB574 anti-trans debate last year, somebody made a fake account on Twitter with my child's face, with our real actual address, saying that I was a pedophile and a child molester, posting fake as my child saying my mom is abusing me. My mom is grooming me. Please, someone call the police, please someone come rescue me from my mom, Megan Hunt, here's our address. And so that's directly because of what Kathleen Kauth did. So-- and all of you as well. So there are a lot of reasons that people use VPNs to hide their identity, because after the person made that account, which was illegal, which was harassment, and law enforcement went to go investigate what was happening, they were unable to actually catch the person because they were using a VPN. So that person was not, you know, found out or anything like that. Another thing I forgot to mention on my last time on the mic, talking about different types of software that parents can already use to make sure that they have safe browsing in their household that we know that schools use. Yes, kids can find ways around it, things like that, but it's almost like a race, right? Like, people find their way around this type of software. People are always hacking technology and that's not going to change. But also people who build these software programs, people who code them, they're always working to stop people from getting around it, too. So there's always updates. There's always new versions to download that have patches that help keep kids more safe and secure. So we already have these tools in our toolbox to keep our kids safe. And I think that handwringing from lawmakers, especially when we start to kind of tread into these First Amendment violations, this nanny state stuff, this "crotch-watch" stuff that actually ends up being prurient for so many people. You know, thinking about, again, the Speaker of the House Mike Johnson and his minor son, who I didn't mention last time, who's a minor, how they have this porn accountability software that they use together. To me, that's very gross. And it, it kind of speaks to, like, the repression and shame that is actually at the heart of bills like LB1092. And those are points I wanted to make, and I'll yield the rest of my time to Senator Blood. Thank you.

**FREDRICKSON:** Thank you, Senator Hunt. Senator Blood, that is 1 minute and 19 seconds.

**BLOOD:** Thank you, Senator Hunt. It's my understanding and I don't know if this is true that we may be checking out at 9:00 tonight. I know that the Speaker just walked in, but I can't see his face from here so I'm hoping that that is indeed the case, maybe he'll shake his head or wave his arms at me. I like to debate because when I sit here and I listen to you debate, sometimes I actually do change my mind. And

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maybe I'm a unicorn in this body. But this bill, friends, not ready. And to say that stopping one child is better than nothing. Well, opening it up to taking away the privacy of thousands, tens of thousands of Nebraskans is not good policy. We all want to protect children from porn. That is something we can all agree on. Just like we want to protect women and children. We can all agree on those things, but we don't always agree on how to go about it-- about it. Some of us are more involved in the policy part of it, and some of us are more involved in how it looks when you vote for something.

**FREDRICKSON:** That's your time.

**BLOOD:** How could you vote against something that pertains to children and pornography? Well, I'm going to tell people the exact same thing I always tell them--

**FREDRICKSON:** That's your time, Senator.

**BLOOD:** Darn it.

**FREDRICKSON:** Thank you, Senator Hunt and Senator Blood. Seeing no one in the queue, Senator Machaela Cavanaugh, you're recognized to close.

**M. CAVANAUGH:** Thank you, Mr. President. My closing is going to be a call of the house.

**FREDRICKSON:** There's been a request to place the house on the call. The question is, shall the house go on the call? All those in favor of vote aye; all those opposed vote nay. Record, Mr. Clerk.

**CLERK:** 15 ayes, 1 nay to place the house under call, Mr. President.

**FREDRICKSON:** The house is under call. Senators, please record your presence. Those unexcused senators outside the Chamber, please return to the Chamber and record your presence. All unauthorized personnel, please leave the floor. The house is under call. Senators Dorn, Kauth, Bostelman, Erdman, John Cavanaugh, the house is under call. Please return to the Chamber and record your presence. All unexcused members are now present. The question before the body is the adoption of the motion to bracket the bill until April 11. All those in favor vote aye; all those opposed vote nay. Have all voted who wish to? Record, Mr. Clerk.

**CLERK:** 5 ayes, 29 nays, Mr. President, on the motion to bracket.

**FREDRICKSON:** The motion fails. Mr. Clerk, for items. I raise the call.

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**CLERK:** Mr. President, I have-- your Committee on Enrollment and Review reports LB1329 and LB1074 to Select File, as well as LB1301, all having E&R amendments. Additionally, series of motions to be printed from Senator Machaela Cavanaugh to LB1092. Single name add: Senator Dungan, name added to LR336. Notice that the Revenue Committee will be holding a briefing on LB388, the tax package bill, at 8:15 a.m. tomorrow morning in Room 1524. Revenue Committee briefing, 8:15 tomorrow morning in 1524. Finally, Mr. President, a priority motion. Senator Lowe would move to adjourn the body until Wednesday, March 27 at 9:00 a.m.

**FREDRICKSON:** The question is, shall the Legislature adjourn? All those in favor say aye. All those opposed say nay. The Legislature is adjourned.