

Transcript Prepared by Clerk of the Legislature Transcribers Office
Government, Military and Veterans Affairs Committee February 13, 2025

SANDERS: Good afternoon. It's a little tight and warm in here, so we're going to go ahead and get started. It is 1:31. Welcome to the Government, Military and Veterans Affairs Committee. I am Senator Rita Sanders of Bellevue, representing District 45, and I serve as the chair of this committee. The committee will take up bills in the order posted. This public hearing is your opportunity to be part of the legislative process and to express your position on the proposed legislation before us. If you are planning to testify today, please fill out one of the green testifier sheets that are on the table in the back of the room. Be sure to print clearly and completely fill out the form. When it is your turn to come forward and testify, give the testifier sheet to the page or to the committee clerk. If you do not wish to testify which you would like to indicate your position on a bill, there are yellow sign-in sheets back-- on the back of the room on the table. These sheets will be included as an exhibit in the official hearing record. When you come up to testify, please speak clearly into the microphone. Tell us your name and please spell your first and last name to ensure we have an accurate record. We will begin each bill hearing today with the introducer's opening comments, followed by proponents of the bill, then opponents, and finally, anyone wishing to speak in the neutral capacity. And finally, anyone-- on-- we will finish with a closing statement by the introducer if they wish to give one. We will be using a 3-minute light system for all testifiers. When you begin your testimony, the light on the table will be green. When the light turns yellow, you'll have 1 minute remaining time, and the light will turn red to indicate your time has ended. Questions from the committee may follow. Also, committee members may come and go during the hearing. This has nothing to do with the importance of your bill. It has to do with the process here at the Capitol, and senators have other bills they may need to be introducing. A few final items to facilitate today's hearing. If you have handouts or copies of your testimony, please bring up 12 copies. If you don't have 12 copies, the page can make copies for you. And we're asking today, when you're done testifying, to please exit the room because we have another hearing following-- we have 2 hearings. So they'll need to come and go, so if you can exit when you're done with your testimony. Finally, committee procedures for all committees state that written position comments on a bill to be included in the record must be submitted by 8 a.m. the day of the hearing. The only acceptable method of submission is via, via the legislative website, which is nebraskalegislature.gov. Written position letters will be included in the official hearing record, but only those testifying in person before the committee will be included on the committee

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statement. I'll now have the committee members introduce themselves, starting at my far right.

HUNT: Hi everyone. I'm Megan Hunt, and I represent District 8 in the northern part of midtown Omaha.

GUERECA: Good afternoon. Dunixi Guereca, Legislative District 7. That's downtown and south Omaha.

J. CAVANAUGH: John Cavanaugh, District 9, midtown Omaha.

LONOWSKI: Good afternoon. I'm Dan Lonowski,, District 33, which is Adams County, Kearney County, and rural Phelps County.

WORDEKEMPER: Welcome. Dave Wordekemper, District 15, Dodge County, western Douglas County.

McKEON: Dan McKeon, District 41, central Nebraska, 8 counties.

SANDERS: Bob Andersen is not here at this moment, but he is the vice chair. Also assisting the committee today, to my right is legal counsel, Dick Clark, and to my left, committee clerk, Julie Condon. We have 2 pages for the committee today and I will ask them to stand to introduce themselves.

RUBY KINZIE: I'm Ruby Kinzie, and I'm a third-year political science major at UNL.

KIM DYKSTRA: Hi. I'm Kim Dykstra. I'm a sophomore political science student at UNL.

SANDERS: All right. This takes us to the committee today, and LB403, Senator Spivey. The floor is yours. Welcome.

SPIVEY: Thank you, Chair Sanders. And thank you to the Government Committee for being-- and hearing my bill today, LB403. So I am Ashlei Spivey, A-s-h-l-e-i S-p-i-v-e-y, representing District 13, which is northeast and northwest Omaha. And again, I apologize for my congestion, trying to battle this cold. But I'm excited to bring forward LB403, which establishes the Office of Grants within the executive branch of Nebraska state government. The main components of this bill are to-- really help to identify and coordinate federal and national grant opportunities for state agencies, local governments, and community-based organizations. This bill would also develop a statewide strategy to maximize Nebraska's share of federal funding by July 2026, as well as provide expert assistance in navigating the

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complex grant application process, as well as compliance processes to improve efficiency and reduce administrative burdens. You also do have a one-page synopsis of this bill, as well. This bill does not create new taxes or impose mandates on agencies or local governments. So, for example, HHS can still go out and look for their own federal grants. It does not limit funding access to specific types of projects or organizations, and it does not limit government agencies in securing or leading their own programs. I think one of the, the reasons and intention behind this bill is really to strengthen Nebraska's ability to compete for federal funding opportunities, ensuring that the state secures its fair share of available resources. In Nebraska, we actually rank 46th in the per capita federal grant awards, so we only receive \$1,287 per capita, well below the national average, where other states are at \$1,871. If Nebraska received the national average, this would result of a net increase over \$1.17 billion. And so as we are battling a deficit, as we are thinking about innovative revenue streams, this office really pays for itself. I personally work in the public sector space, and so we have a lot of federal grants. We currently have a federal grant through HRSA. And as we continue to look at federal opportunities, we worked with HHS, with our state department really closely. And we had an opportunity to apply for a \$25 million grant to advance maternal and child health across Nebraska. So that-- our community-based organization, which is my other day job, would have been the lead. And we needed to partner with HHS to be able to execute on that grant. But because of the processes and the complexities and the bureaucratic nature inside of HHS, we were not able to apply for a grant that we were primed to receive, because our community-based organization already has a foot in the door with federal grants and our leading with maternal and child health. And so I lift this up as an example of when you think about the coordination of federal grants, the impact it has on not only community level, but the government level, we would be really able to better streamline and address any infrastructure and efficiency issues, to be able to secure federal funding to address some of the most pressing issues that our state is seeing. Securing federal dollars as well as this office would help enhance public services and infrastructure in key funding areas, like I mentioned, healthcare, education and transportation. I would also, also add in environment to that. We know that NDEE just recently received \$307 million from the EPA federally and is primed to continue to receive federal dollars like that. Again, through an intentionality around how do we work through the complexities of federal opportunities, as well as compliance and accountability. So it is not just one thing to get the federal grant, but then you have to manage to the compliance pieces,

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which can be very cumbersome. And so having someone that is an expert, that understands and knows that, positions us to not be able to default on those opportunities, but to show that we were successful not only securing the grant, but then the implementation, as well. Federal grants for Nebraska account for about one-third of our total state revenue. And there's other states that have offices like this. So Ohio, North Carolina, and Texas have all successfully established a centralized grants office, which helps to increase federal funding for their state and local projects. Without having this kind of quarterback, if you would, to help secure and work with state agencies, local, local political subdivisions, and community-based organizations, we will continue to lose out on money and we're not going to be as competitive. And so the other thing that I wanted to address was the fiscal note that was provided. And so having run a public agency and working with federal grants, I think what is suggested for staffing is not as aligned to what you typically see in a grants office. So this is not a person that is writing the grant. This is not a person that is going out and saying, hey, Senator Cavanaugh, you run this organization, we should apply for this. This person acts as a strategic visionary and provides direction. So they understand and create efficiencies in the process. They're helping to create a workflow. They're meeting with other state agencies to say, what are you doing, how can I help? How do you work and identify community-based organizations that you're working with? And so really, you typically see 1 to 1 1/2 people in this type of office. You don't necessarily see the 4-7 that was represented in the fiscal note. And so I would push back on that to say that it-- we could be more conservative in our spending for the office. And I will also say, again, it pays for itself. So going back to my example that I used on a federal grant that my public agency was able to secure, we ended up paying the person that was working on that about \$100,000 over the whole year for all the grants that she wrote and all of the work. She secured a \$5 million federal grant on top of other national grants at about \$500,000. So she paid for her salary as well as the operating expenses and the intention of the project. And so you have to invest money to make money. And I think that where we are financially as a state and the opportunities that are in front of us, that this would be a really smart investment to be able to better leverage dollars that already exist, that would advance the work and the good life that we have here in Nebraska. And so with that, I appreciate your consideration and would be happy to answer any questions that the committee has.

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SANDERS: Thank you, Senator Spivey, Spivey. We will look to the committee to see if they have any questions. I see none, for now.

SPIVEY: So, so you all are not excited about office of grants, is what you're saying.

SANDERS: We'll wait for the other testimonies and probably have questions in your closing.

SPIVEY: Absolutely. Thank you, Chair Sanders.

SANDERS: You will stay? Thank you.

SPIVEY: And I will be here. Absolutely.

SANDERS: At this time, we'll take proponents on LB403. Any proponents? See none. Opponents for LB403? Welcome.

NICOLE FOX: Thank you, Chairwoman Sanders and members of the Government, Military and Veterans Affairs Committee. I'm Nicole Fox, N-i-c-o-l-e F-o-x, and I would like to thank you for the opportunity today to testify on behalf of the Platte Institute regarding LB403. This bill proposes to create the Office of Grants with the purpose of maximizing the amount of grant funding, including grant programs, of the federal government, not only for private organizations in the state, but also grants received by state agencies and its political subdivisions. The federal government has an unsustainable spending problem and a large portion of that spending is going to the states in the form of federal grants. Just a few weeks ago, we saw the Trump administration propose a temporary freeze of federal grant dollars to the states through a memorandum. The intent was to allow agencies time to review whether grant programs aligned with the administration's policy priorities. While the original memo was rescinded, this action should not go unnoticed. The current presidential administration has made it clear that they intend to make cuts to current federal spending levels. States should be prepared that much of these cuts could be in the form of reduced federal funding to states. Nebraska, along with other states, has become increasingly dependent on federal funds. And if these funds were to be drastically reduced or stopped, the state would be unprepared to finance the essential government services these funds provide for Nebraskans. For fiscal year ending June 30, 2024, Nebraska budgeted \$6.8 billion in federal grants, which accounted for 34.4% of the total budget. This represents more than the General Fund portion of the budget, which was \$5.7 billion, or 28.7% of the total budget. Federal dollars are not free. They come with

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maintenance of effort requirements, usually in the form of dollar matching, as well as mandates which can incur costs. And yesterday we talked a lot about, you know, the cost to comply with mandates. As you're all aware, Nebraska is facing a budget shortfall. And we are concerned that a bill like this could make Nebraska's-- Nebraska vulnerable to a much bigger "fisker"-- bigger fiscal financial problem in the future. Before bringing more federal dollars into the state, we would actually advise that instead, the state considers contingency planning for current federal dollars that are coming into our state. And I do want to make clear, if private organizations want to pursue federal funding, we, we support that choice. But we do suggest using a lot of caution when seeking new, additional federal grant funding for state agencies, and again, their political subdivisions. So for these reasons, we oppose LB403. And with that, I'm happy to take any questions.

SANDERS: Thank you, Senator Fox. Senator Cavanaugh.

J. CAVANAUGH: Thank you, Chair. Nice to see you. Ms. Fox. It's always, always a pleasure. And you've got the short end of the stick because--

NICOLE FOX: I know.

J. CAVANAUGH: --Dr. Ebke got to testify yesterday on all the fun stuff and you're here to be a--

NICOLE FOX: That's OK.

J. CAVANAUGH: --kind of a, kind of a fun-hater, I feel like. So you heard Senator Spivey's introduction, where she said that we are 46th in federal funds, \$1,287 on average, which puts us-- \$1,871 is the national average. I guess, is your position-- I mean, I-- philosophically, you don't think the federal government should be spending this money and, you know, we can agree on some of that and disagree on some of that. But as long as the federal government is spending money, shouldn't we try to maximize the amount that Nebraska taxpayers are getting?

NICOLE FOX: I mean, I-- again, I would caution against that, just because a lot of times-- but, you know, like I said, federal money isn't free. In order to get grants, we may have to have, you know, some sort of matching requirement, whether it's dollar for dollar or we have to-- you know. If it's to fund a project, we might have to-- you know, the state might be on the line for 20% of the project. And so, I just-- I think that with money being tight, I, I would just

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caution against that because I think bringing in more grant money just-- you know, it forces us to spend more, as well. And in a time when we need to be kind of cautious about our spending and prudent, I don't think-- yeah.

J. CAVANAUGH: OK. Thanks.

SANDERS: Any other questions? Senator Guereca.

GUERECA: Thank you for coming and for your testimony. Now, are you all opposed to-- say, you know, if, if this office were to go out to seek private grants, or is it just federal grants that you have a problem with?

NICOLE FOX: Yeah. So that's kind of what I was saying in my, in my testimony, is the big thing is more just-- yeah, for-- if it's for state agencies or political subdivisions of the state. If it's something where this is assisting, you know, private entities-- I mean, I think a private entity, it's, it's different because it's their own organization and they're making their own decisions.

GUERECA: Sure.

NICOLE FOX: It's not taxpayer dollars, necessarily. I mean, you know, on the line, it's more-- you know, a private organization might be funded through donors or something like that. So.

GUERECA: Sure. I mean [INAUDIBLE].

NICOLE FOX: It will give us less heartburn. I'll put it that way.

GUERECA: I know. I meant more like a political subdivision going out and seeking out a private grant. Right. So the, the, the-- my understanding, this office of grant management, wouldn't just go after federal money, which, obviously, it's going to be the big, the big get. But, you know, assisting a local school district to get a grant to, you know, build a auto shop, right, that, that private money is out there.

NICOLE FOX: Yeah.

GUERECA: And if, you know, we're not empowering our, our-- leaving money on the table. So it's private funds. So if-- are you all-- are you opposed to political subdivisions seeking private grants?

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NICOLE FOX: I, I guess for us, we've always kind of cautioned, you know, being dependent on money that may not always be there, that may not--

GUERECA: Sure.

NICOLE FOX: --reliably always be there. You know, one-time grants is one thing because you maybe have it for a one-time spend. But I think if it's bringing money in terms of a more long-term dependency, we-- I mean, we would say that's probably not a good fiscal decision to make.

GUERECA: Thank you.

SANDERS: Are there any other questions? Senator Lonowski.

LONOWSKI: Thank you, Chair. Thank you, Ms. Fox, for being here. So I'm looking at the fiscal note, and we're, we're in a budget shortfall. Is there a way that the, that the committee or the person that's in charge of the grants could work for a percentage of the grant they write? Do you see what I'm saying? So-- and almost like it would give them some skin in the game if you would, so they get 5% of the grant that they get approved or-- is that such a thing or no? To help ease or eliminate--

NICOLE FOX: Offset the costs.

LONOWSKI: Or offset the--

NICOLE FOX: I mean, I guess if you were doing that, then do you need a bill to do that, or is that something that you could do--it's a private sector question.

LONOWSKI: It's just a thought I had. So.

NICOLE FOX: Yeah.

LONOWSKI: OK. Thank you.

SANDERS: Any other questions? I do have a comment.

NICOLE FOX: OK.

SANDERS: When I served for the city of Bellevue as the mayor, we were just starting to build our fire department. And there was a grant to hire firefighters, but it only paid for a few years, the start, but then you were on the hook for the next 20 years--

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NICOLE FOX: Yeah.

SANDERS: --and all of their benefits. So something like that, could we put guardrails or, or an amendment on this bill that we aren't on the hook for the further investments?

NICOLE FOX: Yeah. And, and that's what-- again, why we kind of caution about, you know, the use of, of grants and being cautious about is this a one-- you know, making sure that if you're bringing in grant money, it's, it's a one-time spend. Because yeah, ultimately, if, if it's not, then eventually that financial burden would then be put on the state or, or whatever the political subdivision is that's bringing in that grant.

SANDERS: Thank you. Thank you, Senator Fox.

NICOLE FOX: Yeah. Thank you.

SANDERS: Are there any other pro-- opponents on LB403? Any in the neutral on LB403? See none. Senator Spivey, yours to close. In the meantime, position comments online, LB403, 4 proponents, 1 opponent, and zero on the neutral.

SPIVEY: Thank you Chair Sanders. I really thought all of these people were going to be here for me, but I guess this is not that bill. And again, I appreciate the questions and feedback from the committee. And to Ms. Fox from Platte Institute, I would have been happy to answer any of your concerns and questions ahead of this. They did not reach out, but I did jot some notes down as you were talking, to be able to address some of the feedback. And so I, I run an organization, right? So I run a public agency. And as folks that run businesses and understand, you have to diversify your revenue. Like, you can't be dependent on one source. And so, the issue that we are seeing now-- and as a member of Appropriations, I'm actively working on is the budget deficit, and we are heavily dependent on taxes. So the same thing could be said around that, right? So we're looking at how do we scale back our revenue from taxes? Other new innovative revenue streams-- like I brought a bill, for example, that raises the tax for grain machines, or folks are looking at casino taxes, or whatever that may be. So the conversation around revenue and what does that mean for our expenses is always going to be something that, as an entity, as a government, that we are going to have to tackle and understand. And that's why this, this department or this office is so important, because you need strategic decision-making strategies. So federal funds are only a third of our budget, which I think is going to stay.

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That is a good diversification from other revenue streams. We are not solely dependent on federal funds, and the types of federal funds that you get are vast. There are so many departments within the federal government that grant, and so I gave a few examples in my opening, like, around healthcare. So there are specific agencies, like HRSA, that I mentioned that have funding and have had funding through every type of presidency and cabinet and administration that wants to fund specific issues that we know are important to our nation, like maternal and child health, for example, like childcare. Those things are not going away. The structure might change, but those federal funds and things are there. And so you need someone that can work with local agencies, political subdivisions, and nonprofits that say, how do we strategically look at this investment and is it the right investment? So, for example, with the federal grant that I mentioned, we don't have a dollar for dollar match. They gave us \$5 million. They said the scope of work we applied when we received it. And so we have built in and through my leadership-- what does that mean to backfill this \$5 million, if we're going to scale and grow as an organization, to be able to continue that work? And that's where the strategic conversation happens. It doesn't mean that we say we're going to go after this federal funding and then we don't ever plan a forecast, but does that mean to continue the work or not? Right. Like that's why we are in the roles that we are in, and why we have the division directors and folks that are navigating that. I think also, for federal grants, when you are applying and depending on the type, usually the most are multi-year, so that is one thing that doesn't change. So you have a lot longer runway to do some of that planning, to understand. And again, this person is the quarterback of that. This person is not only looking at the state and what we can bring in for dollars for us as a government, but saying, hey, we know-- and let's use NDEE, for example. They received that-- \$307 million from EPA. We know that this climate action plan is important. They've started the work. How do we continue to implement that? Are there community-based organizations that can hold that and go ask Sherwood Foundation in Omaha to come in at a \$5 million ask? Or when we look at continuing this, is this something that we are going to fund through fees, through one of our major cash funds, right. Like, there's the strategic conversation around funding of initiatives and things that we are responsible for, as a state, that should be considered in the decision-making. It's not in a silo and it's not a binary approach. And, and if funds are reduced at the federal level, that just means the market is more competitive. The funds are not going to go away, but when the market gets smaller, it means that you're going to be more competitive. And so how do we position ourselves as a state to

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say, we are the right investment for federal dollars? We need that person to quarterback that, to lead that and provide that strategic direction, alongside our executive leadership. And so, I think, again, it is really important as we think about how we bring in revenue streams to fund the responsibilities of the state that we have to look at the diversification, and there are still opportunities at the federal level for those. Senator Lonowski, to answer your question, so how this bill is written is not a grant writer. So what you asked about, can a grant writer have commission in for what they write? Yes, you can. This position is not a grant writer. So this position would say, I'm going to create a streamlined process for HHS, Department of Corrections, all of the different divisions that, as they go out for federal dollars and they want to work with a community-based partner, we have efficiencies to be able to get that so we don't miss out on dollars, or as entities are planning that they have the strategic direction around how they leverage federal dollars that would actually be impactful. So this is less of the I'm writing it. This person just has the expertise and understands the complexities and compliance of federal grants. But the, the structure that you mentioned is a structure that lives out, usually in the nonprofit sector. So I just wanted to also answer that question for you.

LONOWSKI: Thank you.

SPIVEY: So again, I, I, I think that this is a smart investment for our state. As a member of the Appropriations Committee, I'm actively working every day to think about the deficit in revenue. And I think having a scaled down department versus what was listed in the fiscal note to help provide strat-- strategy around revenue and grants and investment opportunities, both at the federal and national level-- so this not just for federal grants, it's also national grants-- would really be impactful as we think about innovative revenue streams to sustain and grow our state. And so with that, I will answer any additional questions that the committee may have.

SANDERS: Senator Guereca.

GUERECA: So this office is mostly-- it's, it's-- if I heard correctly, it's about maximizing our ability and our state agencies' ability to get the money that's already out there.

SPIVEY: Yes, that's correct, Senator Guereca. So right now, every division, they get their own federal grants and they're leveraging dollars. But what happens is it becomes siloed. So there's not collaboration. There's not a comprehensive approach. And so this

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person would-- and that's why it's in the office of the governor versus within another state agency, because we need someone at that level of influence and decision-making to say, what is our strategy, what is our approach, how do we maximize, what does that impact look like, and then work with those divisions, political subdivisions, or community-based organizations to execute that.

GUERECA: Something like a grant that, you know, we bring it to DHHS and NDE, right, so they can coordinate. OK. And--

SPIVEY: Exactly. And kind of going back to my example. So I run a community-based organization, and so we address maternal and child health across the state of Nebraska. And so we already have federal money. Once you get federal money, it's a lot easier as a community-based organization, because you're trusted. Right? And when we were going through the process to apply, we needed HHS to be a partner. We needed a letter of support. But based on the, the bureaucratic nature of how they approve letters of support, we would have missed the deadline to be able to get that letter to even apply. So that \$25 million was off the table because we needed HHS to be a partner. In the current federal grant that we have, we were able to navigate that a little bit differently and we were able to secure that \$5 million grant working with Title V. But you see that a lot. Center of Rural Affairs just got a huge EPA grant, as well, around environmental work. And it was difficult for them to work within the, the structures that currently exist because there's not that coordination, there's not those efficiencies. And so, this office would really provide that. And that's why I say you need a person and a half--

GUERECA: Sure.

SPIVEY: --because you need someone that has that strategic vision that's building the systems. They're not doing any grant writing. They're not doing any of those things.

GUERECA: And those \$25 million were funded by-- with our tax dollars anyway, right? So this is really about making sure our tax dollars come back to Nebraska.

SPIVEY: Exactly. And, and as you saw in the one-pager, I think the possibility of what we're leaving on the table-- right? This position looks at bringing in revenue, which was not in the fiscal note, of \$1.17 billion. Right. So like outside of what you're paying that person for salary, wages, benefits, they are helping to coordinate and

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bring in dollars that we are going to need, because we are facing really tough financial times. So regardless, resources are always finite, right? There's not ever an abundance-- maybe through COVID, through ARPA, right. But like, we're going to always need to be innovative and ahead of thinking about our strategy for revenue, and this is that position.

GUERECA: Well, OK. Yeah, I like that we're bringing-- so this would bring Nebraska tax dollars back to Nebraska and not give it to Iowa. So give us more of that. Thanks.

SPIVEY: Thank you, Senator Guereca, for your question.

SANDERS: Senator Hunt.

HUNT: Thank you. I want to make sure we're not getting Nebraska tax dollars to those awful blue states like California, New Jersey, taking all of our resources. But so this is right, that if we got-- OK. So we're 46th per capita in federal grant awards, really close to the bottom. If we were just average, that would be an increase in \$1.17 billion.

SPIVEY: Yes.

HUNT: So hypothetically, it could be more--

SPIVEY: Absolutely.

HUNT: --if this person was running the department-- or the office well, I guess.

SPIVEY: Yeah, absolutely. And we put in, in the bill some parameters--

HUNT: That's just average.

SPIVEY: And that's just average. And we put parameters around the expertise that person would need to have, because writing for federal and national grants is an expertise. You have to understand the landscape, the language is different, and the compliance is different. And so we put in parameters in the bill, specifically for that, so that it's not just like we're hiring someone that can hopefully do this, but we're hiring someone that has the expertise and knowledge to really be able to come in, hit the ground running, and implement.

HUNT: I used to run a nonprofit, and I applied for grants. And it was so outside my expertise and my training, and my professional training

and experience. And I totally understand how this is like, very specialized knowledge.

SPIVEY: Absolutely.

HUNT: So also looking at Indiana, Kansas, Texas, they have something like this?

SPIVEY: Yes. Absolutely. There are 11 states in general that have an office of grants.

HUNT: OK. And so, you mentioned that Texas has implemented the Texas grant management standards. So that's-- their grant office created these standards to kind of create the efficiencies so that it, it, it gets rid of those silos in the different departments?

SPIVEY: Exactly, Senator Hunt. And I think that's the hard part, right? Like if you are in HHS, you're head down, thinking about what's in front of you in your mission and not--.

HUNT: Of course.

SPIVEY: --necessarily, not necessarily the ripples, or what would it mean for me, as a community-based organization to partner with you, because you're a state agency. And so what they implemented in their software allowed them to have more efficiencies, best practices, so that people can ebb and flow into that process, to be able to maximize grant opportunities in collaboration and partnership. Because again, we all are working towards the same goal, and so it makes us better together to be able to do that and have some of those things and systems set, versus trying to figure out and then we miss out on lots of money and opportunities.

HUNT: It's frustrating to think that we're funding great programs in other states with our tax dollars when we don't have that kind of strategy here in our state, so.

SPIVEY: Absolutely. Thank you, Senator Hunt. And I, and I think the other thing to, to-- on Ms. Fox's feedback, is that as-- I was part of a delegation that sent out correspondence to our federal delegation about what's happening at the federal level. And so the way in which I work is, I think-- you know, I'm hyper-focused on Nebraska, but we are not exempt to political and national landscapes. And so I have been very intentional about reaching out, around what does that look like? What information are they getting? I stay up to date because I also just received federal grants, as well. And we want to know, right,

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because it is-- it's impacting the people that we are responsible for and that we care about. And so I think that through this time of transition, that it is still a missed opportunity to not leverage dollars that will be there, whether it's a smaller bucket or a larger bucket, to bring back to Nebraska.

HUNT: Thank you.

SANDERS: Thank you. Any other questions? Senator Wordekemper.

WORDEKEMPER: Thank you for being here. In the states that have put this office in, obviously you've done the research. Can you get data, like what they were bringing in prior to putting the office in, to help get the grants? And then, what were the results afterwards, for any of those states? I think, at some point, maybe get us some backup information to, to show what the results were after putting this in.

SPIVEY: Absolutely, Senator. I will be happy to get that for you.

WORDEKEMPER: Thank you.

SPIVEY: Thank you. Any other questions? See none. Thank you for bringing LB403.

SPIVEY: Thank you, Chair Sanders. I hope you all have a good rest of your hearing.

SANDERS: Thank you. This closes the hearing on LB403. And we will now move on to LB560. Welcome, Senator Dungan.

DUNGAN: Good afternoon. Good afternoon, Chair Sanders and members of the Government, Military and Veterans Affairs Committee. I am Senator George Dungan, G-e-o-r-g-e D-u-n-g-a-n. I represent Legislative District 26, home of Lincoln's only creative arts district. Today, I am introducing LB560. This bill is intended to grant access to innovative tourism grants for creative districts. The Tourism Commission administers innovative tourism grants specifically for marketing assistance. These grants go to communities and organizations that have the potential to attract a significant percentage of out-of-state visitors and generate favorable national or international press coverage for Nebraska. LB560 sets a priority designation for cities and villages with creative districts. This does not appropriate new funds, but simply allows creative districts access to existing funds. Creative districts are a proven attraction for out-of-state visitors. In a state that consistently ranks in the bottom fifth in the nation in tourism revenue, we need to lean into our strengths and

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create districts-- and creative districts are one of them. In the interim, we met with the Nebraska Arts Council and the Tourism Commission, and both entities expressed a desire to strengthen our creative districts. Marketing assistance was a consistent theme throughout those meetings. This legislation directly addresses that desire. As written, this sets a priority for any city or village with a creative district when awarding innovative tourism grants. The number of creative, creative districts is continuously growing. By the end of this year, we will have nearly 40 of them, acknowledging that we thought it would be a good idea to set a cap so that other entities still have access to these grants, as well. Based on recent discussions with the Tourism Commission, we are willing to amend this legislation to remove the priority designation if necessary. My goal is simply to allow creative districts to access these marketing grants. Currently, they're not eligible to apply for them. We all know how great Nebraska is. This bill will let many others know, which will entice them to give us their money. There's nothing better than getting money from, as others have pointed out, Iowa and other states. The Nebraska Arts Council will testify after me and can discuss the need for this legislation in greater detail and explain how they plan to utilize these grants. Before I finish up, I just want to be very, very clear. I said it in my opening. I want to make sure I'm clear on the record. This is not an appropriation. I understand the fiscal note is slightly confusing. There is no additional money that we're asking for. Otherwise, you would not have this bill. It would be in Appropriations. I understand that this is kind of a complicated system, with regards to how the cash fund works. I hope the people after me will do a better job of explaining it. The goal of this bill is simply to open up the ability for these innovative tourism grants to have that additional \$500,000 to go to cities and towns, villages that have these creative districts, which would allow them to have greater spending authority. The fiscal note addresses that. You'll notice at the bottom, from Fiscal, they did disagree with the Tourism Commission's assessment of the fiscal impact from that additional \$500,000. It's simply, I guess, to put it as basically as possible, an earmark, for this money to go to the creative district. So the goal of this is to make sure that we're advertising these incredible creative districts, within and out of Nebraska. I know Senator Hunt is very familiar with the creative districts. She probably can tell you way more about them than myself. But in northeast Lincoln, where I represent, we have the University Place neighborhood. UNI Place is the creative district. I think somebody here is going to talk a little bit more about that. I spent New Year's Eve in Norfolk because of the creative district and some of the innovation that that's caused. It

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really is working. We're seeing amazing art and amazing innovation popping up all over the state. And what this is intended to do is to provide these grants to allow for more marketing, to make sure that people know about these creative districts and ensure that folks travel to see these parts of the state. So with that, I'm happy to answer any questions, but I do believe the folks after me probably have a little bit more detail about how these things work.

SANDERS: Thank you, Senator Dungan. Let's see if there's any questions from the committee. See none. I'm sure they'll have some-- you'll be here for closing?

DUNGAN: I will. I'm going to try. Yes.

SANDERS: OK. Thank you. We'll go ahead and take any proponents on LB560. Welcome.

MIKE MARKEY: Good afternoon, Chairperson Sanders and members of the committee. My name is Mike Markey, M-i-k-e M-a-r-k-e-y. I'm the executive director of the Nebraska Arts Council. I first want to thank Senator Dungan for introducing this bill and for recognizing the value of investing in the Nebraska Creative District Program. In case you're unfamiliar with it, I'm handing out a report about the creative districts, and I want to let you know that the Creative District Program was legislated into existence in 2020, through LB943, introduced by Megan Hunt of Omaha. The purpose was to bolster tourism, economic development, and to attract and retain a talented workforce statewide. The program mandates that communities build a working partnership between local government, local business, and the community's creative districts-- or industries. Together, they engage with people and organizations within the district to develop a strategic plan to make their community a destination for visitors and a better place for people to work and to live. As important, creative districts foster a sense of identity and community pride in their community, in who they are as a people and where they are headed. And the program has been wildly popular and successful. There are now 34 creative districts in communities like Hastings, Ord, Fremont, and the Benson district in Omaha. Another 19 are currently working towards becoming certified: Papillion, Wood River, and in Omaha, the Crossroads and the Little Italy districts. Communities large and small, urban and rural in every part of the state-- the benefits of the program for those communities is clear. Last year, participating districts reported sales tax revenue increased 35%, lodging taxes increased 51%. Our friends in the Benson district reported that visitors attending First Friday increased 51-- 58% in one year. And

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Norfolk reported that in the 4 years they have had a creative district, they have seen 31 new businesses in the creative industries, resulting in 104 new jobs. Projects generated by the program include 32 new works of public art, 23 new arts festivals, 4 community cultural centers, 3 restored theaters, 1 new theater, 1 new museum and 1 hotel. Becoming a creative district creates opportunities and momentum for positive change. To maintain, to maintain that momentum, creative districts need marketing assistance to help develop and promote the projects that attract visitors from Nebraska and, more importantly, from outside the state. LB560 provides just exactly the assistance the districts need to succeed. Now, I understand, as Senator Dungan mentioned, that there is language in the bill that prior-- prioritizes creative districts, and that's problematic. I don't feel that language is vital. The important thing is to make the additional fundings available. Creative districts are aware of the grants they've applied for already and receive funding in this grant category. The bill, even without the prioritizing funding, would just make more vital grant funding available for the districts. I also want to take this opportunity to thank Director Ricks and the good people at the Tourism Commission for working with us and the creative districts, to maximize the effectiveness of tourism development efforts. That collaboration has already yielded positive results. And without stealing Director thick--

SANDERS: Please continue.

MIKE MARKEY: --Director Ricks's thunder, I believe he'll speak later to announce an exciting new program to benefit creative districts and tourism for people of the state of Nebraska. Director Ricks and his team are working hard to increase travel to Nebraska, but there's more they'd like to do, and LB560 will help them. By increasing the amount of money that the Tourism Commission can grant through their innovative marketing program, communities will be even more effective promoting a destination for travelers in state and without. And with increased tourism, as demonstrated, that can be a catalyst for communities to improve their tax base, increase job opportunities, and create an environment to attract and retain talent. Thank you for your time. I'll be glad to answer any questions that you-- that I can.

SANDERS: Thank you, Mr. Markey. Let's see if there are any questions from the committee. I see none. Thank you.

MIKE MARKEY: Thank you.

SANDERS: Any other proponent on -- 5-- LB560? Welcome.

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LANCE NIELSEN: Good afternoon. Senator Sanders and everybody on the committee, my name is Dr. Lance Nielsen, L-a-n-c-e N-i-e-l-s-e-n, and I am the executive director of Nebraskans for the Arts. We are a nonprofit organization dedicated to support and advocate for artists, arts educators, cultural, and creative districts. And I'm here today to show support for LB560. The Creative District Program is revitalizing and empowering neighborhoods and small communities with an economic impact through the arts, and we see a positive collaboration with tourism. Last spring, driving across the state, I stopped at 3 different creative districts along I-80: Cozad, Ogallala, and Potter. Potter, Nebraska, with a population of 343, it's a small town I'm quite familiar with. My aunt and uncle were wheat farmers on a farm north of Potter. And this little town, like many rural communities, was beginning to die away. However, this little community has embraced the Tin Roof Creative District, with an old gas station renovated to a lovely coffee place and taproom. There's a flea market, antique shop, murals depicting icons of local and American heritage, engaging public art, 2 parks, 2 museums, and who can resist a tin roof ice cream sundae? If you've not had one, it's fantastic. We don't just enjoy arts where we live. We seek them out when planning our vacations and travels. In a recent Americans for the Arts survey study called Americans Speak Out About the Arts, 79% of Americans agree that the arts attract travelers and are good for tourism. The arts and culture improve the image and identity of individual communities and it's expanding the economic impact of our state. So on behalf of local arts councils and creative districts-- you're going to hear from some of them today from across the state-- we show support for LB560 and we are excited for any future collaboration with the tourism industry so that we can showcase our great state. And on the back, I just kind of referenced the, the survey that I just mentioned. So thank you. Is there any questions I may answer?

SANDERS: Thank you, Dr. Nielsen. We'll check with the committee. Are there any questions? See none. Thank you very much for your testimony. Are there any other proponents for LB560? Welcome.

DEB PORTZ: Good afternoon. My name is Deb Portz. That's spelled D-e-b P-o-r-t-z. I currently serve as a board member on the Ashland Area Economic Development Corporation, and I am here to represent my organization in support of LB560. The Ashland Economic Development Corporation supports the provisional changes to state statute 81-3275 that relates to the way the state of Nebraska awards innovative tourism grants. Ashland was awarded the Nebraska Arts Council's first certification for a creative district in June 2022. It is called the Flora District. Nebraska now has 34 creative districts in cities and

towns across the state. These districts have organized and met criteria to provide significant growth impacts to the state, including development of purposeful cultural spaces. They host innovative events so they attract visitors and encourage population growth and retention. These creative districts attract new workforce employees, promote new business development, create new revenue streams for existing businesses, and expand the tax base for Nebraska, while expanding cultural enrichment in our state. Ashland has demonstrated the ability to plan and implement creative-centric programs through events like Art Walks, held 4 times a year at its downtown art galleries, the Salt Creek Song Festival, The Stir-Up Days Art Show, and the addition of a brand new performing arts center that was built as part of the new public school campus. Accountability for its success of these creative programs is seen in the positive data metrics, such as attendance by non-local visitors. Since 2020, Ashland has seen a 23% increase in annual visitors to the town, primarily from out-of-town visitors. Increases in business revenue and tax receipts realized during creative district events have provided important growth in Ashland. Ashland's population percentage increase has been a leader in Nebraska in the last 5 years. These increases are lowering the median age of residents and increasing the median household incomes in Ashland. This means young families are moving to Ashland. It is vital that Nebraska create-- invest in creative, vibrant communities to increase the quality of life that these young families demand to attract and retain them as permanent residents. These are the investments needed to help sustain economic goals in Nebraska, of stopping our brain drain and expanding our tax bases. The 34 creative districts in Nebraska have already invested their local time, talent, and resources into their community to build proven re-- to build proven sources of growth and cultural engagement from innovative tourism. At a time when state budget dollars are under tight scrutiny, it makes complete fiscal sense to invest in the best, best practices that are proven to grow innovative, creative spaces across our state in our grant giving. This target investment will drive increases in tourism dollars, business development, new tax base revenues, and community population growth. The Ashland Area Economic Development Corporation is excited to support LB560 to prioritize tourism assistant grants to existing creative districts. I thank you for your time today and your service to our state. I'm happy to answer any questions.

SANDERS: Thank you for your testimony, Ms. Portz. Check with the committee to see if there are any questions. Senator Guereca.

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GUERECA: Thank you, Ms. Portz, for coming and for your testimony. Not so much a question, just-- I wanted to compliment the amazing work you all have done in Ashland. That is a great place to visit. And honestly, I've, I've used it as a meeting place, love your downtown area. It's a very convenient stopping point between Lincoln and Omaha, so my hat's off to you.

DEB PORTZ: Well, there's, there's a lot more growth. I plan to retire there. So I have invested [INAUDIBLE] that community. If-- and I leave it to my kids, the house to my kids.

GUERECA: Very good. Thank you.

SANDERS: Thank you. Is it true that there's a new restaurant there and you need a year in advance reservation?

DEB PORTZ: No. But Phil Ruhlman did open Ruhlman's Steakhouse, and there's actually another big restaurant opening at, at the end of May. It's the Ashland Brewing Company. And that is going to be 15,000 square feet. A-- it has like a full balcony overlooking the valley. It has 4 pickleball courts. But there's a, a lot of activity and especially with the new schools, we-- and we've seen a, a lot of extreme activity in housing, basically new developments being built up and young families moving there.

SANDERS: Nice. Give my best to Caleb [PHONETIC].

DEB PORTZ: I will.

SANDERS: Thank you very much for your testimony. Are there any other proponents for LB560?Welcome.

JOE SHAW: Thank you. Good afternoon, Senators. My name is Joe Shaw, spelled J-o-e S-h-a-w. I am the executive director of the Lux Center for the Arts, and I am here representing the UNI Place Creative District in the University Place neighborhood in Lincoln. The creative district movement has transformed how we advocate for University Place. For 48 years, Lux has been the arts hub in northeast Lincoln. However, our neighborhood and historic downtown area on North 48th Street has been in decline. In recent years, we lost both the University Place Business Association and the University Place Community Organization. In 2021, Lux sought to revitalize the area after the pandemic by creating art that would boost local businesses and foster pride. Murals seemed like the perfect solution. We hosted our first mural festival, bringing 7 renowned artists from around the state, country, and, and even one from Brazil. In 2023, we added 3

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more murals with 3 more planned for 2024. These murals have increased tourism, and we now have a mural map that we distribute to visitor centers throughout-- along I-80 to encourage visitors to our area. The efforts earned us a tourism award from the Lincoln Chamber of Commerce. In 2022, Lux joined Nebraska Wesleyan University, the First United Methodist Church, the city of Lincoln and Blixt Theater, to form a creative district. Together, we are promoting local artises-- local artists, businesses, and small entrepreneurs. The murals have attracted new businesses, including artist studios and bars. The city of Lincoln is now working on a subarea plan to enhance our streetscape, make it more walkable, and offer incentives for business and home improvements, all made possible by the murals and the creative district. This initiative has also sparked new economic development and opportunities for entrepreneurs, artists, and small businesses. We are excited for all of the upcoming events and festivals that we have in the works. The Lux has in the past applied for the tourism grant to promote our area in visitors guides, bringing more attention to University Place. If more funds are made available in the tourism grant pool, other communities across the state will have the opportunity to promote their own creative districts more effectively. The creative districts are driving economic growth through the arts and we are already seeing the positive effects. More funding would help us to continue to build vibrant, art-based, thriving communities throughout Nebraska. Thank you.

SANDERS: Thank you, Mr. Shaw. Let's see if there are any questions from the committee. See none. Thank you for your testimony.

JOE SHAW: Thank you.

SANDERS: Any other proponents on LB560? Welcome.

ANNIE BUTLER: I apologize. I don't have a printout for you because I ran out of ink, so I just have it all written in my notebook here. But I can get you copies if you'd like, after. My name is Annie Butler. I'm the creative district director for the Benson Creative District in Senator Hunt's district in Omaha, Nebraska. So I wanted to start just with a little bit of history.

SANDERS: Excuse me. I need your--

ANNIE BUTLER: I'm sorry.

SANDERS: --first and last name, and please spell it for the record.

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ANNIE BUTLER: Annie Butler. And it's A-n-n-i-e, and Butler, B-u-t-l-e-r.

SANDERS: Thank you.

ANNIE BUTLER: OK. So just a little bit of history about the Benson creative district. So it was born out of grassroots efforts to revitalize a once-thriving business dis--district that had seen better days. Over a decade ago, we began hosting First Friday Art Walks, which was an initiative that started small but quickly gained traction, bringing in artists, businesses, and community members who believed in Benson's, Benson's potential, which is exactly what creative districts are designed to do: Harness the power of the arts to drive economic and community growth. Because of this momentum, we received our official creative district designation in July of 2022. This designation took what was once a single arts organization's effort and turned it into a collaborative, neighborhood-wide movement. Now, it's not just artists driving this work. It's business owners, nonprofits, neighbors, government entities, private funders, and public agencies all working towards a shared goal. The creative district has given Benson an identity that everyone can get behind because they've seen it work. While the official creative district designation is fairly new and many certified districts across Nebraska may not yet have the data to quantify its impact, Benson's early efforts allow me to share some real examples of what's possible. Since 2011, the year before First Fridays began, commercial property values within the district have increased an average of 223%. Businesses report that First Fridays increased-- First Fridays increased sales between 10-30%, compared to a regular Friday. In the summer months, as Mike had mentioned, First Fridays bring in an average of 3,500 visitors per art walk. While First Friday Art Walks have been a great way to attract visitors to the district, thanks to the creative district designation, it gives them a reason to return. It signals that Benson isn't just a place where things occasionally happen. It's a place where something creative is always happening. One business owner put it perfectly: People go out and travel to chase feelings. That's exactly what creative districts provide. They aren't just about one-time destinations. They create full experiences, where camaraderie and connection are at the heart of every visit. People don't just come for an event. They come for the energy, the relationships, and the feeling of being part of something bigger. And that's why LB560 is so important. We've built momentum, but marketing support allows us to keep it going. It allows us to reach more visitors, support more local businesses, and continue proving that investing in arts is investing

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in Nebraska's economy. Thanks for your time, and I'm happy to answer any questions.

SANDERS: Thank you for your testimony, Ms. Butler. I think Benson has one of the best sushi restaurants in the entire state.

ANNIE BUTLER: We do, yes. Yoshitomo. Yeah, we have 2 James Beard-nomineed restaurants. Yeah.

SANDERS: Yeah. Very cool. Let me check to see if there are any questions. Senator Hunt.

HUNT: Thank you, Chairwoman Sanders. Thank you so much, Annie.

ANNIE BUTLER: Yeah.

HUNT: I just want to share, the Creative Arts District bill was a gift to my district and it was a gift to Benson, and that was why I brought the bill. You know, I've been a business owner in my district for 20 years, and I brought it to kind of thank all the people that have made where I live such a special place. And I could actually like tear up as I hear the stories of like, all the other parts of the state, who have people just like me who could have moved anywhere, who could have started a life anywhere and decided to like, stay in their town and build something cool, and have been able to leverage this opportunity to show the rest of Nebraska and the world, in many cases, all the awesome things Nebraska communities have to offer. And so, I just, you know, wanted to thank you and thank Benson for being such leaders for Nebraska in that, not just since the creative district, you know, creation, but before, with Benson First Friday and everything. And I wanted to invite anybody to come into my office and see the mural that kids in Benson made during one of our First Friday events. It's a huge mural in my office that we made during one of these creative district events. So, I just wanted to say that. Thank you, Senator Sanders.

ANNIE BUTLER: And we thank you, seriously.

SANDERS: Hold on, Annie. Just check--

ANNIE BUTLER: Yeah.

SANDERS: Are there any other questions? I see none. Thank you for your testimony.

ANNIE BUTLER: Yes. Thank you.

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HUNT: Thank you.

SANDERS: Are there any other proponents for LB560? Please. Welcome.

KRISTINE JACOBSON: Good afternoon. Thank you, Chairman Sanders. My name is Kristine Jacobson. Kr-i-s-t-i-n-e, Jacobson, J-a-c-o-b-s-o-n, and I'm representing the Iron Horse Arts District in downtown Holdrege. So our arts district just became certified just-- almost a year ago today. And during that time, we have accomplished so much. We hired our first executive director, and she is amazing. And she's actually just-- she just moved to Holdrege from Los Angeles a couple years ago, so we're glad to have a way to connect her to our community. We hosted monthly popup art galleries showcasing local artists. We commissioned our first mural, The Mailbox. It's amazing-- on the, on the east side of Holdrege. If you haven't seen it, you'll have to drive through Holdrege and see it. We conducted a photography contest. We just finished raising funds to install festoon lighting on 4 blocks of downtown Holdrege. And we also organized the first annual Iron Horse Arts Festival in downtown Holdrege, and it attracted about 1,000 attendees. And what's interesting about that, our ticketholders came from Minneapolis, Salina and Hays, Kansas, Chicago, St. Louis, Denver, and Kansas City. So we're so glad to host visitors from the cities into our small little town of Holdrege, of 5,600 people. So the momentum has also fostered amazing community connections. We have volunteers that are in their 20s to in their 80s, and everyone coming together and having a place at the table. The placemaking is an important in-- thing in today's society, and the arts districts really help create a sense of place and give everybody an opportunity to be involved. So with our marketing so far, we have created a brand identity, with a logo and a website and some banners in downtown Holdrege. We also have worked with Visit Nebraska through a social media blast. And I feel like that was one of the ways that we were able to attract so many people from the faraway cities that came to Holdrege. But as you can imagine, marketing dollars-- more marketing dollars could really help us do a lot more, because we are just starting up and have a very small budget. More marketing dollars would help us do more social media advertising, newspaper and television advertisements, more collaborations with Visit Nebraska, and do-- get professional video content and possibly even strategic partnerships with other area arts districts. And so investing, investing in marketing is investing in growth, drawing in visitors, fueling creative commerce, and boosting the local economy. Thank you.

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SANDERS: Thank you for your testimony, Kristine Jacobson. I do have a question. You said you just received the designation for the Iron Horse District?

KRISTINE JACOBSON: Mm-hmm, a year ago.

SANDERS: It was a year ago?

KRISTINE JACOBSON: Yes.

SANDERS: So how long was that process?

KRISTINE JACOBSON: The process took about a year. And the way the Arts Council is set up, the process is amazing because they encourage us to partner with-- have organizations partner. So we had our visitors committee, the city economic development group, the city, and the library. And so, we all worked together and came up with a strategic plan. We had community listening sessions and got just everybody involved that we could. And so it was a very, a very good process that brought the community together in order to get the designation.

SANDERS: Thank you. Check to see if there are any questions from the committee. See none. Thank you for your testimony.

KRISTINE JACOBSON: All right. Thank you.

SANDERS: Are there any other proponents for LB560? Good afternoon.

LYNN REX: Good afternoon. Chair Sanders, members of the committee, my name is Lynn Rex, L-y-n-n R-e-x, representing the League of Nebraska Municipalities. First, I'd like to really thank Senator Dungan for bringing this bill. We strongly support LB560. We support it with or without the prioritization language that's there, because we think this is just a game-changer. I also want to recognize Senator Hunt. Thank you for bringing this vision to Nebraska. It's been transformational. I'm going to get emotional. It absolutely has been transformational in the 34 municipalities that already have it. And there are more, as already indicated, 19 looking at doing it. I also want to thank former State Senator Mike Flood, now Representative Mike Flood, for his leadership, along with Senator Hunt and many of you sitting at this table, who were here that voted on other legislation to provide funding and work with this very important effort across the state of Nebraska. But again, I think it's already been said better than I could say it, which is investing in these type of creative districts is an investment in the economy of the state of Nebraska. It has been a game-changer. As Senator Hunt and also Senator Flood

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indicated-- then-Senator Flood indicated, at the time, which is basically this is really what helps bring young people to communities and having something really innovative. And Senator Cavanaugh, you were up, with the entertainment district interim study last fall, up in Norfolk, Nebraska. And the reason I bring that forward is because we had a tour then of downtown Norfolk. It is a totally different city than what it was 10 years ago. Absolutely a different city, with these incredible bronze statues that are basically-- through the Arts Council-- and then they rotate them, all sorts of incredible things that would not have happened but for the creative districts. And so with that, I just want to close my testimony by saying how much we support the efforts of this Legislature to put something transformational in place. Again, this is not a new appropriation of funds, but this is something that I think is vital for our communities. I mean, one thing we always talk about is how do we attract young people in Nebraska? How do we have them stay? In order to do that, you have to have communities that are welcoming and that engage them. With that, I was happy to respond to any questions that you might have.

SANDERS: Thank you, Lynn Rex, for your testimony. Check with the committee to see if there are any questions. See none. Thank you very much.

LYNN REX: Thank you very much for your time.

SANDERS: Thank you. Are there any other proponents on LB560? Welcome.

ANGIE OLSON: Hi. I'm Angie Olson, A-n-g-i-e O-l-s-o-n, and I'm with the city of Fremont. I'm also the district administrator for the Fremont Creative District. The creative district program has transformed the Fremont community by fostering collaboration and innovation, enhancing our identity and our vitality, and has united stakeholders to identify key needs and development opportunities in our downtown, and it's created partnerships that, that are able to share resources and knowledge. This has led to a thriving environment that reflects Fremont's unique story. The Fremont Creative District has experienced notable success through marketing efforts and projects. One significant achievement is the increased visibility engagement of community events, thanks in part to CCCFF funding secured for a new amphitheater and restrooms in John C. Fremont Park. This infrastructure project indicates strong community support and showcases the success-- successful marketing initiatives necessary for an effective grant application. The project will not only enhance the park's appeal for hosting events, but also support the increasing

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number of visitors, which now exceeds 150,000 annually. Currently, Fremont's marketing initiatives include plans to participate in the Sculpture Walk across Nebraska, which aims to engage more artists and enhance our cultural landscape. This project will also attract tourists and art enthusiasts, contributing to the area's economic vitality, but this will rely heavily, heavily on marketing efforts. I appreciate your time and your support of LB560. Your commitment to our community's growth is invaluable, and we believe with enhanced marketing efforts, we can further elevate Fremont-- elevate Fremont's Creative District as a vibrant, cultural hub. By showcasing our unique offerings and engaging events, we can attract more visitors, inspire potential investors, and ensure the continued prosperity of our local businesses. Together, we can build on the momentum we've achieved and create an even more dynamic, creative district and welcoming atmosphere in Fremont, as well as across Nebraska. We look forward to your ongoing support as we strive to make our district a destination that embodies innovation, creativity, and community spirit. Thank you.

SANDERS: Thank you very much, Ms. Olson. I just want to give a shoutout. Fremont has one of the best Thai restaurants. I'm kind of a foodie.

ANGIE OLSON: We do. And, and while we're on the subject of dining, Guy Fieri actually visited--

SANDERS: Yes.

ANGIE OLSON: --our creative district and ate at Semo Pasta, which is another very impressive restaurant, as well.

SANDERS: Yes. And you also have a wonderful little film festival, as well.

ANGIE OLSON: Yes. Yeah. Yep. Thanks.

SANDERS: So, thank you. Thank you for your testimony. Let's check to see if there are any questions.

ANGIE OLSON: Thank you.

SANDERS: See none. Thank you very much. Are there any other proponents for LB560? Welcome. Good afternoon.

KARA WEANDER-GASTER: Good afternoon, Senator Sanders. My name is Kara Weander-Gaster. That's spelled K-a-r-a W-e-a-n-d-e-r-G-a-s-t-e-r. Sorry, I got lost in if I had to spell the word hyphen.

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SANDERS: Thank you.

KARA WEANDER-GASTER: Thank you, ma'am. I serve as the director of Norfolk's River Point Creative District. Thank you for all the very kind compliments, everyone. The primary goal of Norfolk River Point Creative District, like all of Nebraska's creative districts, is to bring arts and economic development together for the benefit of our entire community. And we get to use that unique set of tools of the arts to do that. And that makes it a really dynamic environment that we get to work in. Am I helping bringing smokestacks to Norfolk? No, but I am helping build a community that draws the workers that will work under those smokestacks. And I am also building a community where the families of those workers want to stay and build community. I am also building a community where senators want to spend New Year's Eve. Thank you for coming. We are bringing new customers to Norfolk's businesses and we are bringing new dollars into the pockets of Norfolk's artists and creatives. We are helping create a community that is full of experiences and opportunities to connect. It is a community where families are looking to settle down and grow in, and also a community where travelers like-- from other states like to come and visit. I'll give you a quick example of one of the things we've done. We've done a myriad of things in Norfolk, as many of you know. But last year, the creative district had a real constructive hand with our farmer's market. Our farmer's market, years ago, used to be out in the parking lot at the mall. We got it moved downtown several years ago and that has been a wonderful piece, having it right in the center of our downtown, in the creative district. Last year-- I started in January-- and we started having musicians consistently. We had performers. We brought in a booth to have different artists be able to share their resources throughout the summer, and it really has made a difference. This year's farmer's market is going to be twice as big. We're actually going to have 2 performance stages. And with marketing dollars, we could not only be benefiting the folks who live in Norfolk, but we can also be inviting all of you and folks from even further afield to come join us in Norfolk on Saturday morning. Maybe come Friday night, go to a concert, you can do the Saturday morning farmer's market, and then I can take you down the river for a little white water enjoyment. There are lots of things in Norfolk, and we want to be able to-- we don't have those marketing dollars to invite the folks to come enjoy what we've been building. So thank you. I just hope that we can see LB560 passed. I'd answer any questions if anyone has any.

SANDERS: Thank you, Kara, for your testimony. And while I'm on a roll, the homebrew is fabulous that they have in Norfolk, but also the

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Cowboy Trail, right? That's a great entrance to the Cowboy Trail. And I've been on it a few times, and wonderful asset, so thank you for that.

KARA WEANDER-GASTER: We have some great restaurants.

SANDERS: Yes. Yes. Thank you. Are there any questions from the committee? Senator like-- Lakowski-- Lonowski.

LONOWSKI: Thank you, Chair. We'll get it one of these days. So more, more or less just a comment. And I'm not happy with Norfolk because my youngest daughter has moved there.

KARA WEANDER-GASTER: Yeah.

LONOWSKI: And she swears she's not leaving. So she probably moved there in June and she said, dad, best 4th of July celebration ever. And then you have like an ice rink, maybe, an ice skating rink?

KARA WEANDER-GASTER: We now have an ice skating rink.

LONOWSKI: And so you sold her and her new husband on Norfolk, so. Just kudos to you guys. It's, it's drawing in young people. So.

KARA WEANDER-GASTER: Thank you very much. And it really is partnerships, right? It's everyone working together. And that's what has made, made it possible in Norfolk.

SANDERS: Thank you, Senator Lonowski.

LONOWSKI: Thank you.

SANDERS: There any other questions? See none. Thank you very much.

KARA WEANDER-GASTER: Thank you.

SANDERS: Are there any other proponents for LB560? See none. Any opponents for LB560? Any in the neutral? Any neutral testimony for LB560? Good afternoon. Welcome.

JOHN RICKS: Good afternoon. How are you? Good afternoon, Senator Sanders and members of the committee. My name is John Ricks, J-o-h-n R-i-c-k-s. I'm, I'm an executive director of Visit Nebraska. I'm here today to share with you about the solid relationship between the Nebraska Arts Council, Visit Nebraska, and frankly, tourism industry partners throughout the state. First, the industry is recognizing that creative districts represent new products in their communities that

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can and should be integrated into their promotional efforts. Doing this will enable communities to feature public art theaters, art galleries, music venues, and on and on. Doing this will enable them to broaden and deepen their product offerings that their communities have in order to attract more people, inviting guests to their communities, you know, showcasing what they have to offer, if you will. I believe that last year or the year before was the first year that we started to see marketing grant applications from local tourism promotion organizations regarding their respective creative districts. We've also seen applications from creative districts themselves, and that's great. However, what we're doing is we're encouraging the creative districts to seek out their local tourism promoters so they can together promote these offerings. In other words, they can combine budgets for whatever they have and, and honestly, have more impact in the marketplace. There has been immediate success in these relationships. In last year's marketing grant awards, nearly \$150,000 was granted to communities with creative districts. And we anticipate communities with creative districts to receive additional grants this year and in the years to come. The bottom line is that creative districts and their tourism organizations where they live understand the value of working together, and these relationships are paying off in awards from our marketing grant program. Further, the Visit Nebraska staff has met with executive director Mike Markey and his staff from the Arts Council, and have a great relationship. We're working to expand our efforts to promote creative districts in our pro-- own promotional activities, outside any grant programs, including expanding the content on our website, which got 1.2 million visitors last year. We've just planned-- started planning our '26 Nebraska Visitors Guide and plan a spread article in that, and a number of other things. The frosting on the cake is that we're just finishing up selecting our stops with the very-- on the very popular Nebraska Passport Program. And we're going to have a creative district-themed tour this year, which will draw thousands of people to creative districts. And I have to hurry. By statute, the tourism industry is defined to include for-profit and nonprofit entities that promote an activity, event, or a site which attracts both in [INAUDIBLE] and out-of-state visitors, including chambers of commerce-- I didn't write this-- visitors bureaus, hospitality industry, food beverage industry, hoteliers, passenger transportation providers, and any business or organization engaged in recreational, historical, cultural, artistic or entertainment pursuits. I knew I'd get red-lighted.

SANDERS: Go ahead and finish your--

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JOHN RICKS: We feel it's important to note that our grant program currently welcome applications and often award funding to a variety of industry-related organizations mentioned here, and will continue to do that for years. Thank you very much for your attention. I'll answer any questions you may have.

SANDERS: Thank you. Thank you, Mr. Ricks. Senator Cavanaugh.

J. CAVANAUGH: Thank you. I, I love the tourism passports. I'm looking forward to it. And thanks for being here. That sounded like a proponent testimony.

JOHN RICKS: OK.

J. CAVANAUGH: So I guess my question-- why, why are you neutral, not proponent?

JOHN RICKS: I don't know. This just, this just seemed, this just seemed pretty neutral to us, to come into support a program. If you really look at it, the grant program currently has creative districts who have come in and received funding. So in many ways-- but not in many ways-- in a big way, they're already becoming part of the whole system, if you will. Creative districts are pretty new, and these are new products that our industries-- and they're getting together. It takes a little time to do some of these things. But honestly, I think this has happened pretty quickly. So we just came in and-- to just tell you what was happening, to inform you what was happening, and that there is already a lot of momentum being built and a-- good relationships being built to, you know, forward these things into the future.

J. CAVANAUGH: OK. Thanks.

JOHN RICKS: Yeah.

SANDERS: Are there any other questions from the committee? See none. Thank you for your testimony. Are there any other testifiers in the neutral for LB560?

BRENT SMOYER: Boy, this room is cozy, isn't it? Good afternoon, Madam Chair Sanders and members of the committee. My name is Brent Smoyer, B-r-e-n-t S-m-o-y-e-r, and I'm here as a registered lobbyist for the Nebraska Travel Association. I think to briefly touch on Senator Cavanaugh's question as to why, why the Tourism commission came in as neutral. They were technically supposed to follow what was originally going to be an opposition testimony by the Travel Association, which

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was me. Originally, the Travel Association was opposed to the mandated portion of the bill. I think as a, as a whole, the Travel Association supports creative districts. I know there's a number of my members sitting right behind me who would verify that. In fact, honestly, if we'd had time to get the committee together after finding out about the amendment, we would probably have support instead of neutral, but this is kind of where we are at the moment. But I think again, as Director Ricks so well touched on, these are a new item that is being built into the system and is being worked with very closely. I think the growth from 30, 30ish districts now to well, 50 by the end of the year, maybe more, just shows how communities are embracing this, the tourism industry is embracing this and really, all of Nebraska, for the good, is embracing this. I think, you know, there is greater discussion to be had, probably not with this committee, but with Appropriations, about the use of the lodging tax, and the fact that the Tourism Commission is collecting a, a record amount of lodging tax, but is not necessarily being given access to that to put out in grants or to use for promotion. But again, that is not this committee's purview. That is the Appropriations Committee, which I'm sure we can talk about another time. Needless to say, we thank Senator Dungan for his bill and for his amendment. We thank Senator Hunt for getting the ball rolling on creative districts, as well as Senator Flood, and just appreciate the work you're all doing here today. So with that, I will happily take any questions.

SANDERS: Thank you for your testimony, Brent. See if there are any questions from the committee? See none. Thank you very much. Are there any other neutral testifiers for LB560. See none. We'll go ahead and close. We'll have Senator Dungan, his closing testimony. And while you're coming up, the position comments online: proponents, 5; opponents, 1; and zero in the neutral.

DUNGAN: Thank you Chair Sanders and members of the committee. I really want to say, first of all, thank you to all of the folks that came in today to talk about their various creative districts. All of them serve a very similar purpose, which is to get people excited about different parts of Nebraska. But each one is unique and I think it's really special and honestly very important for folks to hear what each creative district is doing, how they came about, and what they're doing to get people into their communities. I appreciate the neutral testimony. I did speak with the industry a little bit prior to today's hearing. We are going to be bringing in an amendment to cut out that portion about the prioritization. That was simply done in an effort to just highlight the creative districts. But if we take the prioritization portion out, essentially what we're doing is we're just

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freeing up additional money to go towards these grants for the creative districts. And so again, it's not an additional appropriation. This is money that's already being held in the cash fund. We're just allowing that money to go towards these grants, which frees up spending for additional things out of the rest of their budget. So really, this seeks-- oh, wow.

[LAUGHTER]

SANDERS: It wasn't meant for you.

LONOWSKI: There's your sign.

DUNGAN: No, I appreciate that. I do tend to go on. If I have a reputation in the community for anything, it's certainly not brevity. But I, I just-- I wanted to say thank you again to the folks. I have had a tin roof sundae. They're fantastic. I've also been on the Cowboy Trail. Every year, people have probably heard me talk about the Tour de Nebraska, where I hop on my bike and I ride around different parts of the state. That's taken me through a lot of these areas, and it really is incredible to see the development that's going on in a lot of these towns, these villages. It's not just Lincoln and it's not just Omaha, it's everywhere. And if we can get more people to tour the entire state, both from different parts of our own state, but also Colorado, Iowa, California, everywhere else, that's a win-win for everybody. So I see this as a simple way to continue to support creative districts. Shouldn't have any fiscal note. It seems like something we should all be able to get behind. So with that, I'll answer any final questions. And I appreciate your time here today.

SANDERS: Thank you. Any questions for Senator Dungan? Senator Andersen.

ANDERSEN: Thank you, Chairwoman. Senator Dungan, thanks for being here. And my apologies for being late. I was introducing bills elsewhere, so I apologize for the beginning of it. So did you say that you're deleting the part that prioritizes the creative districts? Is that what you said?

DUNGAN: Correct. Yeah. So there's essentially 2 portions of what we had. There's the prioritization of the grants to cities and villages that have the creative districts. Then there's the allocation or the freeing up of the \$500,000. We're going to bring an amendment to you all or on the floor, if we get to that point, to get rid of the prioritization portion.

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ANDERSEN: OK. So then what would you use, because here, it says the creative districts. What will you use as a prioritization for the funding?

DUNGAN: Well, there just wouldn't be a prioritization. Oh, bless you. My understanding is the grants would then just be administered in the current way they're administered. So the, the, the system is already set up to give these innovative tourism grants. We, we were adding in the portion saying that you have to prioritize the areas with the creative districts. That-- we're going to take that part out. So the application for the grants would remain the same that's currently in place. It would just allocate that additional \$500,000 to go towards these creative districts or areas with creative districts to help marketing.

ANDERSEN: So what does that mean, as far as the \$500,000? Is that one grant for \$0.5 million, 5 grants for \$100,000?

DUNGAN: \$500,000 total. So it would be up to them how they allocate that. That was done based on just a conversation of how much money would be beneficial to the creative districts for marketing and then divide it out amongst the creative districts that currently exist. So it would not just be one large \$500,000 grant. I anticipate that going to a number of applicants across the state.

ANDERSEN: And how many creative districts are there? You said 50, I think?

DUNGAN: About to be 40-- nearly 40. It's 34, currently. There's, I think, 15 that are currently pending applications. So it's getting close to 40, if not 50, if those all are approved.

ANDERSEN: So you're telling me I need to buy a bicycle, is what you're telling me?

DUNGAN: Yes. You'd like to join me on the Tour de Nebraska this year, we'll be going through McCook and other areas in southwest Nebraska. So I would be happy to have you.

ANDERSEN: I'll do the downhill portions.

DUNGAN: Those are the most fun parts.

ANDERSEN: Thank you.

DUNGAN: Yeah.

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SANDERS: Any other questions from the committee? See none. Thank you very much, Senator Dungan.

DUNGAN: Thank you.

SANDERS: This now closes the hearing on LB560. We'll take a minute for those that want to exit. Quietly. Good afternoon. Welcome to the Government and Military Committee. We'll now open on LB346.

ARCH: Good afternoon, Senator Sanders, members of the Government, Military and Veterans Affairs Committee. For the record, my name is John Arch, J-o-h-n A-r-c-h, and I represent the 14th Legislative District in Sarpy County. I'm here today to introduce LB346. The bill was brought to me by Governor Pillen and it expands upon his efforts to create efficiencies across the state government. It is what I would consider a good government bill. The measure calls for the termination or reassignment of 46 different boards, commissions, committees, and councils. Periodic review of these government-created boards, commissions, committees, and councils is imperative to ensure that they're performing tasks that can be efficiently-- that they aren't performing tasks that can be efficiently absorbed by another entity, aren't carrying out duplicative functions, or are no longer serving a purpose as originally intended. Many times, legislation creating a certain board or commission is reactionary to events occurring during a specific period of time. After the passage of years and reactions to specific events, the number of boards, commissions, and other entities becomes mind-boggling. Currently, Nebraska has more than 225 legisly-- legislatively created entities. I understand there are real challenges to finding individuals to serve on these commissions and there is a cost in time and staffing, and I applaud the governor in his efforts to clean up state government. A similar bill was introduced in 2024, and with a committee amendment was advanced unanimously by this committee, but the session ended before it could be considered. LB346 largely represents the committee amendment that was adopted last session. Some additional boards, commissions, and councils have been added. And I suspect much of the feedback the committee will receive from testimony today will involve those new entities. I have visited with the Governor's Office and it is our intent to be very flexible with this legislation. If the case is made that a certain board still has value and serves a legitimate purpose, there shouldn't be a lot of heartburn in simply removing it from the list of entities to be terminated. So with that, I will conclude my testimony. I'll try to answer any questions, but at this point, you might have better luck getting answers from the testifiers following me.

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SANDERS: Thank you, Senator Arch. Let's see if there are any questions from the committee. Senator Cavanaugh.

J. CAVANAUGH: Thank you, Chair. Thank you for being here, Speaker Arch. Very interesting. So in your opening, you said some of these are in reaction, so like, right off the bat, what was the Potato Development Act in response to?

ARCH: I think it has something to do with the potato famine in Ireland.

J. CAVANAUGH: Well, that's of interest to me.

ARCH: I do not know, Senator.

J. CAVANAUGH: Thank you.

SANDERS: Are there any other questions from the committee? Thank you, Senator Arch. You'll stay for closing--

ARCH: Absolutely.

SANDERS: --or you'll be across the building? Thank you very much. First proponent on LB346. Good afternoon. Welcome.

KENNY ZOELLER: Hello. Good afternoon, Chairwoman Sanders and members of the Government, Military and Veterans Affairs Committee. My name is Kenny Zoeller. That is spelled K-e-n-n-y Z-o-e-l-l-e-r. I serve at the pleasure of, of Governor Jim Pillen, as the director of the governor's Policy Research Office. I'm here today to testify in support of LB346. Thank you to Speaker Arch for partnering with the governor on this important legislation. Currently, there are over 230 separate boards and commissions, and we have over 400 vacancies. The governor is directly responsible for appointing over 1,300 members to these boards and commissions. LB346 will remove or combine more than 40 boards and commissions and eliminate over 400 appointments. One of the many and more time-consuming responsibilities of the Governor's Office is to appoint Nebraskans to a large number of boards and commissions created by the Legislature. Governor Pillen has charged our team with finding ways to cut and reduce the total size and scope of state government. Last year, this committee compiled a report on Nebraska's boards and commissions, and this report was used by our office to help us understand how many boards and commissions there were. That is how we produced LB347 [SIC]. We understand that this legislation would not be perfect and would require input from all stakeholders. Since the introduction of this bill, we have, we have worked to be open with

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anyone and everyone who has contacted our office. There was no intent to cut people off at the knees. With that being said, we have worked with those representing the Motor Vehicle Licensing Board and will propose to have this board removed from the bill. Additionally, we are working with First Five Nebraska to address some concerns regarding the Early Childhood Interagency Coordinating Council. And finally, we are coordinating with the advanced practice registered nurses representatives to potentially add more members to the Board of Nursing to ensure their representation. The Legislature, over decades, has added boards and commissions with good cause. These boards or commissions were intended to meet an issue at the time. However, the purpose of some of these boards have been met, yet they are still on the books. Some boards and commissions have very specific requirements on who can and cannot be appointed. For example, to provide, to provide additional context, the Niobrara Council, which we are not proposing to remove in this bill, requires a timber industry representative operating within the Niobrara Scenic River Corridor, chosen by the governor from a list of at least 3 individuals or fewer if there are not at least 3 qualified individuals submitted by the county board members on the Council. These type of complications ultimately add additional staff time to the appointment process. Governor Pillen and his administration views this as a multi-year effort and something we revisit every year. We would like, like to, over time, get the boards and commissions in a healthy place where there will not-- be no vacancies and Nebraskans can, can be served properly. Our team is open to amending the legislation further to get it to a passable bill. And we look forward to the hearing-- we look forward to hearing from everyone today, and I'd be happy to try to answer any questions you might have.

SANDERS: Thank you for your testimony. Check for the-- with the committee on any questions. Senator Wordekemper.

WORDEKEMPER: Thank you for being here. For my clarification, are most of these boards and the people that are on here volunteers, or are there paid positions?

KENNY ZOELLER: That's a great question. There are certain boards and commissions that the governor does appoint that do have some payment aspect to the position. The majority of these boards and I believe all of these, frankly, do not have payment. Some of them do have mileage reimbursement, potential per diems. But I think you saw in the fiscal note, there's some individual councils where there's estimated savings of \$1,500 per blank department, because, you know, because of that mileage. So.

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WORDEKEMPER: OK. Thank you.

KENNY ZOELLER: Yep.

SANDERS: Are there any other questions from the committee? See none. Thank you for your testimony. Are there any other proponents for LB346?

LYNNE McNALLY: Lynne McNally, L-y-n-n-e M-c-N-a-l-l-y, appearing in favor of LB346 on behalf of the Propane Education Research Council. I will attest to the fact that Governor Pillen's staff was extremely responsive and, and prompt in their discussion of these boards and commissions. PERC was originally on the cut list last year. They-- after speaking with them, I agreed that, that some of the qualifications on the board were too unwieldy. So they are proposing in this legislation that the Council go from 9 members to 5. They eliminated some of the more complicated, very narrow qualifications. They eliminated those seats. And I agree that this makes a better council. Just to let you know what PERC does, they are one of, I think, 38 state PERCs, and they are responsible for the hazmat training in the state of Nebraska. I will give you an actual example of why it's essential that we have it. We pay for and sponsor a propane firefighting simulator. The state fire marshal coordinates it. They, they have it on their property, and they're the ones that coordinate what volunteer fire departments utilize it. It can be used by either fulltime firefighters or volunteer departments, either one. And about 8 years ago, the Norfolk Fire Department ordered it and utilized it to conduct a fire simulation. A propane fire is very similar to a grease fire. Putting water on it in the usual way that you fight a fire makes the fire larger. Propane uses it-- the water as a vehicle to get bigger unless you know how to fight it in a very specific way. So they received the training. The very next week, a 30,000 gallon tank in Norfolk on the south side ignited and caught on fire. And it was full. It had just been filled the day before. They had to evacuate most of the city of Norfolk, including all of the schools. Because had that tank gone up, it would have taken out half of the city. So the fire department responded immediately. The State Patrol, the State Fire Marshal, everyone got to Norfolk. They mobilized at Sunset Plaza. If you're familiar with Norfolk, it's the shopping mall. And they put the fire out within 30 minutes of getting there, because they had had the training. So it's really essential that we, that we have the council. They're the ones that take care of that kind of thing. They also train all of the drivers, that kind of thing, to handle hazmat safely. So that's the purpose of it. Thank you.

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SANDERS: Thank you, Ms. McNally. Check to see if there are any questions from the committee. See none. Thank you for your testimony.

LYNNE McNALLY: Thank you so much.

SANDERS: Any other proponents on LB346? Welcome. Nice tie.

STEVE GUENZEL: You'll see why. Members of the Government, Military and Veterans Affairs Committee, my name is Steve Guenzel, S-t-e-v-e G-u-e-n-z-e-l. I wasn't sure whether I should be a proponent or an opponent. I generally support a lot of the bill, but I'm asking this committee to delete Section 63. I'm appearing this afternoon on behalf of the Fort, what we call the Fort Donelson Committee, the committee created by the legislation back in 2020, and LB346, Section 63 would terminate this committee as of July 1 of next year. And I'm asking that we be allowed to continue beyond that. We're in the process of requesting a monument to be placed at the Fort-- at the, at the Fort Donelson National Military Park to honor the service of the First Nebraska Regiment in that very, very significant battle. The population of Nebraska was quite small-- the territory of Nebraska at the time of the Civil War-- but our role was significant. The First Nebraska served from the middle of 1861, right after the war began, until 1866, a year after it was over. We had 3,157 soldiers in the Union Army from Nebraska territory. That's 1 out of every 3 military-age males in the territory. It's 1 out of every 9 people in the Territory at that time. So it was significant. I can talk a long time about what the First Nebraska did at the Battle of Fort Donelson. Let me just say their role was very significant. Ulysses S. Grant achieved a very significant victory. He was relatively unknown. It propelled him to national attention. And later, he moved on to become the head of all the Union armies, and he led the Union to victory in the Civil War. Nebraska played a significant role in his victory at that battle, and their service should be honored. This process has been very slow. It took the Secretary of State 15 months to appoint the committee after the bill was passed. It-- we made a formal proposal. It took the Park Service 15 months to get back to us with additional questions. We responded in 3 weeks. It just-- we're dealing with the federal government. It's just very slow. I have plans this weekend to go to Fort Donelson and meet with archeologists who are attempting to locate where the First Nebraska battle line was. That, I think, is what has slowed their response to us greatly. But the bottom line is we're not done. We need to get this finished. We're not going to be done by July of next year. And I respectfully request that LB376 [SIC] be amended to delete Section 63. I'd be happy to answer any questions. And that's why I wore this tie.

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SANDERS: Great tie.

STEVE GUENZEL: Thank you.

SANDERS: Thank you, Mr. Guenzel, for your testimony. Are there any questions from the committee? See none. Thank you very much.

STEVE GUENZEL: Thank you.

SANDERS: Are there any other proponents on LB346? Any opponents on LB346? Good afternoon.

JON NEBEL: Thank you for having me. My name is John Nebel, J-o-n N-e-b-e-l. I'm here on behalf of the State Council of Electrical Workers. I want to draw your attention to Section 24 for our concerns. That is the part that eliminates the Worker Training Board. The handout you're getting is, is that section, and then the following pages is kind of what I, what I want to talk about. It's not just the, the board that's being eliminated. It's the spirit of what the board has been doing for the last 29 years, and that is developing the guidelines and the program of what, what type of grants the department is going to be issuing for worker training. I think it's critical to maintain that type of spirit. Maybe the board has outlived its lifespan, but there's another board that I have in mind that could potentially be a resting spot for this type of thing. The Workforce Development Board already exists. It was, I think about 2016, 2017 is when it became, became a board. I think most of the same folks that are from the departments are on that board. It's just a larger board with more public and industry input. So I, I think, if you look at the handout, the highlighted portions there is kind of explaining-- all of the, all of the input that would go away. It would just be the Commissioner of Labor or the Department of Labor that decides on these grants. At that point, they would be deciding based on these guidelines in the third paragraph that's highlighted, and that is what developed into the following pages. So to sum it up, I'd like to thank Senator Arch for allowing us the opportunity to talk on these boards and open up to any conversation. But if we can't save the board, we should at least migrate it into a different board that already exists. Thank you.

SANDERS: Thank you, Mr. Nebel, for your testimony. Are there any questions from the committee? Senator Cavanaugh.

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J. CAVANAUGH: Thank you, Chair. Thanks for being here. Mr. Nebel. Good to see you. So there's money that this board gives out. Is that what it does?

JON NEBEL: There is. So-- and the tricky part of this one, there's another bill out right now, LB265, that is shifting that money into a-- several funds that are migrating into a bigger worker cash fund. If that goes forward, same thing. The board gets eliminated and all of these requirements also get eliminated. So we'd like to harmonize that so the, the money that's still there could still flow through the boards the way it's intended.

J. CAVANAUGH: And so you're, you're saying this still serves a purpose, but it could-- that purpose could be served by just assigning these tasks to the Workforce Development Board?

JON NEBEL: I believe so, yes.

J. CAVANAUGH: OK. So if we did that, would you-- that eliminate your opposition to this bill?

JON NEBEL: Yes.

J. CAVANAUGH: OK. Thanks.

SANDERS: Thank you. Are there any other questions from the committee? See none. Thank you for your testimony.

JON NEBEL: Thank you.

SANDERS: Are there any other opponents on LB346? Welcome.

BOB RIPLEY: Thank you, Senator. Good afternoon, Madam Chairwoman and members of the Government, Military and Veterans Affairs Committee. My name is Bob Ripley. I live in Lincoln. I'm before you today to strenuously oppose the language in a very small area of this bill. The last I read the bill, it was page 58, and it amends the existing qualifications of the Office of the Capitol Commission's capital administrator position from a licensed architect with 5 years experience in historic preservation to a licensed architect or 5 years of experience in historic preservation. The difference of this one word is enormous. This proposed change suggests that 5 years' experience in historic preservation of any kind is equal to a 6-year college degree in architecture, work under a licensed architect for 3 years as an intern or an apprentice, and the successful completion of a 10-part professional licensing examination over a 3-year period. I'm

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here to make the committee aware of the incredible importance of not amending or lowering the requirements for this position. The current language in statute represents the minimum requirements, minimum requirements for this position and should be recognized as the minimum qualification for this essential post. Thanks to governors and legislatures during the last 40 years, I had the privilege to oversee and administer, as a licensed architect, over \$225 million of work on our national landmark Capitol. Performing the administration and oversight of these projects required my architectural degree, professional license, and collegiate training and planning a multi-year, multifaceted project, knowledge of materials and construction techniques, architectural history, knowledge of city planning, and contract administration provided the foundation critical to restoring, preserving and maintaining an important Nebraska and national landmark. The Office of the Capitol Commission Administrator performs a wide array of duties, including, but not limited to: planning and directing and overseeing all construction and renovation and restoration in and around the Capitol, its grounds, and environs; overseeing Capitol Commission business operations and budget planning; interviewing and commissioning all professional consultants and conservators for work such as mural conservation and restoration, repair/restoration of tile, stone mosaic, and stone sculpture, and gold-leaf stencil restoration, to name but a few; hiring of all agency staff and providing their training; oversight of Capitol tours and public information, including the tri-annual Capitol Sower newsletter; oversight-- I guess that's my 180 seconds.

SANDERS: Mr. Ripley, go ahead. Please--

BOB RIPLEY: Thank you.

SANDERS: --continue.

BOB RIPLEY: --oversight of the collection, conservation, and interpretation of materials in the Capitol Archives; oversight of the 4 Capitol shops. They are the carpentry, masonry, hardware, and furniture restoration shop, the maintenance shop oversees heating, air conditioning, electrical and plumbing repair and maintenance, the Capitol grounds maintenance shop, and the custodial maintenance shop; also representing the state's interest in planning and oversight for the setting of the Capitol within the capital city of Lincoln, via the Capitol Environs Commission; and making presentations to the public and news media about Capitol projects and programs and other duties that may be required. I ask this committee and the Legislature to uphold a high standard for the long-term care of our landmark Capitol

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by not changing the existing statute and keeping a licensed architect overseeing the future of the most valuable building in this region of the country. This one-word change from "and" to "or" would leave our landmark Capitol vulnerable to nonprofessional leadership, as was the case during the, the building's first 40 years of existence, requiring, as I mentioned earlier, an investment over the last 40 years of over \$225 million to repair and restore. Let us not return to those days, please. It's a better investment for the owners of this building, who are all 2 million Nebraskans, that we keep the best possible expertise in place to preserve the building, now that we've done a great job and spent a lot of money restoring it. Should there be any questions about my testimony, I'd be happy to try to respond.

SANDERS: Thank you, Mr. Ripley, for--

BOB RIPLEY: Thank you.

SANDERS: --your testimony, and also your 40 years of service here at the Capitol. Let's check with the committee. See if there are any questions. See none.

BOB RIPLEY: Very good.

SANDERS: Thank you for your testimony.

BOB RIPLEY: Thank you for your time. Thank you for the extension on my time. Thank you for what you do for the citizens of, of this state for what we pay you.

SANDERS: Thank you. Are there any other testimony-- opponents on LB346? Welcome.

EMILY ROESLER: Thank you. Thank you, Chairperson Sanders and members of the committee. My name is Emily Roesler, E-m-i-l-y R-o-e-s-l-e-r. And nearly 3 months ago, I was standing in the Nebraska State Capitol's Rotunda for one of the greatest achievements of my life, receiving my architectural license. What an honor it was to end my 15-year journey to architectural licensure and a building that ranks in the American Institute of Architects top 150 works of American architecture, has the number 67 spot on the list of America's favorite architecture, and is in a nash-- is a national historic landmark and is simply a building that embodies the essence of Nebraska's landscape, people, and values. Today, I'm back at the Capitol to express the risk that LB346, specifically Section 49, poses to the integrity of arguably Nebraska's most iconic building, the Nebraska State Capitol. The proposed change would reduce the qualifications for

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the Capitol administrator by allowing the candidate to not hold a bachelor's degree or higher in architecture. If the bill instead kept the requirement of a bachelor's degree in architecture or preferably an architectural license and kept the requirement of experience in historic preservation, that candidate would possess in-depth knowledge of building codes and safety requirements specific to public buildings, understand complex building systems like HVAC and electrical within the historic context, ensure compliance with the Secretary of Interior's standards, Section 106 reviews, and the existing National Park Service Preservation easement on the building. They would also be able to provide technical experience that prevents costly mistakes in renovation and restoration. By reducing the qualifications of the Capitol administrator like this bill is proposing, it would have the opposite effect on the legislat-- legislation's intent, leading to increased expenditures and potential harm of the Nebraska State Capitol. Protecting and preserving this national historic landmark requires the leadership of an individual with specialized education and knowledge necessary for its continued stewardship. For these reasons, I strongly oppose LB346, specifically Section 49, and ask that we maintain the requirement to have a bachelor's degree or higher in architecture and preferably a licensed architect. One of the handouts you've received is a letter from AIA Nebraska that was written to Governor Pillen's office in April of 2023, expressing the same recommendations. So we would be happy to meet with the Governor's Office further to discuss this. Any questions?

SANDERS: Thank you, Emily Roesler?

EMILY ROESLER: Roesler.

SANDERS: Roesler-- for your testimony. Check with the committee to see if there are any questions. See, see none. Thank you.

EMILY ROESLER: Thank you.

SANDERS: Are there any other opposition to LB346? Welcome. Good afternoon. Welcome.

SAGE LEIS: Good afternoon, Chair Sanders, members of the Government, Military and Veterans Affairs Committee. My name is Sage Leis. That's S-a-g-e L-e-i-s, like Sam, and I serve as the child welfare policy analyst for the Nebraska Children's Commission here testifying in opposition to LB346. The Children's Commission was created in 2012 as a result of LB37 [SIC], an investigation by the Health and Human

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Services Committee that identified a number of gaps in the service delivery model for children and families. LR37 highlighted a number of concerns with the child welfare system in Nebraska, one of the most significant being the lack of clear vision and overarching planning for the provision of services has created a fragmented siloed system. The Children's Commission was launched to provide a permanent leadership forum for the collaboration for child welfare and juvenile justice reform among the three branches of government and public and private stakeholders at the community, regional, and state levels. The Children's Commission is made up of 22 members who are appointed by the governor for 2 terms-- 2-year terms. Underneath the umbrella are 5 statutory committees, but we're only here to talk about 3 of them. Our Alternative Response Advisory Committee, the Foster Care Reimbursement Rate Committee and the Bridge to Independence Advisory Committee. In those packets that you were handed out, I've given you our Foster Care Reimbursement Rate Committee annual report and a copy of our B2I annual report, just to kind of give you an idea of what these committees do. But these are necessary to our work and to our efforts to make sure that children and families in the child welfare and juvenile justice systems in Nebraska are able to get the services that they need. We're able to amend the system as we need to make sure that it is serving these communities. Our membership, like I mentioned, the commission is only made up of 22 people currently. Our committees and workgroups underneath them, there's about 250 people who have touched the committees, worked on them, worked on our work groups. This is a large amount of the work that our committee-- commission does, and we just simply cannot replace those 250 people and replace the work that they do with the 22 people on the commission. These are subject-matter experts. These are the people in these communities serving these kids, serving these families, and their voices are just as valuable to the work of the commission as the appointed members. So I'm here to ask you to oppose LB346, or if you are going to move it forward, we'd like that the Commission were taken out of it. We are a resource to the Legislature. We're a resource to HHH-- HHS, and it would be a shame for us to not be able to provide the level of information and detail that we do to you all if we were to lose our commission. So, thank you. And I'm happy to answer any questions that you all may have.

SANDERS: Thank you, Ms. Leis, for your testimony. I'm going to check with the committee to see if there are any questions. See none. Thank you very much and thank you for the written testimony and information, as well.

SAGE LEIS: Thank you.

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SANDERS: Are there any other opponents for LB346. Welcome.

JOSH EICKMEIER: Thank you. Good afternoon, Chair Sanders and committee members. My name is Josh Eickmeier, J-o-s-h E-i-c-k-m-e-i-e-r. I'm the executive director for the Motor Vehicle Industry Licensing Board. Prior to Mr. Zoeller's testimony, we were opposed to the bill. But given there would be an amendment that would remove our agency from, from the bill, obviously, we're, we're the most excited opponent you might have today on any of your bills. So we appreciate all the work that the Governor's Office has done on this, specifically. Mr. Zoeller. And again, thank Speaker Arch for willingness to, to work with us and, and hopefully see the value of what our agency and board does regarding the motor vehicle industry. That's-- I had a-- I just tore up my original testimony, so that's what I have left. So any-- I'd be happy to answer any questions, though.

SANDERS: Great news. Thank you very much for your testimony.

JOSH EICKMEIER: We're very excited.

SANDERS: Are there any questions for Josh Eickmeier? None.

JOSH EICKMEIER: Thank you very much for your time.

SANDERS: Thank you very much.

JOSH EICKMEIER: Thank you.

SANDERS: Are there any other opponents for LB346. All right. Let's go back to LB346. Any other opponents? Any in the neutral? Welcome.

KENT ROBERT: Good afternoon, Senator Sanders, members of Government, Military and Veteran Affairs Committee. My name is Kent Rogert, K-e-n-t R-o-g-e-r- t, and I'm here today in a neutral capacity on behalf of the Nebraska Association of Nurse Anesthetists. I appreciate Mr. Zoeller mentioning in his opening that we are, we are post-- we're not, we don't oppose to removing the APRN Board, but we would like to expand the Board of Nursing to handle the duties of the APRN Board and add a couple members to make sure everybody's represented. And we're doing that in a bill that will be heard in Health and Human Services next week, LB281. I'd be happy to answer any questions.

SANDERS: Are there any questions for Mr. Rogert? Senator Cavanaugh.

J. CAVANAUGH: Thank you, Chair. Thanks for being here. Mr. Rogert.

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KENT ROBERT: Yes, sir.

J. CAVANAUGH: Just so I understand, is it OK-- is the bill OK as written, as long as that other bill passes-- what was it, LB251?

KENT ROBERT: As long as the other one passes. I mean, I, I think my preference would be we strike the removal of it here, and then we'll remove it in LB281. And then, and then we remove alls-- because there's about 25 statutes where it's mentioned, so-- that, that probably aren't all caught in this, in this bill here, so-- it's like a 12-page bill. Yeah.

J. CAVANAUGH: So, so passing LB281 would serve the purpose of this hearing--

KENT ROBERT: Yes. It'll make Kenny happy.

J. CAVANAUGH: --in a way that would alleviate your concerns.

KENT ROBERT: That's correct.

J. CAVANAUGH: All right. Thanks.

SANDERS: Any other questions for Kent Rogert? See none. Thank you for your testimony. Are there any other testimonies on LB346 in the neutral? See none. We'll go to closing. As Senator Arch comes up-- but we have a position-- online record, LB346, proponents, 10, opponents, 42, and 1 in the neutral.

ARCH: All right. Well, thank you, Committee, for hearing this today. I think that-- I, I really appreciate the governor's staff and the governor, their attitude of let's just take, take care of the ones that no longer serve the purpose originally intended by the legislation. And so the process now, I'll sit down with governor staff, we'll review, we'll review the letters, as well, make sure we understand what's in those letters. And, and then revise, amend, come back with an amended version of, of this bill with, with some of these things that even before we began our testimony have already been agreed to remove. So we'll do that and take a look at the rest. So with that, I'll stop, if there's any other questions.

SANDERS: Are there any questions for Senator Arch? Senator Guereca.

GUERECA: Thank you for coming in, Speaker, for carrying this bill. Do you know why they changed it from "and" to "or?" I could ask the governor's staff later, but--

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ARCH: You know, I think that, that is a question for the governor's staff. I don't want to speak for them so--

GUERECA: OK.

ARCH: --I'll, I'll leave it at that.

GUERECA: Sounds good. Thank you.

SANDERS: Any other questions from the committee? See none. That closes the hearing on LB346. And that concludes the hearing in the Government, Military and Veterans Committee. Thank you.