

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

ARCH: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the twelfth day of the One Hundred Eighth Legislature, First Special Session. Our chaplain for today is Senator Ibach. Please rise.

IBACH: Thank you. Please join me in prayer. Dear Heavenly Father, thank you for today and for your many blessings. Today, Lord, we ask for protection over our families, for their health, for their welfare, and for their safety. We ask for your protection over our leadership, for our President, for our Governor and his staff, for our mayors, and city and county leaders. And as our state's youngest citizens return to the classroom this, this week, please give guidance and patience to our educators. And, Lord, we ask for your guidance as we navigate policy and solutions that would serve all Nebraskans. Help us to seek to find compromise and understanding for the people of this great state. Lord, remind us to have wisdom in our convictions, help us to be kind and thoughtful in our efforts, and help us to use words and actions that glorify you. Finally, Lord, help us to do your will, and keep us all safe. We ask this in your name. Amen.

ARCH: I recognize Senator Hansen for the Pledge of Allegiance.

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

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

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

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

CLERK: I have no correction this morning, sir.

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

CLERK: Just one, Mr. President. Your Committee on General Affairs, chaired by Senator Lowe, reports LR3CA to General File with committee amendments. That's all I have this morning.

ARCH: Thank you, Mr. Clerk. We will now proceed to the first item on the agenda. Please proceed.

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Floor Debate August 14, 2024

CLERK: Mr. President, first item on the agenda, LB2. Priority motion, Senator Conrad would move to indefinitely postpone the bill pursuant to Rule 6, Section 3(f), MO10.

ARCH: Senator Wayne, please state your point.

WAYNE: I filed a motion to change the Speaker agenda. I was wondering if the Speaker is going to allow that agenda to be changed.

ARCH: Senator Wayne, could you please come forward?

DeBOER: Senator Wayne, your motions were incidental main motions, so they were not scheduled. So we will proceed to LB2. This is not a ruling of the Chair. That was a point of clarification for you, Senator Wayne. Mr. Clerk, please proceed.

CLERK: Mr. President, LB2. Priority motion, Senator Conrad would move to indefinitely postpone pursuant to Rule 6, Section 3(f).

DeBOER: Senator Conrad, you are recognized. Sorry. Senator Clements, you're recognized to open on the bill before we get to Senator Conrad's opening.

CLEMENTS: Thank you, Madam President. LB2, and we're going to have LB3, as well. But LB2 and LB3 provide funding to cover the increased Property Tax Credit Fund in LB34. LB2, that we're starting with, is on pages 1, 2 and 3 of the handout from last night. LB2 was voted out of committee 7-1-1. And the fiscal handout, page 1 and 2, shows what we're doing in fiscal year 2024. And LB2 deals with 2 fiscal years, '24, which ended June 30 of 2024, and then fiscal year '25, which we're in now, which will end next to Jul-- June 30 of 2025. The committee reviewed 22 state agencies with millions of dollars of unspent funds as of June 30 of 2024. We approved \$76 million of \$117 million of recommendations by the Governor. Excuse me. I sent a handout. This morning, you have a handout on your desk. It says appropriations budget adjustment, special session 2024. The top section is a summary of what's in the booklet. That, that has more detail. So I-- the summary is on that 1-page handout. Page 3 of the handout from Fiscal, is fiscal year 2025, which is our current fiscal year. We reviewed 19 agencies that did not spend all of their 2024 appropriation, and have room to lower their fiscal year 2025 base appropriation. We approved \$41 million of reductions of \$69 million that the Governor had recommended in LB2. The committee amendment on LB2 will be AM39 when we get there. So LB2 covers \$117 million of-- \$185 million is needed in fiscal year 2025 to increase the Property

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Floor Debate August 14, 2024

Tax Credit Fund from LB34. Then LB3, which we'll consider later, will cover some of the rest of the \$185 million. And LB3 is on pages 4 and 5 of the Fiscal handout. So pages 1 and 2 show all of the LB2 requests that came from the Governor. And there's a column that says Governor, and then it shows the amendment, AM39 committee amendment amounts in the committee column. And there-- also, they listed some zero amount items. Those are the ones that the committee did not approve in the amendment. But just for your information, to show you what we did consider, and what we approved and did not approve. The key was not taking away 100% of the 2024 unused dollars of each in an agency. And the amount not lapsed adds to the 2025 appropriations. So if they had \$20 million they had not spent and we took out \$10 million of it, then they still have \$10 million that will add to their 2025 available appropriation. Page 3 also shows Governor recommended-- recommendations and the committee approvals in AM39, which would be this coming-- this fiscal year, 2025. The committee approved 63% of the amounts that we were given in LB2 to keep from cutting agencies too close to the bone. This will ensure that LB34 provides no loss in property tax credit to those who claimed 30%, once we fund the \$185 million that we need for LB34. But it also is going to mean this funding will give 100% property taxpayers a property tax credit, and those who had not been claiming the credit will be given the full credit due them. And so that is the-- that's a brief review of what the committee did. I wanted to thank the members of the Appropriations Committee for the work that we did. You'll see that we had dozens of items to consider. And we did deliberate, and by the-- by seeing that a number of items that we did not approve from the recommendations, we looked to make sure agencies were not going to be harmed. So it's my opinion that we have allocated funds for LB-- for the General Fund which should go to, go to property tax relief without hurting any agencies involved. And with that, I thank you, Madam President.

DeBOER: Thank you, Senator Clements. Senator Conrad, you're recognized to open on your motion.

CONRAD: Thank you, Madam President. Good morning, colleagues. Good morning, Nebraska. I filed these motions, as has become our practice, to structure debate on critical issues, but also in seriousness and with seriousness of purpose. The budget bills that were introduced this session, and particularly after the body's deliberations and decisions that were reflected in our work together yesterday, represent unnecessary budgetary adjustments that we need to take up in this special session. So let me just start with a few overarching principles. Nebraska rightly has a balanced budget provision in our state constitution. And that's one key factor in why we are typically

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Floor Debate August 14, 2024

rated as one of the most fiscally responsible, fiscally solvent states, in comparison to our sister states and, of course, the federal government. And so the citizens of Nebraska were wise in requiring this kind of fiscal responsibility in our budgetary work. And it guides each aspect of our deliberations when it comes to appropriations and budget. But let me be clear about how this balanced budget amendment, legal requirement, constitutional constraint works. We do not balance to the moment, we balance to the biennium. So we have complied with the constitutional provision, as we always do and appropriately should. We are balanced to the biennium. We are not balanced to the out-years. We are not balanced to the moment. Ask any member of the Appropriations Committee or do the deliberations for yourself. There's absolutely no reason to move forward with any of the measures in LB2 or LB3. There-- there's just not. Legally, there's not. No one is going to miss a payment. No one who receives a new front-loaded credit from LB1107, as part of the deliberations on LB34 yesterday, is not going to receive that additional tax benefit. The majority of the proposals that, nonetheless, we received about 14 hours ago to make changes to our state budget, which is not responsible lawmaking and doesn't allow for thoughtful analysis and deliberations on something so important as our state finances but, of course, is by design to push things through in a compressed nature in this special session. But I think what's important to remember with the changes that are coming forward here, the lapses, the cuts, etcetera, etcetera, the reappropriations. And we'll hear a lot about this over the next many hours and days, I'm sure. None of these actions are necessary to ensure that we remain in compliance with our balanced budget, as we always do and always should. And so it's-- we can easily make necessary adjustments when we reconvene in approximately what, 4 months, for our regular session, to take up the next biennial budget and the work before the Nebraska Legislature. There is absolutely no reason to take these cuts, take these lapses, make these adjustments at this time. It is truly unnecessary and primarily performative. So that's the first piece that we need to be really clear about. There is no legal or fiscal reason to take these cuts at this point. They can easily, easily be taken up in the regular session, and should, as part of a comprehensive, deliberative approach to crafting a biennial budget, as has always served us well. Additionally, as part of the debate this morning, I think we're going to have a significant opportunity to talk about the Governor's dangerous and expansive view of executive power, which has been on full display during the term of his service to our great state, but has been particularly sharpened since we adjourned last session. And we saw after-- almost immediately after we had adjourned from the

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Floor Debate August 14, 2024

regular session and had worked in good faith with the administration to make mid-biennium budget adjustments, we started to see this work-- the shadow budgeting process start to, to come to light. And Senator Machaela Cavanaugh has, has detailed that very well, and I think we'll have a lot more discussion about it. But whether it's through an executive order that claims to be able to reappropriate millions of dollars due to finding some vacancy savings which, of course, is not allowed under our constitution, wherein we have a clear separation of powers. And the power of appropriation belongs solely to the people's branch in the Legislature, not to the Governor. And we'll have a chance to talk more about that. After that executive order came forward months later, it revealed that after some splashy headlines and misleading rhetoric, in essence it had resulted in very little. We'll also talk about the shadow budget process that has been undertaken in regards to our state agencies. And I passed around some recent news reporting about these measures in case folks didn't have a chance to see them when they were issued by the media in real time. And I would ask that you look very, very carefully at the Flatwater Free Press story that came out and that highlights one of our own, long-time distinguished servants in the Legislative Fiscal Office, Tom Bergquist, who has recently retired after, after decades of admirable service to our institution and to our state-- highlighting the unprecedented nature of this shadow budget process and the inherent risks involved, and the fact that Nebraskans and Nebraska leaders need to pay careful, careful attention to what's happening in this administration that has a reckless and expansive view of executive power, seeking to run roughshod over separation of powers and the people's branch of government. So please read that carefully. It, it-- Tom has served in a nonpartisan way, in a credible way, and he's raising a red flag for all Nebraskans to take a look at. This shadow budget process that Governor Pillen's administration has engaged in is unprecedented and wrong. It seems to be tied-- another theme that we'll be talking about today-- to a state contract, which was a no-bid contract that the state of Nebraska paid millions of dollars and is on the hook for millions more moving forward, to a company called Epiphany, which has put forward a very limited initial report about how the state is going to address waste, fraud, abuse, and find savings. Now, to be fair, those are good goals, laudable goals that we all share, and are good for the Legislature to focus on. But we've paid millions of dollars to an out-of-state consultant in a no-bid contract to tell us what we already know: get more federal funds, DED has some slush funds, and then they suggest that we should perhaps raid the Cash Reserve. Those are some of the key findings from the Epiphany report, along with, of course, an appendix, which borders

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Floor Debate August 14, 2024

upon, if not triggers, a legal violation by cutting and pasting the Governor's campaign materials into a state document and distributing those with state resources. So these are some of the overarching themes. And we'll continue to connect these dots.

DeBOER: One minute.

CONRAD: Thank you, Madam President. The other piece that I want to lift up is the dual nature of the cuts before us, now in the revised version of LB34 as amended, and in the budgetary proposals, wherein we will be really hurting the most vulnerable in our communities through the budgetary caps on the local level in LB34 as amended, and through deep cuts in programs and services in the budget bills before us for LB2 and LB3. So with that, I look forward to a continued debate. None of these bills are necessary. We should quickly IPP them, continue our work on LB34, and adjourn. Thank you, Madam President.

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

McKINNEY: Thank you, Madam President. I rise in support of the motion to IPP. I think it's really crazy that we're even considering making cuts to the most important departments that our state have: the Department of a-- Department of "Hell and Harm" and the Department of "Punitive" Services. It-- they already have issues, and we want to cut their budget for whatever type of relief that we would like to get to that will eventually cause more harm. And there are examples from the past when we cut budgets of harm happening because of budget cuts. But I don't think people care about harming people, obviously. But that's what's going to happen when you cut these budgets to Corrections and, and DHHS. But I'll yield the rest of my time to Senator Wayne.

DeBOER: Senator Wayne, you're yielded 4 minutes.

WAYNE: Thank you. Thank you, Madam President. Thank you, Senator McKinney. So, colleagues, I dropped a motion to recess until 9:40. It's going to come up after I'm done talking. I'll tell you why this is important. The Governor called us here to do some work. We are here. We should do some work. Brandt has a bill, LR2CA, that will go on the ballot if we would pass it before September, and also with the underlining statutory changes. That will allow us, in the next session, be able to do owner-occupied and distinguish between property taxes. This is the biggest issue that we can fundamentally change our property tax code. Right now, you have a motel and a hotel that is treated the same as a house. We should be able to distinguish that,

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Floor Debate August 14, 2024

but our constitution does not allow to. And this is the only "oper-time"-- opportunity we're going to have, based on the schedule we have going forward is to move that today. You move it to General File. We can hope-- we can move it by Friday and get it on the ballot. This is it, else we're going to hamstring the next session because it can't happen until another general session or a statewide election, which won't happen for 2 more years. So I filed a pull motion. I filed a motion to change the Speaker agenda. Didn't happen. So what I'm asking for is to recess. Now, hear me out on this vote. Vote for the recess if you believe we should be able to do it. If you are a little afraid of changing the Speaker agenda, be present, not voting. Show the Speaker that we're not going to have a filibuster on this issue, because everybody I've talked to said it's a great issue. Show the Speaker that it's not going to change the schedule, and let's take back our Legislature and make sure that we're going to do some work that we've been required to do. This is a noncontroversial bill. We could pass this today. So I'm just asking for a brief, brief recess. And this is a test vote to show, to show the Speaker that we can actually move this along without breaking up the schedule. So I'd ask for you to give us a, a recess till 9:40. And if you don't want to overturn the agenda or you don't want to go against the Speaker, just be present, not voting. If you're voting no on this, you're saying you're against Brandt's bill. So we can at least know. This is too important of an issue to Nebraska for us not to get this done today. It's not my bill, but I've worked on it as Urban Affairs Chair for years. And it was-- and he came up with language that I didn't come up with. He took the ag language and made it work. I praise him for that, because I was trying to do it my first 3 years, and I couldn't figure out how to not make it so confusing. And he did. This is critical on how we do property taxes. So if we're going to give the tools to the next Legislature to do something else-- and maybe we could even do it this session if we really wanted to take time and, and work on it. We can start separating out residential homes from commercial facilities and commercial businesses. If you are in a duplex, for example--

DeBOER: One minute.

WAYNE: --you'll get-- we can actually do owner-occupied separate from the other person who's renting. You could actually set up property taxes that way. This is true way for us to come with a system that works. So I, I don't know what to do, but this is-- I'm down here working. I'm losing money. So I'm doing everything that I can to get something done, and this is a way that we can get something done. So I ask for a green vote to pause for 4-- 3 minutes to show the Speaker

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Floor Debate August 14, 2024

this is a noncontroversial issue that we need to pass this year. Thank you, Madam President.

DeBOER: Thank you, Senator Wayne and Senator McKinney. Mr. Clerk, for an item.

CLERK: Madam President, a priority motion. Senator Wayne would move to recess the body until 9:40 a.m.

DeBOER: Senator Arch is the only one, as Speaker, who's allowed to speak to this. I recognize Senator Arch.

ARCH: Thank you, Madam President. I understand the frustration. I understand the frustration, borne largely of a special session, largely of a special session to tackle a very complex problem. And if we don't understand the complexities, yesterday should have illuminated that for all of us. This is a very complex problem. There are very-- many, many factors involved with the issue of property taxes and fairness and efficiency and equality, and all of the issues involved in our taxation policies. I only speak to the process that we have been following. The process was clear from the beginning. When we, when we convened on January 25, everything pointed to yesterday. Yesterday was the Revenue bill. Yesterday was the work of 67 hearings in the Revenue Committee. The committee was subject-matter jurisdiction. The Appropriation bills are now on the-- are now on the schedule, ready to be heard, to follow LB34 which passed yesterday. There have been-- in a special session, of course, we understand there are no priority bills, and this is part of the frustration. There are no priority bills. LR2CA could have very well been a priority bill in a general session, in which case that probably would have been scheduled. As it is, we have been following a process: the Revenue Committee's bill followed by the appropriation-- the funding bills follow that process to conclusion. I've indicated previously that at the conclusion of that, there would be an opportunity, and I am assuming that that would take the motion-- that would take the form of a sine die motion. It is at that point that the body can decide to stay in session to hear other bills. I would ask that you vote no on this recess motion, but I'm laying it before the body. This is, this is-- unprecedented seems to be the word of the day, or the word of the last 2 years. Unprecedented. This session is unprecedented to tackle this issue. And now we have this question before the body. I'm asking you to follow the process, to, to work these bills out to the end. And at that point, then, the body can decide whether to stay in session to hear more bills. Thank you, Madam President.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

DeBOER: Thank, thank you, Senator Arch. Senator, we now have a priority motion, so we're going to vote on the priority motion. The question before the body is recess until 9:40. There's been a request for a roll call vote. The motion has been withdrawn. Senator Dungan, you are recognized to speak as we return to the queue on LB2.

DUNGAN: Thank you, Madam President. I would love some precedented times. That would be really nice. But I will yield the remainder of my time to Senator Wayne.

DeBOER: Senator Wayne, you're yielded 4 minutes, 45 seconds.

WAYNE: Place the house under call.

DeBOER: There's been a request to place the house under call. The question is, shall the house go under call? All those in favor please vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 25 ayes, 7 nays, Madam President, to place the house under call.

DeBOER: The house is under call. Senators, please record your presence. Those unexcused senators outside the Chamber, please return to the Chamber and record your presence. All unauthorized personnel, please leave the floor. The house is under call. All unexcused senators are now here. Senator Wayne, you may continue.

WAYNE: Thank you, Madam President. Colleagues, the process has changed already. We were supposed to be here on a Saturday. We moved that day. We-- we've moved and we've been ebbing and flowing all the time. This is not me challenging the Speaker. This is me doing my job for my community. What it comes down to is this is an LR2CA. We are only-- this-- when you-- if you pass the LR2CA, it goes to the vote of the people. This is not us changing property taxes tomorrow if this bill passes. What this says is that the next Legislature has a tool in the toolbox that we currently don't have, which is simply to allow owner-occupied, which is residential, to be different than some commercial, and even distinguish among residential. Again, the best example is a duplex. One is a owner-occupied, one is a renter. Those could be treated differently. Not saying we should, not saying it's a policy decision I want to make here today. But we can at least give the Legislature next year that opportunity, if the voters decide. Again, this is clear that we are simply asking the voters to make a decision. And I'll yield the rest of my time to Senator Brandt.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

DeBOER: Senator Brandt, you are-- the-- Senator Wayne, you can't yield time since you were yielded time. So, Senator Brandt, will you yield to a question?

BRANDT: Yes, I will.

WAYNE: Senator Brandt, can you explain your constitutional amendment?

BRANDT: Better yet, I will read it. It's all of 6 lines. And it states: The Legislature may provide that owner-occupied housing, as defined by the Legislature, shall constitute a separate and distinct class of property for purposes of taxation, and may provide for a different method of taxing owner-occupied housing, which results in values that are not uniform or proportionate with all other real property and franchises, but which results in values that are uniform and proportionate upon all property within the class of owner-occupied housing. We-- I, I modeled this after what we do for agriculture. Today, in ag, for those of you that don't know, ag land is valued at 75% of valuation. And the Legislature can move that number. When that started several years ago, it was 80%. And when times got tough, they dropped it to 75. The Legislature can move these numbers. What this does and the reason this is important is the people have to approve this to change the constitution. Without the people of the state approving this, you're locked in. You're locked in. The factory and the house are the same thing. The, the house that's owned by the real estate investment trust that we're all concerned about that are buying our houses in the state and grandma next door are all treated the same. What this says is somebody that owns the property would-- has the opportunity to be treated differently by the Legislature. Today, we cannot do that.

WAYNE: So why is it critical that we get this done bet-- before September 3, with the underlying statute change that'll have to happen?

BRANDT: So that it gets on the ballot. So it gets on the November ballot, so that the people can decide if, if they want to change the constitution by this.

WAYNE: Thank you. And so, again, I am not asking you to go against the Speaker, so I'm giving you 2 options. If you believe in Brandt's bill, take a pause until 9:50. Show the Speaker that we can all get along. We're not going to filibuster Brandt's bill on the underlying statute. We can move this along so the people can decide. If you're a little

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

hesitant, just be present, not voting. If we can show that this is not--

DeBOER: One minute.

WAYNE: --going to take a long time, that we can move this forward, we can get this scheduled and get this to the vote of the people. Thank you. And, again, this is not a vote saying we're going to do it, we're going to change it this year. It's just to ask the people of Nebraska to vote on this issue. So with that, I would ask you for a green vote or a present, not voting, preferably a green vote so we can show a strong unity behind this idea. Thank you, Mad-- Madam President.

DeBOER: Thank you, Senator Wayne. Mr. Clerk, for a priority motion.

CLERK: Madam President, Senator Wayne would move to recess the body until 9:55 a.m.

DeBOER: Speaker Arch is the only one recognized to speak on this issue. You're recognized.

ARCH: Thank you. And I won't take it to 9:55 so we can get to a vote here. I just want to say one thing. This bill was before the Revenue Committee of course. The Revenue Committee chose not to put it into the package, chose not to, to fold that in, which, which they could have. Many other bills came to the Revenue Committee. And I'm sure there are many sitting here listening to this that are saying like, well, I got a bill sitting there in the Revenue Committee that also should be out on this floor. Here's what I'm asking. I'm asking-- LR2CA can be heard when we are-- when we have completed our process with the appropriations and moved, moved the Revenue package, the Appropriations bills through, or not. It's at that time that the body can decide. We don't have to insert this at this time. We can do that at the end, and the body can decide to stay in session. And many bills could be heard if that is the choice. Thank you, Miss-- Madam President.

DeBOER: Thank you, thank you Speaker Arch. There's been a request for a roll call vote. The question is whether to rec--rec-- recess till 9:50-- 55-- 9:55. Mr. Clerk, please call the roll.

CLERK: Senator Aguilar voting no. Senator Albrecht voting no. Speaker Arch voting no. Senator Armendariz voting no. Senator Ballard. Oh, excuse me. Senator Armendariz not voting. Senator Ballard voting no. Senator Blood voting yes. Senator Bosn not voting. Senator Bostar. Senator Bostelman voting no. Senator Brandt not voting. Senator Brewer

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

not voting. Senator John Cavanaugh. Senator Machaela Cavanaugh. Senator Clements voting no. Senator Conrad voting yes. Senator Day. Senator DeBoer not voting. Senator DeKay voting no. Senator Dorn not voting. Senator Dover not voting. Senator Dungan voting yes. Senator Erdman voting yes. Senator Fredrickson voting yes. Senator Halloran voting yes. Senator Hansen voting no. Senator Hardin voting no. Senator Holdcroft voting no. Senator Hughes. Senator Hunt voting yes. Senator Ibach voting no. Senator Jacobson. Senator Kauth voting no. Senator Linehan. Senator Lippincott voting no. Senator Lowe. Senator McDonnell voting yes. Senator McKinney voting yes. Senator Meyer voting no. Senator Moser voting no. Senator Murman not voting. Senator Raybould. Senator Riepe not voting. Senator Sanders voting no. Senator Slama. Senator Vargas voting yes. Senator von Gillern voting no. Senator Walz voting yes. Senator Wayne voting yes. Senator Wishart voting yes. Vote is 13 ayes, 17 nays, Madam President, to recess the body.

DeBOER: The motion is not successful. I raise the call. Returning to the queue, Senator McDonnell, you're recognized.

McDONNELL: Thank you, Madam President. Good morning, colleagues. I want to thank the Fiscal Office, Appropriations Committee. The process that we're going right now is the same thing we do for the last 8 years, for me, being a member of the Appropriations Committee. And the idea the Governor proposes, we depose, and we start looking at what we agree with and disagree with, and then we bring it to you. And so this is-- as Appropriate-- Appropriations Committee members, we're all available to, to answer any of your questions. Now, switching back to Senator Wayne and, and what he had just brought to us. As I mentioned yesterday, we cannot think that a success is leaving here and getting nothing done. I'm not saying you have to agree with the Governor. I'm not saying you have to agree with me or Senator Wayne. But this is no longer the Governor's problem. This is ours. It's been put into our court. So how do we do this? How do we go through this process fairly? How do we make sure-- which I support Senator Brandt's constitutional amendment, and I'd like to get it out on the ballot for November 5 for the people to vote on. How do we go through that process? Speaker-- I support the Speaker with the idea that the end of going through the process with, with LB2 now and, and the idea of when would we schedule this, I think we should start scheduling them now. Here it is, Day 12. We know what we did yesterday. And I'm not saying that that's not part of the process, but I think we can be more effective and efficient with, with our time. And I know there's a lot of-- there's 81 bills that were introduced. There's what, 24 CAs that were introduced. We've gone through that process. And I think a lot of people out there don't

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

know this, that are watching us or calling us or emailing or texting us, that we have been doing a lot of work since we came back on the 26th of July. We have. It's Day 12, but there's been a lot of work-- that's 12 days standing here on the floor. I just don't think people quite understand that. But there's a lot of good ideas that have been introduced, that are sitting in committees, that I think we should take the time. The Governor starts a special session. We end it. We're not under a time constraint right now. I know we all have lives. We all have things going on. It doesn't mean we can't pause. It doesn't mean we can't work on things. It doesn't mean that we can't come back. But also, it doesn't mean that also Senator Wayne's idea is not a good idea. I yield the remainder of my time to Senator Wayne.

DeBOER: Senator Wayne, you're yielded 2 minutes, 32 seconds.

WAYNE: Thank you, Madam President. And thank you, Sen-- Senator McDonnell. So, colleagues, there was some misinformation spoken by the Speaker. I need to correct the record. You cannot incorporate a constitutional amendment into a committee package of bills. A constitutional amendment has to stand on its own. So if that persuaded your vote in any way, then just know that going forward. A constitutional amendment has to stand on its own. And the reason is, is it doesn't go to the Governor to be signed. After 30 people vote on a constitutional amendment here, it goes to the Secretary of State to be placed on the ballot. That's why you can't mix the two. You can't have a bill with a constitutional amendment. It doesn't, doesn't never get to the Governor. We make that decision. So just understand that I'm going to correct some misinformation, because we need to make sure the record is correct on how we do things around here. My biggest frustration right now is we have some tools that we are not talking about. I am-- to say that the Revenue Committee didn't Exec on it and that's why they didn't kick it out is just false. They have been dealing with the one thing that they're supposed to deal with, the bill. And, actually, there are many people on the Rev-- Revenue Committee who support the bill. And if Senator Linehan was here, I would ask her to Exec underneath the chair just to, to-- I mean underneath the balcony, just to kick it out. The reality is, is we have a tool in the toolbox we are not using. And we're trying to argue about raising taxes, closing exemptions. Now we're talking about cuts. But at the end of the day, we're leaving an important tool not even for discussion.

DeBOER: One minute.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

WAYNE: So we're going to have a lot more discussions now that we're on LB2. And it is going to take a while, because I believe the vote yesterday is directly tied to LB2. And I want to know, from some people who voted for LB34, how they're not directly tied together. Because my understanding is there's a delta, there's a delta from the Property Tax Credit Fund that has to get done. And that delta is coming from these cuts. So we're going to ask some appropriators if that's true or not, and what that means. Because you can't take a vote on that and champion that you took a vote for property tax relief on the backs of cutting one of our-- some of our most vulnerable agencies, and think that's going to be OK. So we're going to have some real conversations about that. At least I'm going to be asking directly some people who voted for that bill yesterday about the connection, and they're gonna have to explain to me the difference. Because right now, what I heard yesterday is a delta is being paid for by these cuts. So unless somebody can tell me differently. But at--

DeBOER: Time, Senator.

WAYNE: --the end of the day-- thank you. Thank you, Madam President.

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

CONRAD: Thank you, Madam President. Again, good morning, colleagues. I appreciate my good friend, Senator Wayne's, always creative approach to utilizing legislative process to elevate really important issues that otherwise might, might not be before us on the agenda. So thanks to his smart, good work in elevating the measure that Senator Brandt brought forward, that I think should and will enjoy broad support to advance that to the ballot this fall. It sounds like Senator Wayne's excellent utilization of procedure to elevate that substance, whether or not we take it up in a motion to reset or change the agenda, whether or not it provokes a pull motion or additional committee work, or perhaps even find its way as part of an amendment in LB34 or related thereto, that will continue to move through the remainder of this session. I also look forward to continuing the dialogue and deliberation in regards to LB2 and LB3. I think that there are a host of critical issues there. But I, I think that what's really important to remember is if, if you ask any member of the Appropriations Committee, they can tell you we don't need to take any of the actions in regards to LB2 and LB3. It is not legally required. It is not fiscally required. It can easily be taken up in regards to our budgetary process, to look at the budget appropriately and comprehensively in a few months, in the spirit of dynamic cooperation with the executive branch, as we have always done and is required by

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

our process. But there's no need to take these cuts now to pay for anything related to what the body is moving forward with LB34. And, in fact, again, it, it really highlights the, the dual nature or cruelty that would go with certain aspects of LB34, to then exacerbate the potential cuts in services for the most vulnerable contained in LB2. So when we move forward with caps on the local level and, and rightly exempt out public safety from the risk of the Governor's plan in regards to the cuts, which is what it is and speaks for itself, but you're leaving the cap on. And I understand from talking to our partners in local government across the, the state, is that public safety exemption is particularly helpful for the largest metro areas in Nebraska, and has pronounced and pernicious effects for our partners in rural Nebraska. Because the caps themselves will apply most harshly to critical infrastructure like roads, like bridges, like mental healthcare, like seniors services, pools, libraries, those critical quality of life things that make our communities vibrant and special and that are utilized by all citizens, but particularly, seniors and, and citizens of limited means. So by putting forward a, a very cruel plan in relation to the cuts in L-- the caps in LB4 and the cuts in LB2, it really is kind of a, a double whammy in terms of reducing services for the most vulnerable in Nebraska. I'm hopeful we'll be able to make requisite adjustments to the caps as designed in LB34, before it hits Final Reading and goes to the Governor's desk. And I appreciate our partners in local government speaking out on this, as things are moving so quickly during the special session. But let's be--

DeBOER: One minute.

CONRAD: --clear. Thank you, Madam President. We don't need to take any of the cuts. We don't need to take any of the cuts in LB2 or LB3. And I am going to work in good faith with my colleagues here and in the Governor's Office to try and find a middle ground so that we can proceed expeditiously with this manner. I think the Appropriations Committee has done a great job whittling down the proposal. I think if we were able to get a little bit farther along in sparing the most vulnerable additional burden of these cuts, we could hopefully move quickly because the rest is-- generally, seems to be administrative kind of machinations between different lapses in cash funds, which wouldn't be as harmful but, again, is also unnecessary. So if folks want that--

DeBOER: Time, Senator.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

CONRAD: --performative result, we, we, we can work to, to do that.
Thank you, Madam President.

DeBOER: Thank you, Senator Conrad. Senator Erdman, you're recognized.

ERDMAN: Thank you, Madam President. Good morning. On the Appropriations Committee, we've worked-- we worked very hard at trying to figure out what we do so it doesn't affect services or prevent an agency from functioning correctly. And yesterday, there were comments made about taking money from the Legislative Council. And I want to-- I want to bring to your attention a couple of things so that you understand how much money there was and how much money there will remain. So the appropriation for the Legislative Council last year was \$17.5 million. The actual expenses were \$11.2, which left an excess of \$6.2 million. The committee approved a \$3.5 million transfer, which remained to be-- \$2.7 was left for carryover or for future remaining funding, plus the new appropriations is \$13 million, so we have \$15.7 million going forward for the Legislative Council, when our expenditures for last year was \$11.2. So there are sufficient funds there. That's one example. And every one of these agencies that we took a portion of their excess has been left in a position that they have more funding than they had the prior year to make sure they have the revenue to continue. When it comes to Game and Parks, there were 4 funds. And I had recommended we take it all, but I didn't get any second, so we didn't do that one. But I would have taken it all if I could. So those are just examples, and I have a list of all of those that we dealt with. One of the things that came to my attention and the committee's attention was the amount of cash that the University of Nebraska has. The University of Nebraska system has a net cash amount of \$584 million. That's about 211 days of operating capital, 211. To put it in perspective. If the state of Nebraska had 211 days of operating capital, we would have \$3.06 billion. That gives you an example of how much excess funds the University has. The one account, the one fund that surprised me was the University Cash Fund. That's where the money goes that they collect for fees and tuition. That balance is \$306 million in that account. And they choose-- or chose to raise tuition 3.5%. If you're a student or if you have a child going to the University and they raised your tuition 3.5%, you should be totally upset that they have 3 1/2-- 6-- 300-- \$306 million in excess, and they raised your tuition. We contribute-- the state contributes about \$691 million on top of that to the University. The University has plenty of money to do whatever they need to do, whenever they want to do it if they choose so-- choose to do so. But what they do is they spend the \$691 million that we, the state of Nebraska citizens, give them. And once that's gone, then they're broke. That's not the case.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

And I told Senator Halloran, just when one figures out where all the bodies are buried, you're termed out. I would recommend next year, when the budget comes from the University of Nebraska, they get zero. No additional appropriations. \$691 million is sufficient. If you want to really do property tax relief, privatize the University of Nebraska, and take the \$700 million and give it to property tax relief. We, the committee, are bringing forward a bill--

DeBOER: One minute.

ERDMAN: --that has been very well thought out, and voted on, and approved. And we're trying to make sure that those agencies who need money, need money to do the services they do have sufficient funds to do that. I would recommend you follow my lead, like the Speaker said yesterday, and vote yes on LB2. Thank you.

DeBOER: Thank you, Senator Erdman. Senator Wishart, you're recognized.

WISHART: Thank you, Mr. President. Colleagues, I-- first of all, I want to thank the Appropriations Committee for the diligent work we did on these 2 budget items. It's-- I'm going to really miss this committee. We've-- we come from different parts of the state, different political affiliations, and I think we work really well together. For me, I see a path forward for us being able to support the property tax relief efforts that are going on this special session. But one of my hard lines is not doing that with any cuts to the Department of Health and Human Services. And so what I'd like for us to, to figure out over the course of these next few days and in the debate today, is how we're able to make the decisions that, that we passed yesterday, some of the other opportunities we have that Senator Wayne has spoken about. I will put a plug in there for expanding sports gaming as one I'd like to see it come out of the session, as well. And, and part of that is tightening our belts. And I think for the most part, what we are presenting to you today, I think is very well thought out ways for us to reduce expenses without harming care for Nebraskans. But I do have concerns, which is why I did not vote this bill out of committee with the \$25 million cut to the Department of Health and Human Services. I would need more time to be able to fully understand what the implications of that would be, which is why I am working to see if there is an alternative approach for us to remove that and be able to pass this forward and continue on our journey to provide sensible property tax relief to Nebraskans. Thank you.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

DeBOER: Thank you, Senator Wishart. Senator Aguilar, you're recognized.

AGUILAR: Thank you, Madam President. I want to thank Senator Clements and the Appropriations Committee for their work on the committee amendment, AM39. As introduced, LB2 would have made significant cuts to the Legislative Council budget, to the extent that would have negatively impaired our operations as a separate branch of government. Unlike most state agencies, historically, the budgets for both the Legislature and the Supreme Court have any unspent general funds at the end of the biennium reappropriate it to the agency. These reappropriated funds reduce the need for new General Fund appropriations each budget cycle, and provide the Legislature with the flexibility to address unexpected projects and contractual needs as they arise, without needing to seek new appropriations. Because nearly 90% of the Legislative Council budget consists of staff salaries and benefits, the Legislature must frequently rely on reappropriated funds to undertake major projects. For example, when the Clerk's Office needed to replace the video boards in the Chamber in 2021, we had to rely on reappropriated funds to make this critical update. Similarly, when a delay in the HVAC project prevented us from being able to use Room 1003 at the start of the 2023 session, only because of the availability of reappropriated funds were we able to convert Room 1307 into a temporary hearing room for the Appropriations Committee. The Legislative Council is already utilizing reappropriated funds to finance a variety of items in our current budget, including replacing laptop computers, staffing for the video archive library, staff salary increases that went into effect on July 1, pay advancements which will go into effect on January 1, and contracts with outside counsel regarding the Attorney General's Opinion on the constitutionality of the Office of Inspector General. Reappropriated funds are currently being utilized in most of our budgetary programs for operating expenses and employees' benefits, as our General Fund appropriations cannot fully fund salaries and benefits for all legislative employees. The program impacted by LB2, Legislative Services, is the largest program within the Legislature's budget and includes funding for senators' per diem salaries, and operating expenses for senators' offices, travel reimbursements, and the Legislative Accounting and Budget Office, the Coordinator of Legislative Services, and a wide variety of contracts approved by the Executive Board. While our legislative services budget can shoulder this one-time lapse of reappropriated funds, any further reduction in reappropriated funds without-- beyond what is contained in LB39 would create the need for

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

additional General Fund appropriations in the future. Thank you, Madam President.

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

WAYNE: Thank you, Madam President. I yield my time to Senator Dungan.

DeBOER: Senator Dungan, you're yielded 4 minutes, 54 seconds.

DUNGAN: Thank you, Madam President. And thank you, Senator Wayne. I know this morning we've had a lot of really interesting discussions, and I really do appreciate, kind of, where we've come so far. Colleagues, I rise today undecided, I guess, about where we currently are on LB2, and undecided of how I feel about the IPP with regards to the budget cuts or these lapses and approp-- reappropriations. The, the top notes of what we're talking about here, I think, is a broad concern that in a time of overall economic prosperity, we continue to ratchet down our budget. Now, I understand, as we talked about yesterday, that part of the plan that's been outlined by our Governor and his proposals is an effort to cut government spending. But there is a difference between cutting government spending that is unnecessary and cutting government spending that we utilize to provide essential services for the people of our state. And I become incredibly concerned when I start going through this budget book, or this budget proposal, and I see cuts from essential services, not the least of which is the Foster Care Review Board, the Crime Commission. But then almost most importantly in my mind is DHHS, the Department of Health and Human Services. I understand the Governor originally proposed taking a larger amount out, but the proposal that we have before us in LB2, as it came out of the committee, still takes \$15 million, it looks like, out of administration for DHHS. Now on the face of it, when somebody says administration, they assume that means, I don't know, people working in cubicles which, by the way, are also essential workers, for all of my DHHS friends who are watching right now. But in reality, when you're taking \$15 million from a program like DHHS, you're going to see ripple effects inevitably into essential services. What I want to focus on today-- we have a lot of folks talking big picture. I want to drill down to some really specific examples, and one of those is the potential effects that we're going to see on the developmental disability services that we currently have. Here in Nebraska, we have a crisis right now, when we're talking about our friends in the DD, the developmental disability community, and the behavioral health community. That's not hyperbole, colleagues. May 14 of this year, we received a letter from the U.S. Department of Justice outlining that we, as a state, are

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

doing an inadequate job in providing services for those in the DD community. Not just an inadequate job, insofar as we wish it was better, but in fact, the letter finds that Nebraska is currently violating Title II of the ADA by unnecessarily segregating people with serious mental illness, SMI, in assisted living facilities and day program facilities. The state's administration, it goes on to say, of behavioral health services places others at serious risk of such unnecessary segregation in those facilities. This, I believe, 17-page letter describes the United States finding and the steps the state can take to remedy the ADA violations that we identify below. So I'm going to talk, I think, a few times today. This is not a filibuster. It's an important issue to get on the record and have the public see. But I'm going to talk a few times today about this. Because, if you follow the Legislature, you know that the DD world is very personal for me, but I know it's also personal for almost every single person in this body, and every single person out in Nebraska. The way that we, as a state, treat those who are often left behind and often ignored, tells you what you need to know about us. And when we have a Department of Health and Human Services that continues to slash funds and say that they can absorb these cuts while still providing and increasing customer service, I, I just don't see how that works. When I talk to any of my folks in-- out in the business community and I say, you know, is it possible for you to--

DeBOER: One minute.

DUNGAN: --thank you, Madam President-- to continue to provide the same level of service without as much revenue? In some circumstances, you might find ways to do that. But at the end of the day, if we are cutting the amount of money we're giving an organization, it is going to have an effect on services. Providing services for the developmental disabilities community is not a business. Tightening your belt and finding ways to cut fat around the edges can be a laudable goal in some circumstances. But when it comes to providing essential services, to make sure that we are in compliance with the Olmstead Act under the United States Supreme Court and to make sure that we are in compliance with the ADA, is not a business. We cannot just trim fat around the edges. We have to make sure that our friends are being appropriately provided for and that we're not unlawfully segregating them in facilities. So, colleagues, I'm going to drill a little bit more into this as the day goes on. I hope we continue to have a good conversation about the budget, but when we're talking about cuts to essential services--

DeBOER: Time, Senator.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

DUNGAN: --we have to be vigilant. Thank you, Madam President.

DeBOER: Thank you, Senator Dungan. Senator Armendariz, you're recognized.

ARMENDARIZ: Thank you, Madam President. Just to be clear, I am on Appropriations and we did not cut behavioral health aid, nor did we lapse the excess funds that they have available to them. Same with public assistance, same with disability aid. All of those funds remain what they were when we entered this special session. What appropriations was tasked with was finding excess funds that were not being spent by departments. I think it is fair for the Governor to come in, as a new Governor, and say, this is the way we will budget going forward. I think it is a responsibility of, quite frankly, all 49 of us, but especially in Appropriations, to evaluate the funds in all of the agencies to see if there are any unspent funds. I guarantee, in Appropriations, we did do that. We asked a lot of questions, making sure no fund would be unviable after the lapses. We left them still with excess funds. No programs were to be cut. These are funds that are lapsed over and over again, year over year. We did not look just last year. We looked back-- sometimes, 5 years back, in how much they carry over year over year. We had the same conversation during regular session this spring. I think it is a responsibility of the Appropriations Committee to look at these funds every single year to find out what is not being spent. These funds are taxpayer funds. If we have over appropriated funds, it is right to send those funds back to the taxpayer or reallocate them to something the taxpayer is saying they want them spent on. In this case, in the special session, they are saying we want them spent on property tax relief. That is what we are taxed with in this special session in Appropriations. We have found some, not all of the recommendations of the Governor, but we have found some moneys to put in property tax relief because of funds that were not being spent in agencies. As far as DHS-- DHHS, this is the first agency, I believe, the first agency the audit company has started to look into as of last June-- last July. With an audit, it is the intent of any audit in any business to go in and see how the business is being run, see if there are efficiencies that can be made, see if we can actually serve people better and more people. That is the outcome usually of audits. Oftentimes, there comes savings with that. So it is expected to see DHHS have these savings being the first agency being audited. We did ask questions to make sure no child welfare was being cut with DHHS offering their administrative lapse back to the General Fund. And they assured none of those required services were going to be cut with a lapse of their administrative fees. I, I am confident that that is true. All of the Appropriations

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

team members are available for questions today. I encourage to ask. We were in those meetings for several days, asking in-depth questions. We know, we know the answers. Also, the fiscal analysts are on the floor. Ask them any question in depth. Please don't make assumptions. Ask the questions. I appreciate your time. Thank you, Madam President.

DeBOER: Thank you, Senator Armendariz. Senator Dover, you're recognized.

DOVER: Thank you. I'm probably going to echo a lot of what is-- has been said by those on Appropriations. But having talked to Speaker Scheer, a past Speaker, just talking about spending and things like that, and I came to realize that there was a lot of money that was sitting in agencies that was not being utilized, kind of they had their own rainy day fund. And I'm going to-- I'm talking millions and millions and millions of dollars. And when I came down here, that was actually a goal I had. And I was on Appropriations-- that I was going to try to find this money, which, that's not our money, that's the people's money. And if there's money sitting there that isn't necessarily ear-tagged for this or that, I don't think it's right for us to hold that money. We should give that money back. And I really believe that is what we're doing with LB2 and LB3, was we're giving the money back. We're making-- through, through budget cuts and looking at lapses and things. So I was going to come down and do that. The Governor beat me to it. And I do believe, I mean, it isn't-- I know everyone's thinking, like, the Governor is controlling everything or this or that, or he's pushing this, and we need to operate independent as a Legislature. And we-- and with that, we definitely do. But we all know that, basically, the Governor provides his budget and that, realistically, we look at the Governor's budget, review that, and we agree or disagree on what the Governor is recommending. And that's been going on, as far as I know, forever. And so my question is, how many rainy day funds do we need? We have a rainy day fund that has-- approaching \$1 billion in it. Does every agency then also need a rainy day fund? And I don't blame them. I, I think-- I've seen it in whether it's school boards, organizations, all-- I mean, Nebraska Realtors Association, all of them have so many days of operating, right, just in case. And so we looked at that and we did look at the overall cost of the agency, what it would take to operate, do they-- they probably a little bit, but do they need as much as they had? And in some cases, we decided that they didn't need as much money as they were sitting on. And I'll tell you this, is anytime you go into an agency, and even with the legislat-- legislative-- when we went to look-- and we, and we treated everyone the same. We treated ourselves as the same. And we had some ideas for some cuts or

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

whatever, and we agreed on half of them. And then, of course, the argument with, with the Executive Committee was-- some of them on the Executive Committee was this, was well, what if, what if, what if this happens? What if we get sued? What if, what if? And every agency can make that decision. And if, if we really need to, we can appropriate the funds. So I don't think people should sit on millions and millions of dollars on a bunch of what ifs. And it-- isn't that what our Cash Reserve Fund is for? And one, one danger in having-- agencies having a reappropriated amounts or amount that lapses into the next year, is that-- we looked. If it lapsed, and it lapsed, and it lapsed-- we looked at the income. And-- but if it's been there for, I mean, years in, year out, do they really need that? And I'll say they don't, because why don't they spend-- if they really need it, shouldn't that money be spent? And I'll just use a specific, so people understand. So when I came down here, I found out that basically the starting salaries of an LA-- an AA and an LA were \$15 and \$17 respectively. That-- I thought, My God, are you kid-- are you kidding me? My staff gets \$15 and \$17 an hour? And we did a raise. And thank God for Senator Linehan, who came in with raises to get those up. Because she was looking for, I think, legal counsel or whatever, in her committee, and couldn't believe what she could go to the market for to hire that, that expertise. She couldn't compete. So we, we appropriated that money, which means we earmark that-- we earmark that money so that that money could not be taken away. Because we wanted to make sure that the AAs and the LA receive-- and other, other, other staff, obviously, here at the Capitol received the money that they are due, so they can get paid for their, their level, and for what-- of experience, and what they do here. And then the Governor--

DeBOER: One minute.

DOVER: --vetoed it-- thank you. And the Governor vetoed that. Why? He said, look, you've got plenty of money. You don't need to appropriate the money. Just use the money you have sitting there. And that is reoccurring everywhere. And I'm just concerned that we need to appropriate, basically rebase on what's important so that it's earmarked so that it can't be taken away. And we shouldn't be just using leftover monies to actually fund the government. Well, you wouldn't, you wouldn't do that in a regular business. You would have this money is for this-- earmarked for this, this is earmarked for that, this is for salaries, this is for that, and not have a, a slush fund. Slush fund is sloppy, and that's what we're attempting to take care of. Thank you, Madam Chair.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

DeBOER: Thank you, Senator Dover. Senator Fredrickson, you're recognized.

FREDRICKSON: Oh, hello. There I go. Thank you, Madam President. Good morning, colleagues. Good morning, Nebraskans. I want to just kind of start this-- I, I appreciate the conversation. And as we talk about Appropriation bills, I really appreciate the work of the Fiscal Office and the Appropriations Committee. They work very hard every year, obviously. And, and the circumstances we're in, they've been working even extra hard this year, because we're looking to adjust and change the budget that we all agreed upon for the biennium. So just an acknowledgment in-- of the hard work that's been going on there. I have a few comments. And I-- and, and, and I guess I want to talk about this more from a global perspective and, and, and almost just kind of speak, both to my colleagues in the room, but, but, but to Nebraskans back home, who might be wondering, you know, why are we debating the budget? Why are we talking about the budget? What does, what does this all mean, and, and, and almost kind of take this back to a basic civics lessons, of sorts. And our Founding Fathers were very intentional in how they designed funding, taxation, and revenue. And they prescribed to the legislative branch the exclusive, the exclusive power to control spending and taxation. And the reason that this is so important in Nebraska, but also nationally, is that this allows for direct representation from across the entire state in the budget decision-making process. There's diversity of perspective. There are checks and balances that we have within this legislative, legislative, legislative Chamber. And having the Legislature have that exclusive right to the power of the purse is essential. Now, it's been mentioned, the executive branch is certainly entitled to goals and visions and perspectives on what the state's budget looks like, but they do not have the authority to control the state's budget. That's true for the state of Nebraska, but that's also true for the United States of America. And there's very good reason for this. We don't want to have a lack of direct representation single-handedly making the decision on how taxpayer dollars are spent. We have 49 senators who represent diverse geographic regions of our state, which all have very different financial needs. That is why we, as the Legislature, have the authority to make these decisions. I also want to remind colleagues that government is not a business, nor should government be run like a business. Government exists to ensure the safety and well-being of the people. Businesses exist to make profit-- 2 very different fundamental goals and purposes. So I fully understand that as we discuss LB2 and LB3, we, we, as a Legislature, are going to be deciding on whether or not to make adjustments to our budget. But I

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

also want to remind my colleagues that we decided on this budget for the biennium in 2023. And we revisited this in April of this year and approved it--

DeBOER: One minute.

FREDRICKSON: --for the remainder of the biennium. Thank you, Madam President. And we're also going to be going through this entire process again in January for an entirely new biennium, where every agency is going to have to come in front of the Appropriations Committee. They're going to have to make their case. They are going to have to share why they may or may not be sitting on funds, and why they may or may not need those funds. That is the work of the legislative branch. That is how it has always been done in our state. That is how it has been done for this biennium, and that is how it should continue to be done. We need to ensure that we are continuing to maintain the power of the purse within this Chamber because that is what is best for our citizens and that is what is best for the taxpayers in our state. Thank you, Madam President.

DeBOER: Thank you, Senator Fredrickson. Senator Clements, you're recognized.

CLEMENTS: Thank you, Madam President. I'd like to discuss a few items that have been brought up today. First one, you'll see on page 1 of the handout, Legislative Council, which Chairman Aguilar talked about. The line-- the very first line shows \$3.5 million of reduction of, of the un-- unspent money from June 30 of this year. When we analyze that, the appropriation for the Legislative Council was \$17.5 million last year. They spent \$11.2 million, and they had \$6.2 million of unspent dollars. Of the \$6.2 million, we're taking-- proposing \$3,500,000. And so that, that leaves \$2.7 million of the unspent dollars carrying forward to this fiscal year. And the new appropriation for this fiscal year is \$13 million, plus the \$2.7 carrying forward will, will be \$15.7 million available for the Legislative Council Services. That \$15.7 million is compared to actual expenditures of \$11.2 million last fiscal year, which-- we could spend \$4.3 million more than what we did last year and have money to cover it. I did a presentation to the Executive Board. Part of the Governor's proposal was also to remove \$2.5 million from this fiscal year, 2025, and the committee did not take those items. They were in 2 programs. And so we left \$2.5 million in that had been proposed, which is why the Legislative Council will have \$4.5 million available for this fiscal year, above what was spent last year. And when I did a presentation to the Executive Board, I was feeling-- I didn't have

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

pushback. I believe they were acceptable to what I told them I was going to propose. And Senator Aguilar is-- has expressed his opinion. But I think-- opinion of the other board members was reasonable to accept that. The next item that's been discussed is Health and Human Services. Similar situation in Health and Human Services. The administration-- they had a \$216 million appropriation last year. They spent \$192 million of it. They had \$21 million not spent. And \$15 million is in LB2, the amendment to remove, still leaving \$6.2 million HHS did not spend last year. Then there's another \$10 million that was being reduced from the-- 2025, but still leaves them \$195 million of appropriation in the 2025 budget, plus a carry forward of \$6.2 million, gives them 200--

DeBOER: One minute.

CLEMENTS: --\$201 million available for this fis-- this coming year, where they didn't-- they spent 192, they have 291. They'd have, they'd have \$9 million above what they spent last year. They could increase their spending 5% and still have it covered. I also wanted to mention that we did not take any reduction in behavioral health programs, public assistance programs. We did not do public health aid funding reductions. Developmental disabilities were protected. No cuts there. Biomedical research, there was a proposal, \$15 million there. We did not do that. So it was only in administration that we had this \$25 million reduction, and I believe that is still well within-- the amount they were left is well within the amount they would need.

DeBOER: Time, Senator. Thank you, Senator Clements. Senator Ben Hansen, you're recognized.

HANSEN: Thank you, Madam President. And, you know, you don't have to say Ben Hansen anymore, since there's only one Hansen. So. I saw you struggling with it up there. Thank you very much. I, I want to thank the Appropriations Committee for all the hard work they put into the special session and putting all these numbers together, and also the changes with some of the amendments that they have coming forward, and just for clarification's sake. And I know where Senator Dungan and others are coming from when it comes to their concern about where some of this money is being, you know, allocated and, and where it's getting taken away from. But with the new amendments, DED, behavioral health, the-- those are some of the, the main ones. And I know we had some con-- some people had concern with, those are now not going to-- those aren't going to be touched with the new amendment. And so, I know it's a relief among quite a few senators here. And I think Senator Conrad is-- she's, she's right, that we don't have to address

a lot of these appropriations and budget issues to stay in compliance with federal or state law, or, or to maintain current fiscal obligations in relation to property tax credits. But in my opinion, I think to be an efficient and effective government, anytime we have an ability to maybe address certain issues within our budget or appropriations where we can be more effective, I think that's appropriate. But-- so like only addressing the budget every 2 years and then forgetting about it, you know, every 2 years and never touching again, I don't think-- we're kind of doing a little bit of a disservice to the property taxpayers and just Nebraska taxpayers in general. It's kind of like-- I'm trying to think of a good analogy. It's kind of like only like working out on Mondays and expecting to be in peak physical condition. It's something that you kind of have to address, you know, when you have the opportunity, and do it multiple times throughout the week in order to kind of, you know, you know, be physically fit. And so saying, well, we're only going to do it on Mondays and forget about it the rest of the week, and then we're still going to be efficient and effective as a government, you know, I don't, I don't think it is the most appropriate. So I, I have no problem, I think, addressing all these budget issues right now. And I think it's appropriate. Senator Fredrickson, I think, is also right, when it comes to the executive branch of government really doesn't have control in my, in my-- I'm pretty sure I'm right here. They don't have control about how much money they're going to get. The burden of the purse strings is, is upon us as a Legislature. But once they do get money appropriated to them, they do have control about where it's spent. And so I think maybe that's where we have some of the issues here. And that's kind of the rub, I think, sometimes between what, what our job is as legislators versus what the executive branch can do with that money then once they get it. So-- and one other thing I wanted to address, and I think this is some of the literature that we had handed out to us and some of the news articles, and I-- it seems like one of the words that we hear over and over again, and Speaker mentioned it as well, is unprecedented. Unprecedented is not always bad. Unprecedented means it just wasn't done before very much. And so if we're actually taking the approach as a Legislature, as a government, saying we are going to actually start looking at where taxpayer money is located in our government, these slush funds, agencies that are kind of keeping money-- and now, we're actually going to start looking at that, and saying, we don't think it's maybe appropriate that all these agencies and, and committees should have money set aside to do with what they will, when they want to. I don't think it's appropriate to have taxpayer money just floating out into space there for other agencies to use when they want to. We

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

appropriate it. If you don't use it that year, you come back to us and ask for more. I always thought that was the, the appropriate approach of an efficient, an efficient government and, also, that's consent of the governed. They ask us for money. If they don't use it, they have to ask us for more again. So.

DeBOER: One minute.

HANSEN: I, I, I like the fact that we're actually delving deeper into where-- because I'm Chair of HHS. And you want to talk about a committee that has the most amount-- if anybody's ever seen an ant hill or an ant farm, you know, they got all these tunnels that go everywhere, and sometimes you don't know where the heck they even go. That's kind of what HHS is like. Senator Cavanaugh knows. She's been on the committee enough times. Sometimes we got-- there's money floating around in HHS, we don't even know what it does. And so I think it's a good thing. It might be unprecedented, but I think it's a good thing that we're actually kind of looking at where some of this money is spent, and where we can be more effective and efficient, and spend our taxpayers' dollars appropriately. Thank you, Madam President.

DeBOER: Thank you, Senator Hansen. Senator Vargas, you're recognized.

VARGAS: Thank you very much. Thank you to my colleagues that have been chiming in here about the work-- I could only speak for myself. Within committee, there was probably about 80% of the things that I agreed on. And my colleagues know, because I made it very clear what I disagreed on within committee. And I wasn't alone in that. There was a few others that were also in that, in that camp on different issues. The biggest thing for me that caused the most heartache is both a little bit on process on how we do things in Appropriations, and also not knowing how it's going to harm services and actually harm Nebraskans, which was the DHHS \$25 million base appropriation reduction. But the overall majority of the other things, our lapses or our budget reductions, and for LB3, the interest, and, you know, the, the interest or the cash-- the, the cash fund transfers, those are different stories. And I largely supported those. But not having enough information on the \$25 million base budget appropriation was my reason for being no on this bill. Because the \$25 million, we were not given information in committee or through the process on what those cuts are directly coming from. We were given information in verbal communication to our Fiscal Analyst on the day that we were making decisions. Looking my, my members in, in the eye because that's what, what happened. And then we were not given a written explanation on

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

what all those cuts were. We were told that they were, you know, cuts as a result of efficiencies that were identified from contracts, and cuts that were identified from, you know, cost savings. And, and, and there was a lot of language that did not add up to transparency that we're normally used to and what we do in the Budget Committee. And I know that everybody on the floor may, may or may not always agree on everything that we put out in the budget. But this is my point of disagreement, with, with this component of what we're doing on budget adjustments, which is we usually know exactly which contracts or what services would or would not be impacted by doing this. And we are safe to assume that services will be harmed if we continue to maintain these things. And so that's my biggest heartburn with this. This is the reason why I was a no in committee. It's the reason why I'm not supporting it in, in the form it's in. I, I hope that there's more that can be done to address this. Because next year, we can come in with a full look and identify what a 1% or 2%, either with growth or reduction, looks like with a budget. I have made that as a suggestion in the committee several times, because there still are agencies, code and noncode, that I believe either have reappropriations or could take a small reduction in their budget that wouldn't harm services that are non-DHHS related. And I think that some of these things we were able to do because of that, but we were able to do all that we normally had because we were constrained by time, and this was what was given to us as a proposal. And now this being our proposal, you can tell we said no to a lot of different items in a collective voice in the committee, not from a disagreement that there wasn't an intent, but from a disagreement on policy on each of the individual votes. And some of the things we agreed on because we said, OK, we don't have enough of a rationale from the agency that they need to use these lapses to do their work. And because we don't have enough of a rationale, it makes sense that we can lapse those right now. And then next year, they come in and have to make their claim as to what we did. It's the reason why we didn't move forward. There was no cuts on public assistance, no cuts on behavioral health aid, no cuts on biomedical research, no cuts on, on the DD provider services--

DeBOER: One minute.

VARGAS: --or the public health, and really trying to protect those different cuts. But also knowing every agency, next year, is on the clock to demonstrating to the future Appropriations Committee why they need their reappropriations, what they intend to do with their, their dollars. And you heard this from some of my committee members. Because if there's not a rational explanation as to why those dollars are being carried over, they will likely be targeted for cuts next year

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

and deeper base appropriation budget reductions. And that's going to be the result of not having enough of the information brought in the case made. And I want to make sure that the public, and our community, and all the agencies, and every single provider that receives it is aware of that, because that is going to be left up to the process again. And so I-- you know, the majority of this that I agree with in terms of I voted for, but I'm against it on the process of the \$25 million base budget appropriation reduction for HHS.

DeBOER: Time, Senator.

VARGAS: Thank you.

DeBOER: Thank you, Senator Vargas. Senator Dungan, you're recognized.

DUNGAN: Thank you, Madam President. Colleagues, again, I rise, at this point, I think, in favor of the motion to indefinitely postpone LB2. What I was talking about earlier was the findings by the federal government as they pertain to our current DD services. I'm going to ask some questions of some members in Appropriations here in a second to get more to the heart of that. But the crux of the finding from DOJ was that Nebraska fails to ensure that individuals with serious mental illness know about and can access the state's covered services in the community, even though these services are more therapeutic and cost effective than institutionalization. For Nebraskans with SMI, serious mental illness, a lack of access to community-based services, including crisis services, can trigger unnecessary admissions to hospitals or assisted living facilities. We are not adequately providing services, nor are we adequately alerting to the services that are provided, and that's leading to a crisis. We've heard a little bit about the fact that these budget cuts don't affect DD services, because we specifically took out a couple of the line items as they pertain to developmental disability aid and behavioral health aid. Madam President, I was hoping Senator Vargas could yield to a few questions.

DeBOER: Senator Vargas, will you yield?

VARGAS: Yes.

DUNGAN: Thank you, Senator Vargas. You and I were having this conversation off the mic earlier. So I understand that the Governor's proposal and the committee proposal are different, in that the committee proposal did not take any money from developmental disability aid or behavioral health aid.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

VARGAS: Correct.

DUNGAN: It is your understanding that taking the \$15 million still from DHHS administration could have an impact on behavioral health or DD aid?

VARGAS: My biggest concern has been with the \$25 million base appropriation reduction in, in HHS operations. And I think it, it could. Part of the reason is we were not told what contracts were being voided or reduced or changed or ended. And they have the prerogative as the administration to end contracts, it's true. But we also, I think, have a responsibility to know where those reductions are coming from.

DUNGAN: OK. And I think that's kind of my concern, is that when we're talking about this cut in administration, people say, oh, don't worry, we're not touching DD. But all of these base adjustments and these cuts could potentially have that downstream effect it sounds like, and the problem is we simply don't know. Is that fair to say?

VARGAS: Yeah. We, we don't know. And we did not have it in writing. I did-- before we voted on this in final committee, I did ask, did we get anything in writing in regards what these cuts were, and we had not gotten anything in writing at that time. We've gotten verbal, high-level response about it. I know the gov--I know the, the Chair has received more. But, again, it's still line items and not narrative explanations as to what these adjustments or cuts or efficiencies are. And I think that's the rub for, for some of us. And, for me, I-- I'm only going to speak for myself, that not having that information and not knowing what those contracts are make it hard to say yes to something. And that's, that's the pain point.

DUNGAN: And that's, and that's exactly, I guess, what I was getting at earlier. So I appreciate that. And then the last question I have for you kind of links us back to yesterday's conversation, when we were talking about AM84, which was the ultimate bill that passed. Is it your understanding-- or what is your understanding as an Appropriations member, about whether or not these appropriations that we're debating here today are necessary in order to effectuate the AM84 we passed yesterday? Do we need to do this in order to pay for that LB1107 front-load, or are they separate?

VARGAS: Well, if you look at the green sheet, there still is existing right now in the biennium, about \$500 million that can offset what we currently have right now in the biennium. The LB2 represents \$117

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

million in this current fiscal year. But there's also the LB3 interest in transfers is about another \$25 million. So not passing LB2 would, would have a \$117 million delta that--

DeBOER: One minute.

VARGAS: --could be covered from the green sheet. Yeah. So that's--

DUNGAN: OK. Thank you. Senator Vargas. I really appreciate that.

VARGAS: Yep.

DUNGAN: So, colleagues, what, what I'm getting at here, (A) is the cuts that we're making don't necessarily mean that we're not cutting services. And when we have a lack of information over what we're doing in a short session, that's problematic. And secondary, and I think even maybe more importantly, we don't even need to do this. We don't even need to do this to pay for what we did yesterday. So we need to think long and hard about whether or not we're going to effectuate a budget change here in the middle of a special session in order to do what we passed or at least advanced yesterday, and think about if this is the right way to do it. I, I hope we continue to have a conversation. And I'll probably punch in at least once more to go over a little bit more of the concerns the DOJ found with regards to our DD services. Thank you, Madam President.

DeBOER: Thank you, Senators Dungan and Vargas. Senator McKinney, you're recognized.

McKINNEY: Thank you, Madam President. I support the motion to IPP LB2. I rise again because my concern is-- well, I'm concerned about what's going on with DHHS, as well, but also with Corrections, and the \$10 million that is being taken away from the operations within Corrections. And if I'm reading this right, I think they're also trying to take away money from the Correctional Facility Cash Fund and Correctional Industries. But why that concerns me is our correctional facilities are already overcrowded. And we're going to take away \$10 million from operations from an already overcrowded system, from operations. So if we take away \$10 million, how is that going to affect the day-to-day operations of our Corrections facilities, who are already overcrowded. Not all facilities are fully staffed. Not all are working how they supposed to work. So what does this mean that they're taking away from operations? So could Senator Clements answer a couple questions, possibly?

DeBOER: Senator Clements, will you yield?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

CLEMENTS: Yes.

McKINNEY: Senator Clements, this \$10 million that's being taken away from Corrections operations, what does this mean practically?

CLEMENTS: In the hearing, the director of Corrections came in and testified that he's had a number of savings, especially hiring nurses as employees, rather than contract nurses that get \$100 an hour, and can pay them up to \$60 an hour and save money and have in-house employees. And, also, he-- we had \$18 million that was not spent June 30. It's carrying over. And of the \$18 million, we took \$10 million, about half of it. So there's \$8 million still carrying forward, adding to the appropriation of 350. So that \$358 million available, where they only spent 315 last year, so we felt there was plenty of room to do that.

McKINNEY: Have, have they already staffed all tho-- all, all, all of those nursing positions?

CLEMENTS: I don't-- it wasn't mentioned how many were done, but that was a agreement with the-- the director told us that he had that much savings.

McKINNEY: Also, it's to my knowledge that not all of the facilities are fully staffed currently. So if we take away-- if they possibly don't already have all the nursing positions fully staffed and all the facilities aren't fully staffed, do you think taking away this \$10 million could potentially have a negative impact if, in the future, there's a need to increase the level of compensation that is needed to attract people to these positions?

CLEMENTS: I think there is plenty of room. We didn't reduce their current year appropriation, just took part of what they had not spent last year. So they'll have \$358 million available where they spent 315. So they'll have \$43 million more than what they spent last year.

McKINNEY: OK. So whenever that new prison comes online, do you foresee them coming back and ask-- asking for this \$10 million--

DeBOER: One minute.

McKINNEY: --or more, again?

CLEMENTS: I don't know. We're, we're certainly going to want to fund Corrections so that it operates well, so. But--

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

McKINNEY: Because I ask that because when people voted to fund the new prison, they did not vote to fund operations for the new prison. So taking away \$10 million for operations means in the future, people in this body will be voting for more funding for operations, although they'll be cutting operational budgets today, or sometime this week. But I, but I appreciate you. Thank you. And that's my concern. Our prisons are overcrowded, understaffed, and we're cutting budgets from an already horribly ran system, and people's lives are going to be affected. And I hope people understand that. Thank you.

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

WAYNE: Thank you, Madam President. It's time for our "Ebony-Ivory" show. Will Senator yield-- Clements yield to a question?

DeBOER: Senator Clements, will you yield?

CLEMENTS: Yes.

WAYNE: So the question I have is real simple. Do we need LB2 and LB3 in order to fund LB34?

CLEMENTS: Yes, we do. We need to be able to fund the additional money. LB34 has more money than what is currently in the Property Tax Credit Fund, \$185 million. So we do need LB2 and LB3 so that we can give the property tax relief.

WAYNE: Thank you. So we should always end a special session with, with us doing our "Ebony and Ivory." So no more questions for you, but I appreciate it. Thank you. So there we go. I rely on the Chair on this, and he says we need LB2 and LB3. I'm not in favor of LB34. But the reality is, is for those who voted for that yesterday-- and I'm thinking of 3 individuals-- just being blunt and honest about it-- you have to make cuts over here. Period. Where there's a delta, we got to fund the delta. So no matter how we dance it up and try to make it sound good, you voted for property tax relief on the backs of those individuals who rely on HHS, our correctional institution, and other institutions. That's OK. But I want people to clearly understand that-- clearly understand that. And with that, I'll yield the remainder of my time to Senator Dungan.

DeBOER: Senator Dungan, you are yielded 3 minutes, 14 seconds.

DUNGAN: Thank you, Madam President. And thank you, Senator Wayne. I, I always appreciate the surprise time. But this does give me an

opportunity to continue talking about what I was discussing earlier, which is-- and I don't mean to beat a dead horse, but there's a lot contained in here, which is the Department of Justice's findings that we, as a state, are inadequately providing for behavioral health services and DD services. In between the last time that I was on the mic and just now, I was out in the Rotunda. And I was talking to individuals who are experts in this field, who are boots on the ground, working in DD services. What they highlighted for me is at this juncture, it's not just the policy level issues that we're dealing with when it comes to DD. It's not just the decisions that are being made by the department heads that are problematic or not problematic, or the Governor, or the Legislature. It's the actual administration, meaning it's the day-to-day operations in DD services that are becoming incredibly difficult to maintain at an appropriate level. Already, we're not maintaining them at a level we should be. We currently are not providing our, our legal requirements in terms of access to community-based services. Under the Olmstead decision by the Supreme Court, we have an obligation to provide DD services or behavioral health services in the most integrated setting possible, meaning if you are capable of operating in the community and if you want a job or continue to work on community building services, we as a state must provide that to you. And we must ensure that you have actual access to those services. But what we find more often than not is members in the DD community don't have either knowledge of the services that are available to them when it comes to job preparation or community involvement, or things they can do at home, and instead are funneled into assisted living facilities. One of the individuals who they interviewed during this entire, again, years' long process, they say in this letter: one person who's been institutionalized at an assisted living facility in a day program for more than a decade described what leaving would mean to her. She called it freedom. I don't mean to be overly dramatic but, again, these are individuals who often get left behind, who we don't think about. Now, day facilities and day programming can be fantastic.

DeBOER: One minute.

DUNGAN: Thank you, Madam President. They can be fantastic. I know friends of mine who, who go to those day programs. And it's fantastic work. They do job training and things like that. There's people who work in those day programmings that are fantastic people. But we need to ensure that we are getting the appropriate level of care to people who need it, and that we are providing access to a continuum of care. So if you do have crisis management services where you have to go stay in an assisted living facility for a period of time, that you are able

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

to eventually go back and live in the community. We need to trust that folks in the DD and behavioral health community can live in the community and thrive in the community. And we need to do our best to make sure we're doing that. So I think this is the perfect opportunity to have this conversation when we're discussing cutting tens of millions of dollars out of the administrative budget for the Department of Health and Human Services at the exact same time that we are seeing administrative and operational problems in the DD world. Thank you, Madam President.

DeBOER: Thank you, Senator Wayne and Dungan. Senator Erdman, you're recognized.

ERDMAN: Thank you, Madam President. It was a great time to be in the queue. I will have to respectfully disagree with my friend, the "fish whisperer," Senator Wayne, about we're balancing, or taking property tax relief from services that people need. I want to go over these numbers with you, and, and I know what I'm trying to do here is not going to work, because I'm going to try to use facts to change your opinion. And you see, you have formed your opinion with your own set of facts, and so it won't make any difference what facts I present, so it won't change your mind. But I'm going to give it a shot, OK? They talked about Administrative Services and DHHS taking a hit. Let's talk about that. All right? Administrative Services; last year, their appropriation was \$216 million. They spent \$192 million, so the carryover was \$21.2 million. We lapsed \$15 million, which leaves them \$6.2 million going forward. Added to their base appropriation next year of 195, gives them \$201 million, and they spent not 192. Now, the others that they've been whining about is we're taking away services, and I use the word "whining" intentionally. Behavioral health aid, we took zero. We lapsed no money, zero, from behavioral health. Public assistance; we lapped-- lapsed zero, none, from public assistance. Disability aid; we lapsed zero from that. All right? So those 3 categories have nearly \$50 million in excess that we left in place. \$50 million. That's quite a bit. That's not anywhere close to zero. So for having these people stand up and say that we're taking away funding from those who need it the most is not a true statement. But that's not what we do here, because it's all about semantics, it's all about trying to get you to understand how bad this really is. We left all of that money, all right? Behavioral aid, we're going to lapse over \$17 million that they're going to carry over, and they have a \$70 million budget; that's \$87 million, and they spent 59. Think about that. 87 and 59. It's pretty good. And then the next one, the public assistance, they spent \$61 million, and we're allowing them to carry forward \$88 million. So which is greater: 88 or 51? You don't even

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

have to be a lawyer to figure that one out. And then the next one, disability aid; they're carrying over \$21 million. Their base budget is 197, so we're talking about \$225 million; they spent 183. Wow, looks like they got a lot of money. I'm, I'm surprised that someone hasn't thought about that before they start talking about how we're taking money away from services. It's not true. So I recommend that somebody in the queue call the question, and we vote on LB2, because not one person in this body is going to change their mind. So already know what the vote's going to be; we already settled that a long time ago before we got here. So to save a lot of time and aggravation, and people spreading misinformation the rest of the day, let's just vote on LB2 and move on to LB3. That would make a lot of sense to me. So when you get up there and talk about these cuts that we're taking away people's necessities, it's not a true statement.

DEBOER: One minute.

ERDMAN: And if you want to see this, I can show it to you. But that's exactly-- the decisions we made in Appropriations Committee was to keep those services in place so that we didn't have this problem that they think we have, and we don't have that. Same with, with Corrections and all of these other things that they think we're taking their money that's going to stop their operations, it's all smoke and mirrors. Thank you.

DEBOER: Thank you, Senator Erdman. Senator Machaela Cavanaugh, you're recognized.

M. CAVANAUGH: Thank you, Madam President. Good morning, colleagues. I stand in support of M010 to indefinitely postpone LB2. I don't think I can get through even a sliver of what I have to say about LB2 in the 5 minutes. I have some questions, as well, for members of the Appropriations Committee about LB2 and some of the decisions being made. Would Senator Clements yield to a question?

DEBOER: Senator Clements, will you yield?

CLEMENTS: Yes.

M. CAVANAUGH: Thank you, Senator Clements. You were speaking on the microphone just a-- briefly ago of a-- with Senator McKinney about the Corrections \$10 million. Correct?

CLEMENTS: Yes.

M. CAVANAUGH: And you said that the savings were going to be realized by hiring nursing staff.

CLEMENTS: That's what the-- I understood from the hearing.

M. CAVANAUGH: Because they currently are using traveling nurses.

CLEMENTS: Yes.

M. CAVANAUGH: Which is more expensive.

CLEMENTS: Correct.

M. CAVANAUGH: Did they tell you why they're using traveling nurses?

CLEMENTS: Well, it was hard to hire--

M. CAVANAUGH: Nurses.

CLEMENTS: --nurses in-house, but they're finding that they are finding [INAUDIBLE].

M. CAVANAUGH: So-- but they haven't hired the nurses that they need to replace the traveling nurses. So isn't it premature to cut the budget for the traveling nurses?

CLEMENTS: They've already hired some of them. They're talking about some-- you mentioned that some already have been hired, that they prefer being a, a state employee with the benefits they get, I guess, compared to being a consultant.

M. CAVANAUGH: Yes. It's a better deal for everybody to have a steady job, and have the nurses be consistent and be state employees. Absolutely. My question, however, is-- they have had a very difficult time staffing permanent nursing positions, which is why they have had to use the traveling nursing. And my question to you is, are they able to staff state nurses to the point where we no longer need traveling nurses? Because if we're going to take \$10 million away from them, they're not going to be able to hire traveling nurses, and we already have a healthcare crisis within Corrections. So I want to make sure that we aren't just taking away \$10 million that we haven't already backstopped by hiring the people that need to be hired.

CLEMENTS: They had \$18 million unspent June 30 of this year, and we're taking \$10 million of the 18, leaving \$8 million more, so--

M. CAVANAUGH: That's not my-- that's not my question, Senator Clements. My question is, have they hired the nurses that warrant this cut to offset?

CLEMENTS: I don't know if they've hired all of those. I think--

M. CAVANAUGH: Do you know how many they need to hire?

CLEMENTS: And I think there's efficiencies that they're finding as well.

M. CAVANAUGH: What are the efficiencies?

CLEMENTS: That was the only description I received in the hearing.

M. CAVANAUGH: OK. The only description you heard in the hearing for a \$10 million cut is efficiencies, and you didn't ask what the efficiencies were?

CLEMENTS: The director said he was very comfortable with the budget removing \$10 million.

M. CAVANAUGH: The director of Corrections--

CLEMENTS: Yes.

M. CAVANAUGH: --who works at the pleasure of the Governor, because it's a code agency. So his boss told him that he was going to be OK with the \$10 million cut. As we all saw in the email that I shared with you at the hearing and yesterday that Lee Will told every director head that they would cut their budget by X amount, including Corrections, was told in an email to cut their budget, not specific to the nursing program, by \$10 million. And now they're associating that \$10 million to the nursing program, and you didn't ask how they discovered efficiencies? But we still need to pass this? Thank you, Senator Clements.

DEBOER: One minute.

M. CAVANAUGH: Colleagues, I want to hear from every member of the Revenue Committee. Senator Armendariz said to ask questions; Epiphany explained. They did not. I was in there. They did not explain. We're not going to cut child welfare, we're going to cut \$25 million from administrative costs. What are the efficiencies that you have suddenly realized? I'm not denying that there's bloat in government, but just obtuse language like efficiencies is not getting to the heart of

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

anything. And they did this; the Governor did this, the administration did this. His budget office did this while we were working on the biennium budget, when we passed the biennium budget. And, frankly, I think it is galling that members of the Appropriations Committee didn't know that that--

DEBOER: Time, Senator.

M. CAVANAUGH: --was happening. Thank you, Madam President.

DEBOER: Thank you, Senator Machaela Cavanaugh. Senator John Cavanaugh, you're recognized.

J. CAVANAUGH: Thank you, Madam President. Nice to see everybody today. I apologize for being a little late; today was my youngest's first day of kindergarten, so I walked him to school with all of the other kids and my wife. You know, so OPS-- kindergarten starts on Wednesday; the rest of the school starts on Thursday. And so we all walked him up together, even though the other kids didn't start today. And so as a result of this special session, you know, I missed my son Jack's birthday, because my family was on vacation, which is our annual family vacation that happens to coincide with his birthday and my dad's birthday. And so I missed that to be here with you all. And so I said, well, I don't want to miss walking, you know, my youngest to his first day of kindergarten. So I was a little late, so I've missed some of the debate, but I appreciate the conversation and the minutia. Oh. Also, I did tell my oldest-- she asked if we tell jokes here, and I said, well, we say things that are interpreted as funny to adults sometimes. And so she asked me to tell a joke. So why can you never trust atoms? Because they make up everything. So that was the joke she asked me to tell, so now I can tell her that I did that, and I assume she's not watching. But I-- I've been listening to the debate so far; I think there's some-- it seems like disagreements about whether this bill is necessary. This bill, and the bill-- the other bill-- LB3 that's trailing it, is necessary to make the bill that we ran through yesterday work; make the numbers pencil out. And, you know, again, we all keep talking about how a special session is different. There's shorter timelines. You know, the notice of hearing is not 7 days, it's reasonable with publication in the Journal, and reasonable notice so that folks actually have an opportunity to know that a hearing is happening. I know that there are some people who maybe don't fully understand that publication in the Journal is an actual thing that, once published in the Journal, people have a-- would be able to look at that and see that there's a hearing, even the next day-- 24 hours, less than 24 hours notice-- but it would still be published. That is a

requirement of the rules. But it is purposely a shorter time frame. But I-- at the moment, I'm opposed to LB2 because I don't know if it's been articulated, a justification for it, and it does sound like it's possibly unnecessary. But my question, I didn't-- I apologize, Senator Clements, I know you're, you're busy. But if Senator Clements would yield to a question, I just-- I have one that came to me while I was standing here.

DEBOER: Senator Clements will you yield?

CLEMENTS: Yes.

J. CAVANAUGH: Thank you, Senator Clements. And I, again, apologize. Like I said, I wasn't here so I missed part of this. So my understanding is that these costs that are being cut are ones that, that you're saying are lapsing funds? Is that--

CLEMENTS: There are two categories.

J. CAVANAUGH: OK.

CLEMENTS: There's-- the lapse means what they didn't-- had not spent of their budget on June 30 of this year is unspent dollars, so we lapse some of what they had not spent. Then, there is budget reductions for this 2025 fiscal year that is also part of the reduction.

J. CAVANAUGH: OK. I appreciate that. So my question is, do similar fiscal situations come up every year?

CLEMENTS: Yes. There are-- at the end of a fiscal year, there's a decision whether to reappropriate, let them carry it forward, or to lapse some of the dollars.

DEBOER: One minute.

J. CAVANAUGH: Thank you, Madam President. And when is that decision usually made, and by whom?

CLEMENTS: Well, yeah-- I haven't had it done in the summertime. An interim session is usually like next budget year, next January is more common when we start working on the budget.

J. CAVANAUGH: OK. So this is a-- not an unusual situation that there may be funds that are going unspent and that they would be lapsed, but that's normally done in a regular session?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

CLEMENTS: Yes, and almost all of these agencies, their money will lapse next June 30 if it hasn't been spent.

J. CAVANAUGH: OK.

CLEMENTS: We're just doing it earlier.

J. CAVANAUGH: And we would have-- but we will take this up during the next biennium either way?

CLEMENTS: Yes.

J. CAVANAUGH: OK. Well, thank you, Senator Clements. I'm still trying to wrap my head around exactly what we're doing here, I guess. So I'm going to take a look at the handouts Senator Clements gave us, and maybe I'll punch my light again if I have other questions. Thank you, Madam President. Thank you, Senator Clements.

DEBOER: Thank you, Senator John Cavanaugh. Senator Armendariz, you're recognized.

ARMENDARIZ: Thank you, Madam President. Will Senator Clements yield to a question?

DEBOER: Senator Clements, will you yield?

CLEMENTS: Yes.

ARMENDARIZ: Thank you, Senator Clements. So in Appropriations, we did have the director of Corrections come in and explain that this \$10 million that had not been used was OK; no services would be affected. Would you like to expound more on that discussion for us?

CLEMENTS: Yes. After I was asked that question, I thought about more of what was said in the hearing. Besides hiring nurses in-house, the, the Corrections Department is registering inmates for Medicaid, which, in the past, we've spent 100 percent of state money on healthcare for, for inmates. The ones who are Medicaid-eligible now will have help from the federal, federal dollars spending to help with medical treatments. And, also, the director said that they're ordering food in bulk where each facility was ordering their own separately, now they're ordering it in bulk, and have a savings that way. So those were a couple other items that he had mentioned that I had, had thought about after Senator Cavanaugh was talking to me. Thank you.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

ARMENDARIZ: Thank you, Senator Clements, for clarifying that for us. Also was brought up that government is not a business. You, you may agree with that, you may disagree with that. Regardless, in Appropriations-- it is a function, a business function, that we do there. Any time there is-- there are funds, which are taxpayer funds, money exchanged for services, which we do as government, there are business principles that are applied. We do that in Appropriations; we use budgets, we use financial modeling, we use financial analysts, all business-related functions to be fair. I, I do believe that it should be applied. Otherwise, what principles would you use with the taxpayers' money? Throw it in a bucket, see what's needed? We definitely use business principles in government. I do find it interesting as soon as we hire an outside agency to come in and see if we are running efficiency-- efficiently, and they present us with definitely areas that we can improve, even provide better services quicker and more efficiently-- the minute there's a savings found, nobody wants to give that back to the taxpayer. That is exactly what the audit is supposed to do for our taxpayers, is to come into our state government, determine where we could do better, and improve the value of those taxpayer dollars. If we are going to go and fight every single dollar they find, or efficiency they find, that's irresponsible of us 49 members here. It is our job to, every year, go through that budget and find out what is not being used. If it's not being used, what else could we be using it for, for the state of Nebraska, for the people of Nebraska? It's irresponsible to say that agency might not be using it; we can't make them use it if they're not using it. Why would we let it sit there? Why would we not put it--

DEBOER: One minute.

ARMENDARIZ: --to something-- thank you, Madam President-- to something more important to the people of Nebraska? What those people are saying right now is they want property tax relief. There are lots of dollars being unused that we could apply to property tax relief. That is what we called here to do today, and for the last several days. Appropriations spent several days, and questioned every single agency that came to us, and we got detail on whether that agency could be sustained; all services would be sustained. We didn't even move all of their dollars they're not using; they still have unused dollars in every single agency. This is responsible government. Thank you, Madam President.

DEBOER: Thank you, Senator Armendariz. Senator Lippincott, you're recognized.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

LIPPINCOTT: Thank you. As we just heard a few moments ago-- here it is, it's August, and all these different agencies in government-- state government-- I'm sure this is true for the federal government as well-- they come up with their budgets. They have to plan ahead. So, right now, all these different governmental agencies here in the state are getting their numbers together, and they are determining what kind of budget they will have for the next year. What they do is they supply it to our people in the Legislative Fiscal Office. Now, the Governor also has his own fiscal office, so these state budgets do go through several fine-tooth looks in terms of ensuring that their budgets are not out of whack. And if their budgets are somewhat out of kilter, the folks in the Legislative Fiscal Office will ask for additional explanations. So they will come to our committee hearings, and they do have the fine points as to what each agency has. So let's just take it, for instance, a state agency will have a budget of about \$10 million. Well, we operate in a biennium; 2 years. The year begins in an odd year, so coming up in 2025, they'll start with a new biennium. So let's just say an agency has a \$10 million budget; so in an ideal world, they'll spend \$5 million the first year, \$5 million in the second year of that biennium. But, obviously, they're not going to run the numbers all the way down to zero. So what they will do is they will have some reserve built up. I would like to ask Senator Dorn a question, and that's called a base-- baseline. And in this-- well, first off, may I ask him a question?

DEBOER: Senator Dorn, would you yield?

DORN: Yes.

LIPPINCOTT: So in this fictitious situation we have, a budget-- or a, a federal agency will have a budget of \$10 million; \$5 million for each year. But they'll establish a base amount that they want to make sure that they have in reserve. Let's just say it's \$1 million. Explain to me-- OK, go ahead and explain.

DORN: Oh, that base would be the, the \$5 million each of those years. That's-- that would be the base amount or whatever that they-- that we, the Appropriations Committee and the Legislature have agreed that, yes, that is their funding for each of those 2 fiscal years; \$5 million is their base, then.

LIPPINCOTT: OK. But, again, they can run their numbers down to a certain number, and they want to have a cash reserve. And, in essence, those cash reserves aren't always-- sometimes there'll be an excess above the cash reserve, and that's what we've tried to do; we've tried

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

to skim off monies that have not been used. A few moments ago, Senator McKinney asked about Corrections. And Corrections, they had-- I could look these numbers up, but just for ease of conversation here, \$18 million over. And so what we did is we pulled \$10 million out, leaving them \$8 million, so there's an excess there. Is that correct?

DORN: That, that is, that is. Somebody like that, the Corrections, they have much bigger budget than the, than the \$5 million/\$5 million. So if they have a \$200 million/\$200 million, yes, they want to have some funds left at the end of the year; that's the way they normally operate. But we get the data particularly from, I call it, our Fiscal staff. We have them-- a lot of them are here today; they're under both of the balconies, or whatever, and they give us--

DEBOER: One minute.

DORN: --the data and the information of where those funds are at, how much is there. But if we see-- particularly some of these agencies that we see-- \$200 million, and they have \$5 million left 5 years ago, and now they're up to \$15 million. Why do they need-- the question is, why do they need \$15 million to operate when they have that in excess? Should we be at that same base we were at before? And all those questions we have in Appropriations.

LIPPINCOTT: Correct. And so those, those numbers, sometimes they will fluctuate regarding the Fiscal Office and the agencies, and they try to operate as lean as possible. But sometimes, in all agencies, just like in business, sometimes you'll have additional cash money. And that's what we're trying to do, is we're trying to make things as lean as possible.

DORN: Yes.

LIPPINCOTT: So sometimes mis-- people misunderstand it and think it's a cut, and it's not really a cut.

DORN: Yes.

LIPPINCOTT: Thank you.

DEBOER: Time, Senators. Thank you, Senator Lippincott and Dorn. Senator Vargas, you're recognized.

VARGAS: Thank you very much. I do appreciate Senator Lippincott asking that question of Senator Dorn. A couple of items I wanted to make sure that we talked about. One, one is about a base budget appropriation,

and one of the reasons why I'm in opposition to the base budget appropriation for the \$25 million for Health and Human Services operations. The reason why is not an opposition to generally identifying budgets and reducing them. Again, my colleagues and I, we've worked on-- they've seen me do this. I've voted for reducing budgets of different agencies in the past because they didn't bring enough of a good rationale on why they need the money. They were underspending the money, and so this is a way to rebase them. It happens very consistently. And this is the reason why I supported a lot of other things in the, in the recommendations, honestly. But my hard line for me-- which is different than Senator, let's say Lippincott, and a few others-- in committee, is that I was not given a cogent rationale as to why we need to cut \$25 million base appropriations from the HHS operations, which represented about a 10 percent reduction in that line item, in that budget. And when we talk about making 2, 3 percent cuts to try to make government more lean, I'm in support of that, because that's one of the, the conversations we've had on how to actually provide long-term relief and reduce our spending; it is what we've done in the committee for years. The issue I have is doing a 10, 11 percent cut, and not knowing what that impacts, and not having transparency on that. And that's an issue; it's a precedent that we shouldn't set. That's a problem that I am pushing towards the future Appropriations Committee. I'm also pushing toward-- it is not completely in opposition to what Senator Lippincott said. Many times, agencies will underspend, and when they underspend, we will reduce their appropriations at times, because why should they be carrying over more money if they're not fully spending it? At the same time, sometimes, we give them back that appropriation, because they're being fiscally responsible and they're saving their resources, because they don't want to spend everything that they're budgeted. And that's also fiscally responsible. And so I don't think a standard should just be, we take reappropriations whenever they get it. And what I think is a good thing to know is most of these reappropriation lapses aren't taking all of the reappropriations lapses that they have available; it's taking some of them for a lot of agencies. And so the conversations we always had with the Fiscal Office was do they have enough to maintain the-- what they're going to do with their lapses? And the answer was almost overwhelmingly yes. And the-- where's-- when there was a but, really lived in we don't have enough information on things, and that's where HHS came in. And that is my pain point there, because we shouldn't set a standard that we cut a base budget appropriation, not by 1, 2, 3 percent-- by 11 percent-- without having the information on actually what that harms. And that's, that's the issue, right? Like that's, that's something that we shouldn't be doing

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

in the future here, and we shouldn't be doing here today. Now, addressing that would alleviate a lot-- I think some people's concerns, it would alleviate my concern. I still have pain points with how we use our reappropriations in Legislative Council still, as well; luckily, we didn't do a base budget adjustment, which I think was responsible. But it is a good thing when agencies get allocated 100 percent of money, and then they spend 90 percent of it, because it tells us they're not just going to spend everything we budget to them. If they get into a habit of spending everything we budget to them just because they're afraid of being cut, that's a bad habit. That's an incredibly bad habit that I don't want to, to set.

DEBOER: One minute.

VARGAS: That's why I've been transparent, telling every agency and every sub-- sub-entity, or contract designee, that if you're doing services right now, and you're not following through on what you're going to do, you're probably going to be targeted next year. Or you have to make claim as to why you need those reappropriation adjustments and say, hey, we're looking to have a 10 percent reserve so that we don't be over reliant on the General Fund. I think that's OK to state, and I really hope my colleagues in the committee become changed a little bit on this, on this; that it's OK for agencies to carry over 5, 10 percent, 15 percent. But when it gets beyond that, which is some of the instances of why we cut things here, then it's like, well, if you're not spending that much-- which I, I made claim also, even for the Governor's Office-- there's 40 percent lapses in the Governor's Office right now. We could take more; there just wasn't an appetite to do that. And maybe that'll happen next year. But it's our responsibility to keep looking at these things. But I don't want to harm that service within DHHS because I--

DEBOER: Time, Senator.

VARGAS: --don't know what it is and isn't doing.

DEBOER: Thank you, Senator Vargas. Senator Dungan, you're recognized, and this is your third opportunity.

DUNGAN: Thank you, Madam President. Colleagues, whenever we talk about the budget, it's interesting as I turn to the green sheet and I start to get into a little bit of a, a rabbit hole here as to the numbers, and we hear a lot about the green sheet. For those who are watching at home, it's literally a green sheet that we have handed out to us with budget numbers that go into our biennial budget here in '23-24,

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

'24-25, and then estimates in the out years to '25-26, all the way to '26-27. I have stated, since my first year here, that one of my major concerns is the overall fiscal health for the state of Nebraska. And in my first year that I was here, this body passed significant income and corporate tax cuts that get implemented in sort of a stair-step fashion over a period of time. And what I've always sort of been concerned about is just taking a step back, not even needing to be a financial expert, if you reduce the amount of money that you're taking in, but simultaneously try to continue to spend at the same level over a period of time your savings account goes down. I know that personally from my own savings account, which continues to go down because of the great salary that we make here as a Legislature at \$12,000 a year. But that's neither here nor there. And so when I look at the green sheet, what I tend to look at is the estimate for the following biennium. And I try to see is the fiscal health of our state going up or is it going down? And what's interesting, as you look at this green sheet and its biennial budget, the actual end here, the ending balance was \$1.8 billion for '22-23. Stays at about \$1.8 billion for '23-24, drops to about \$855 million for '24-25, drops to \$680 million for '25-26, and then by '26-27, goes down to \$272 million. The next line on the green sheet tells us what we then put into our minimum reserve, which is essentially our savings account. There's a certain amount we have to set aside that we're not allowed to budget, because we want to make sure we have that in our savings, which is an important thing. And for my colleagues who were here before me, who have seen times of economic disparity and downturn, you know that our cash reserves are important. So according to this green sheet, then, by '26-27, we estimate ending with about \$270 million ending balance. Set aside 3 percent minimum reserve, which is \$335 million-ish-- I'm rounding-- and you're left with \$63 million in the hole, which we are not allowed to be. So the reason I highlight that is I have great concern for the fiscal health of the state of Nebraska, and I understand that there's a lot of different elements that go into this. And, again, you could sit down and have discussions with the Appropriations Committee or the Revenue Committee about the intricacies of these numbers. But the numbers on the paper show us that moving forward into '26-27, we're going to be-- we're gonna have a problem. I was wondering if Senator Dorn would yield to some questions.

DEBOER: Senator Dorn, will you yield?

DORN: Yes.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

DUNGAN: Thank you, Senator Dorn. I, I, I'm asking you this because last year on the mic, I think, you made some comments about this that I thought were helpful to explain it. You're on the Appropriations Committee, is that correct?

DORN: Yes.

DUNGAN: And we, in the last session, did a bunch of what is commonly called cash sweeps. Is that correct?

DORN: Yes.

DUNGAN: And the cash sweeps at that point in time, some had argued were for property tax. Do you remember that?

DORN: Yes.

DUNGAN: Yeah. And then at the end of the day, though, I think there were some comments made, and you explained that the cash sweeps that we were doing last year were actually to sort of offset this potential negative financial impact that we would see in the future. Can you speak a little bit more about that and sort of the effect of the cash sweeps, and if we don't do them, and how it leads to the, the potential out-year outlook?

DORN: Want, want to clarify one other thing, though. You, you talked about-- and, and, out there, \$267 million, we'd have-- I wanted to clarify some things first. A minimum reserve that says 3 percent on here--

DEBOER: One minute.

DORN: --when you visit with Keisha, that's a calculated number, about 10 or 11 things. This-- on this page that you were talking about, though, that's our basic in our checking account. That isn't-- yes, we have those funds in our checking account. Our Cash Reserve-- and that is, you-- on this green sheet, you have to turn it over-- that's our Cash Reserve, or our cash on hand, which we use for one-time spending. So that's, that's what we keep in reserve to pull forward, like we're proposing now to do for some things or whatever. So, no, the, the-- you, you are correct. These also, though-- and I talked about it yesterday, the day before-- they have plugged-in numbers out there in the 2 years out of 4 percent revenue growth; we've historically been at 4.8. And they also have a calculated spending amount that we're going to appropriate in there. And I don't remember, I-- probably

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

Senator Clements does-- whether it's 1.5 or 2 percent. So that's how these numbers come about; it's all of those. But--

DEBOER: That's time, Senators.

DORN: --we are, by statute, required to maintain that minimum reserve.

DUNGAN: Thank you. Thank you, Senator Dorn, and thank you, Madam President.

DEBOER: Thank you, Senators Dorn and Dungan. Senator Wayne, you're recognized. Senator Wayne, and this is your final opportunity. Senator Conrad, you're recognized, and this is your third opportunity.

CONRAD: Thank you, Madam President. And, again, good morning, colleagues. Appreciate the good dialogue that we've had in regards to this matter this morning, and definitely have appreciated the constructive and productive conversations we've been having with each other off the mic, and the good faith negotiations that we've been working on with the executive branch and other stakeholders as well, as we try and find, perhaps, a smooth landing to end on a high note in this extraordinary session, session of the Nebraska Legislature together in, maybe, our remaining days. But I think there's a couple of additional points that I did want to inject into the record. And I'm a-- albeit a little rusty from my time on Appropriations Committee many years ago, but I did have the opportunity to serve in that role during my first 8 years in the Legislature. And there are a couple pieces that I do want to lift up in terms of kind of providing context for reappropriated balances, and one, one of the things, and Senator Vargas and Senator Dorn and others have, I believe, already talked to this, but we, we want to ensure that we don't create a culture where we force people to spend unnecessarily. And instead of grabbing money that's unspent, we, you know, reward a more prudent approach to utilizing appropriated funds. So that's one kind of contextual piece that I do want to think about generally. Another piece, in terms of the reappropriations and some of the cash funds that pop out there is, it doesn't happen all that often but, I think, it's maybe every 10 years or so we find ourselves in a situation where instead of having our annual budget, which is based on 26 biweekly pay periods, just how the calendar works out, we end up having a 27 pay period cycle. And that is kind of an extraordinary cost that, many times, is taken care of through reappropriations and unexpended balances. And that's why, at times, they are perhaps higher, or in flux, as agencies anticipate that economic reality into the future. So that's something that I just want to make sure that we're thinking about; that we don't rush in too

quickly, if that would in any way prevent future agencies or appropriators from being able to meet the economic reality of an extra pay period in those years when it pops up. And then, also, just thinking about how some of those reappropriations perhaps have been utilized in the past as well for unforeseen circumstances that maybe don't fit squarely within other aspects of the budget, but they do provide agencies, particularly when we're working on a biennial budget as a citizen legislator-- Legislature, with only 60 days, and 90-day sessions, it does provide a requisite amount of flexibility for agencies to meet unforeseen circumstances, and to be able to expend dollars appropriately that maybe weren't contemplated in the specific appropriation or the General Fund. So the reason that some of these--

DEBOER: One minute.

CONRAD: --balances-- thank you, Madam President-- may be higher, or presently unexpended, are not necessarily an indication that there is a slush fund, or that, that something nefarious or wasteful is happening in regards to those balances. And sometimes it's good to take the sweep. And that's part of a dynamic collaboration and conversation with the agency with the Executive and with the Appropriations Committee to say, oh, actually, we can live with this because of X, Y, and Z. But I just want to make sure that extra pay period component is taken into account, and I want to make sure that we're thoughtful in terms of not setting the wrong culture for spending, and that we have flexibility for unanticipated circumstances outside of the regular budgetary process before we just move too quickly with those, those sweeps and grabs on the reappropriations. Thank you, Madam President.

DEBOER: Thank you, Senator Conrad. Senator Clements, you're recognized.

CLEMENTS: Thank you, Madam President. I wanted to just review some other items that the committee went through, and I've got 6 pages of single-spaced lines here. We had a lot to consider; more than what's just been discussed yet. For example, the Secretary of State; there was a, a request to reduce some of his election opera-- operations, and we-- I did call the Secretary of State, and there were two items that were proposed to be reduced. He said there's-- one of them, regarding elections, he needed the full funding there, but on other operation items, he had enough carry-forward money; he had \$691,000 carrying forward after we took \$250,000. I talked to the Attorney General, also; there was one item that he wanted to protect, and another item that we passed on. In the Department of Agriculture, we

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

heard a lot of feedback about the corn checkoff fund; there was a proposal for a \$300,000 removal there. We did not take anything away from the corn checkoff funds. I just wanted to make people aware of that, that that was not going-- that's not part of LB2. And then also, there was noxious weeds called riparian vegetation funding of \$706,000 that was not removed, that was left in, in the budget, so those are a couple of items that we had opposition from, and we did listen and we excluded those from any cuts. Then, regarding Health and Human Services, the \$25 million being discussed, the-- Senator Jacobson had a bill last year for the hospital assessment; in that bill, it allows the state to use \$15 million for administrating that program. And so \$15 million of the \$25 million can be covered; is allowable to be used for administration. And so more than half of the \$25 million would be covered if they're-- from-- being able to use that. The Department of Veterans Affairs, there was a proposed \$1.3 million lapse. We didn't hear from the Department of Veterans Affairs, but the committee wanted to protect them; they've got some facilities that need more staffing, and we left money in that, hoping that they can get staffed up better. Just going through my notes here. There was a part of State Patrol operations that had \$1 million lapse; we didn't do that one in that, in that particular line. They have 65 vacancies in State Patrol, and we're encouraging them to staff up more, and so they didn't want to cut them back to where they couldn't hire State Patrolmen. Fine. The last one was the Foster Care Review Office, was a proposed \$250,000 reduction in unspent dollars from 2024.

DEBOER: One minute.

CLEMENTS: But we did not take that reduction, and we also did not reduce their 2025 appropriation, so their funding is untouched in the Foster Care Review Office. And so those were just a few of things that haven't been discussed, and I wanted to just review for those people who may have wondered about some of the things that have been brought up during the session. Thank you, Madam President.

DEBOER: Thank you, Senator Clements. Senator Machaela Cavanaugh, you're recognized.

M. CAVANAUGH: Thank you, Madam President. I'm glad that Senator Clements brought up the hospital assessment from L-- LB1087 last year, where the Governor initially wanted-- I don't even remember what the obscene amount of money was from that, but we settled on, I believe it was \$17 million-- \$17.5 million to go to DHHS for an administrative fee. And now DHHS is saying, oh, we don't need \$17.5 million. We can give you 15 to take off from this 25. Guess what this money is

supposed to be for, colleagues? Your community's healthcare. We made a bargain with the Governor to get the money in the first place, and now they're saying they never needed that extra \$15 million that they had to suck out of us, and they can just shift that instead of giving it to your community. So I guess all of your rural communities are no longer healthcare deserts. That's great to hear. I'm so thrilled to hear that. I mean, I know that Senator Jacobson's district had a nursing home close down. I know that because my aunt was one of the doctors at that nursing home, and they sure could have used even probably \$500,000. But we have solved the rural healthcare desert, so let's take that \$15 million to offset the \$25 million cut to DHHS that no one from the Appropriations Committee has stood up and said why we are cutting it. Efficiency is a word, it is not an answer. It does not tell the people who work at DHHS what's being cut; it doesn't tell the people in this body what is being cut; it doesn't explain anything at all about what is happening at DHHS. And Senator Hansen is right. DHHS is just like-- you go in, and you know you're probably never going to come out. You don't know up from down in there. It is complex and messy on a good day. But you do ask questions when somebody cuts \$25 million from one of the largest agencies, definitely the largest service agency. Also, an agency that has statutory requirements of services to be provided, case management ratios, call times, on and on and on. How does this impact federal matching funds? What are these cuts that they are making? I can tell you some of the things, because I asked questions. It's-- that's how you get answers is you ask questions, and then you find answers to them. It's amazing what you can do if you just ask. So let's start with DHHS, and how they are finding efficiencies. Well, they're canceling contracts. They're canceling training contracts and bringing them in-house; contracts that they've had for over 30 years. That-- 50 percent of that contract is paid by IV-E funding, and they cannot claim that IV-E funding if they bring it in-house, because they have to contract with the university to get that money to train their workforce in child welfare. But we've already been down this rabbit hole, where we cut funding by 40 percent-- and now we're going to do it, apparently, by 50 percent for training models. And we've seen the results: literally, children die. Ask questions. When these agencies come in front of you, ask questions. And the answer of efficiency is not an answer. Why is that contract being brought into house? How is--

DEBOER: One minute.

M. CAVANAUGH: --that going to work? What are the metrics? What is the plan? Show me a plan of how, on January 1, 2025, you are going to take over, in-house, the Eastern Service Area training of child welfare

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

that has been outsourced for 30 years with a partner that is also a government entity and subject to oversight. How are you going to do that when you don't have the staff that's trained and skilled to do the training? Ask questions. I am always overwhelmingly stunned at the lack of acquisitiveness of this body and the Appropriations Committee when it comes to money. Senator Clements also brought up the noxious weed. Great that you brought that up, because the noxious weed program, they told Agriculture to just cut their budget by \$750,000. They didn't care where it came from.

DEBOER: That's time, Senator.

M. CAVANAUGH: Thank you, Madam President.

DEBOER: Thank you, Senator Machaela Cavanaugh. Senator Dover, you're recognized.

DOVER: I just want to, I guess, repeat somewhat of what Chairman Clements said. But, basically, with Senator Armendariz's priority bill, LB1087, the Hospital Quality Assurance Assessment Act provided DHHS with, and I, I, I talked to Senator Armendariz; she thought it was around \$34 million. Of that amount of money, \$15 million as Senat-- excuse me, as Chairman Clements said, \$15 million can be used discretionary. So I'm-- so we're not cutting-- first of all, let's get, let's get on table. We're not cutting \$25 million, because we replaced it with \$15 million. So we're talking about \$10 million. And I'll be quite truthful, that may seem like a lot of money. But when you're talking about DHHS, which is the largest agency that we have when it comes-- it isn't-- you have to look at things probably in proportion. Another thing I'll say is, as Senator Cavanaugh was concerned about, we've been doing something for 30 years. Well, I'm just-- I mean, for what it's worth, if we did something for 30 years, that doesn't justify, really, the act that we do it for 31 years. And I, I'll say one thing is, I think, as Senator Armendariz has stated, the job is to question things. Is there efficiencies? Can things be done better? And I, and I do think, they're, they're trying to do things better in the agencies, and question if, if we've been doing these things the same way, is it worth it? And the other thing that, I believe, they came across was there was contracts that were just being automatically extended and, and luckily due to the fact that we come in in 30 days and 60 days, we don't-- I don't think that we really have the adequate time as state senators to do a job as if we weren't here full time. And I-- trust me, I don't want to be here full time. But it's very difficult to do things. So what happens is, we come here and we find out, perhaps, oh, we got this problem here-- we've got

this problem here. Let's address, address it. So, unluckily, we focus on this little problem, which is part of a process. It's one just-- you know, one little, one little, one little stage in manufacturing a service or a product, whatever it may be. And we fix it. OK. And then we go home; we think, oh, we fixed this. So you can say where-- maybe providing a service, there was-- where you're actually handling the documentation to administer someone into this-- into the program or something. And so we, we don't have the adequate people here to staff this. So then you staff that and you fix-- put a Band-Aid there. And then what happens is, they're, they're, they're processing a lot more people, but the problem is the next link in the chain, or whatever, can't handle the increase so you have a bottleneck. So then you create stress, frustration, etcetera, for the people that are doing their best. And trust me, the staff here in the Capitol is doing their best to provide whatever service, or whatever product that they're providing. And so I really say-- I really believe-- I met with Kristen Cox of Epiphany. Very intelligent lady, and people can throw stones at her all they want; I suggest you sit down with her, talk with her, and those kind of things. I think you'll, you'll, you'll find out and respect the woman. What we all agree on, what's being done-- I know, because, trust me, every senator here has a baby, and, and, and we have to feed the baby, and, and luckily, though, when we feed the babies, we give it money. And the question is, is how much money of the taxpayer dollars are will-- are we willing to take from them? And I'll still say, when we're looking at these things, we didn't just go-- we didn't just take the government recommendations. And I'll tell you one thing, I complimented Chairman Clements just this morning that he did not go off the recommendations. We asked questions; we, we disagreed. We disagreed with the riparian money that was spent to keep the river open. We disagreed with the Fire Marshal cutting-- going to a fee structure. We disagreed a lot. But you're not going to hear all the things that we disagreed with, you're just going to hear the things where we believe we did due diligence on the lapses and the cuts, with questions, talking to the staff and did our job. And so I don't know if any cut to DHS-- H-- DHHS would be acceptable to some senators, and I'm not saying that's good or bad, or whatever; I'm just simply saying, I just don't--

DEBOER: One minute.

DOVER: --I just don't think that any, any tweaking or whatever would probably be acceptable. But there was, there was contract [INAUDIBLE] automatically dealing-- and what happens-- another thing that we ran into was senators would come down, we said we need the statistics. So then they would hire some firm to give these statistics that nobody

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

looked at, and we were just automatically renewing all these contracts. So I will give-- I will give the Governor-- I want to thank him. There-- I believe there, there's no-- I mean, what I've been told-- there's no contracts on automatic renewal anyway. And then we're looking at what the benefits are, and can we do it in-house, or do it out-of-house, and what-- in-house, out-of-house, which is the best? It really depends on the situation, and, and what they're providing. So I will-- I do believe that the Governor, through Epiphany, is doing a lot of good work. We can disagree on this or that or cuts and lapses, etcetera, but I-- what-- I think the Appropriations Committee did the best job they could. Thank you, Madam Chair.

DEBOER: Thank you, Senator Dover. Senator McDonnell, you're recognized.

McDONNELL: Thank you, Madam President. Again, good morning, colleagues. Thank you, John Cavanaugh, for telling a joke earlier. Appreciate that. Tell your daughter we, we needed that. Let's kind of recap a little bit about appropriations, and, and what we're-- what we do, and what-- how this process goes. And so you have, you have 80 different agencies out there. And, right now, you have the directors, and they come in, and-- there's got to be a level of trust with those directors, telling us what they need, what they don't need, what they're working on, how this is going to affect them. And, again, as you know this, we just did this in last, last session; you're going to be doing this in 5 months. You're going to be starting over, and the Governor's going to propose a, a budget, and we're going to depose-- or, you guys, whoever, whoever's on the Appropriations Committee, those people will then depose whatever the Governor sends and then, again, this process come to the floor. So I, I, I enjoy this part of the process, but also I think some people that have never served on Appropriations you have to understand that there is 80 agencies. We're talking about \$5.4 billion budget. We're talking about-- in this process today, the 21 of those, those agencies, and, and the testimony that came in and, and we received. Now, when I got here in '17, I, I, I, I felt-- and maybe it was impractical-- we should have zero-based budgeting. We should have performance-based budgeting. Every year, we should start, start from zero, have them justify every dollar. Now that's not realistic when you're looking at 80 different agencies, \$5.4 billion. But sometimes I think we get caught up with, oh, well that's Agency 72's money; that's Agency 42's money. No it's not. It's, it's the taxpayers' money. Every dollar of it is the taxpayers' money. So if you and people that are elected in the, in the future decide through the budget-- and the current Governor; again, he starts the

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

budget process-- decides that we're going to prioritize Agency 4 versus another agency, that's part of the process. Now, when I say there's got to be trust, I believe what those directors, that trust sometimes also has to be, be earned through the process and the relationship and getting the information we need as the Appropriations Committee, but also for, for all of you. At this time, I know it's condensed. I know we spent the last few weeks since we got here on June 25 as Appropriations meeting. But, also, I want to make sure that, that you know, we are, as Appropriations, trying to get you the best information we have. If we don't have it, and we can't answer that question-- and I think Senator Clements has done a, done a great job. I believe Fiscal always does a, a good-- since I've been here for, for 8 years with the Fiscal Office, there's been some changes. A lot of people that worked in Fiscal that, that, that I miss, but they were replaced by good people. And, and they are getting more experience, like all of us. So, yeah, rely on us as the Appropriations Committee. You know, rely on the, the Fiscal Office and those people that, that work on this every day. And, again, if a, a director-- reach out to those directors, and I, I encourage you for next year. And also, please, we'll try to get you any information here this afternoon after lunch, which, I think, everyone needs a, needs a break. But please, continue to ask your questions. We brought something forward as the Appropriations Committee that we felt, after going through those, those hearings with the directors and others in the public, that this was the best approach where we are today for the citizens of Nebraska. Thank you, Mr.-- thank you, Madam President.

DEBOER: Thank you, Senator McDonnell. Mr. Clerk, you have a motion on your desk.

CLERK: I do, Madam President. Priority motion. Senator Ibach-- excuse me, items first. Senator Brewer, amendments to, to be printed to LB34A, and a new LR (LR25) from Senator Wayne recognizing that the Legislature offers its condolences to the family, friends, students, and the community of Elmer Joseph Crumbley. That will be laid over. Additionally, a priority motion. Senator Ibach would move to recess the body until 1:00 p.m.

DEBOER: Colleagues, you've heard the motion. All those in favor say aye. All those opposed say nay. We are recessed.

[RECESS]

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

KELLY: Good afternoon, ladies and gentlemen. The Legislature will adjourn shortly-- convene shortly. Members, please record your presence. Roll call. Mr. Clerk, please record.

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

KELLY: Mr. Clerk, for announcements.

CLERK: I have none at this time, Mr. President.

KELLY: Returning to the queue. Senator Blood, you're recognized to speak.

BLOOD: Thank you, Mr. President. Fellow senators, friends all. It's nice to see the Chamber has filled up this afternoon. I stand opposed to LB2 and in support of the IPP. And I'd like to say, because I've listened to this all morning long, my personal opinion on what I've heard. I really wish people had to serve in some sort of previous government position before they could be senators because today's comments on the mic are leading me to explain why they don't seem to clearly understand why we can't run government like a business. We can't run government like a business. And when our Governors or Senators say this, it shows that they don't have the basic understanding of the roles of the public and private sector. We shouldn't want to run our state government like a business and a business should never be run like the government, and I'm going to explain why. And I'm going to give you examples too because I'm guessing I'll have to do it twice on the mic. So clearly, not everything has social value-- boy, I just can't talk today. I should've gotten on the mic earlier. Not everything that has social value generates profit. And, unfortunately, not everything that does generate profit can be considered something of social value, like the Kardashians. That's a good example. So fashion, sports, gambling, pornography, they may not have social value, but unfortunately they generate a lot of profit. However, you can't argue that our police, our fire, our parks, our public schools, our military, that they have no social value, right? But they couldn't exist if we expected them to make a profit. I mean, wouldn't it be wrong if, like, Officer Smith from Bellevue knocked on my door to let me know that for only \$125 a week, they'd be happy to drive me-- by my house to help keep me safe. And maybe there'd be, like, different tiers where they could offer additional services should an emergency arise. So I gotta say that, after today, I feel so sorry for so much of our staff in the Nebraska state government because it used to be that if you had a state job, you were in the catbird seat. There is good pay, there is good

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

benefits, there is decent hours. Much of that has changed, which has led to a long list of job openings that now the Governor says are not needed because they haven't been filled, ignoring our very low unemployment rate and limited pool of qualified applicants that the media continues to report on. So not everything that is profitable is of social value and not everything of social value is profitable. Our role is to provide useful services to Nebraska residents to plan, fund appropriately, implement, and review. Now, I'm going to lead to a little history where many of our leaders have continued to show us that they also don't always seem to understand the most basic reasoning behind why we do not run government like a business. So I'm going to start with Governor Ricketts. You remember that he created the Center for Operational Excellence, touting Six Sigma. I remember that very clearly because I was in the hearing when they sent that department in to talk to us. That was their guiding light. Six Sixma-- Six Sigma is used at many levels of business. Our Governor claimed that it resulted in a hard savings of \$100 million. But then I look back at things like the no-bid contracts. I remember Nomi Health, the testing sites, the transport service during the pandemic where people literally died because it didn't work. I remember "Teflon" Dave Heineman. Did we ever collect the money back from the Lieutenant Governor who had to leave because he was busted making multiple calls to ladies other than his wife? I don't know. That's just a question that came to mind when I was thinking about this. Were we reimbursed? But on a more serious note: he privatized child welfare in 2009, and four of the five private contractors pulled out because it was such a bad idea. It didn't work. We had to repay \$22 million of misspent funds--

KELLY: One minute.

BLOOD: --back to the federal government related to the botched privatization-- later reduced to half of that amount, by the way. But wasn't that the same period of time that they found, like, payment checks in some department safe? I think it was. I'll have to double-check that one before my next turn on the mic. Senator Erdman was talking about the university. Senator Erdman, in 2001, they took \$20 million in cuts. And then the following year, Governor Johanns wanted to take another 3%. So it's not like they haven't been picked on for a very long time. Ben Nelson cut the previous administration's budget by 64%. And to be really honest, I don't remember any scandal, but I do remember him saying that if we didn't stop unfunded and underfunded mandates, property taxes were going to rise. But just like this special session and the previous 8 years, we're going to ignore

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

that and just put the blame on local municipalities when we're the ones that created this property tax problem. And now--

KELLY: That's your time, Senator. Thank you, Senator Blood. Senator Dorn, you're recognized to speak.

DORN: Thank you, Mr. Lieutenant Governor. First time I spoke on the mic here for our budget process or whatever, we, we got called back into special session and some of these proposals that came forward from the Governor and such. Really like to thank-- thank, I think-- when I had some questions asked me-- thank our Fiscal staff. As we visited with them, what-- we, we think that-- or at, at least I do-- I know maybe some other senators too-- some of the challenges that we have coming back in our special session. I would really like to thank the Fiscal staff, Keisha and all them. They had to prepare before we even got here on some of this stuff. They had some of this stuff to look at. And then they had kind of a timeline for us. We kept asking them questions and very good at coming up with information or data. Many of these proposals that they've talked about this morning that-- coming back from agencies or brought forward to come back from agencies, many of them were, I call it, the lead contact with that agency. They did-- they contacted the agency and why this, why this, why this? And that was very, very helpful as we went through our process of discussing these different items and whether or not we decided to put them into, ultimately, LB2 or LB3 as it came out to the floor. Really like to thank also Senator Clements. I think he did a very good job when we came forward with the-- this proposal this special session. All of these items, it looked kind of daunting-- or, to me, it looked like, boy, this is a lot on our table. We, we-- he did a very good job of structuring the, the committee-- the daily things we had to do in keeping us on focus and getting it done. I also want people to remember a couple other things or what-- well, first, I want to talk about the green sheet again. I apologize for talking about it all the time, but. Senator Dungan, I-- he asked me some questions. Year '25-26, '26-27, those are the budgets we're going to make when we come back and have our regular session here in January. These numbers in here are plug-- plugged-in numbers. I talked about-- revenue's plugged in at 4%. Historically, we have been at 4.8%. Senator Linehan brought a bill even I think 2 years ago that-- why are we using 4.5% or 4.8%? We should be using a higher number or whatever because some of the revenue during COVID and everything had been higher. Remember talking to Tom Bergquist, our former Fiscal analysis [SIC], and he said, these are plugged in for a reason because they take emotions out of it. They're guidelines for you. You get to look at them and say, if the revenue is at 4% and if the appropriations are

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

at 2%, this is what will happen. It takes the emotions out of it. We have a Forecasting Board. Four times a year, they forecast what the revenue's going to be. And that is also then how we make our budget next year with some of their forecasts. The final budget coming to the floor will be based on their April forecast. So we get to narrow that down. These are projections out there, 2 years out. If we have this revenue, it grows at this amount. And we appropriate it this amount, this is what will happen. This body-- this legislative body still has control over all of that. These are just, I call it, projections so that you, as we meet here, can look at these and say, oh, if I decide to, I call it, appropriate \$25 million extra, that's going to impact this line over here. Or if we have an extra \$50 or \$100 million in revenue, that will also impact that line. These are guidelines for you to look at. Those are not there. The '22-23, '23-24, those numbers we have passed already. Those are there. So we know what those are going to be like. They also put on there things that--

KELLY: One minute.

CLERK: --we have intent to do. We intend to in '27-28 appropriate \$200 million from our cash fund into our General Fund to help with what was going on. That's intent. Next year in the budget-- we had a lot of discussion about this. We can intend to do it. It's still up to this body to pass that into the budget. Intent in the budget next year doesn't automatically put it in the budget, but we intend to. It's still up to this body to do it. So I want to thank everybody for a lot of work they did. Thank Senator Clements for answering many of the questions. Appreciate a lot of the questions people had, how we went through this. Thank you very much. I re-- yield the rest of my time.

KELLY: Thank you, Senator Dorn. Senator Armendariz, you're recognized to speak, and this is your third time on the motion.

ARMENDARIZ: Thank you, Mr. President. Just speaking to the citizens of Nebraska, I want to caution you to temper the emotional rhetoric that might be heard. Emotions are born from our basic instincts, our fight or flight instincts, which are very helpful. They help us make very quick decisions in urgent cases. But they also prevent us from making logic and reason decisions. My impression is that 49 of us were elected because we can rise above the emotion, which is triggered in a lot of these discussions, but we can rise above them so we can reach the logic and decision-making that you all elected us to do. I can say that we did that in Appropriations. And I want to bring out-- bring up Senator Conrad's comments earlier today in not making hasty decisions on these lapses. And she also gave us credit on the appropriations

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

that she would leave that to the appropriations teams, the directors of those agencies, to make those decisions, which we have. We did use our logic and our reason and asked appropriate questions to make those decisions. I can speak for being in that room. None of the nine of us were emotional in making the decisions we made. We did our due diligence. We did our work to make the appropriate calls. We also do rely on the directors of those agencies to do their jobs and advise us. We as a Legislature control the purse strings, but we do not run those agencies. We can give suggestions. We can even put intent language when we appropriate money. But the directors run those agencies. And we do rely on their advice and direction. If they have lapses, they advise us on what should be done with those. We took that into consideration. We evaluated each one. Like I said previously, we did not take all of the suggestions from the Governor. We looked at each one individually, decided which one made reasonable sense, and moved on those ones only. With that, we are still available for any questions going forward. Thank you, Mr. President.

KELLY: Thank you, Senator Armendariz. Senator John Cavanaugh, you're recognized to speak.

J. CAVANAUGH: Thank you, Mr. President. Good afternoon, colleagues. Well, I was going to yield my time to Senator Machaela Cavanaugh but, first, since Senator McDonnell appreciated my last joke, my daughter asked me to tell some. So I'll tell you another one. What do you call a dead polar bear? Whatever you want. He's dead. He can't hear you. So anyway. So I would yield my-- remainder of my time to Senator Machaela Cavanaugh.

KELLY: Thank you, Senator Cavanaugh. Senator Machaela Cavanaugh, you have 4 minutes, 27 seconds.

M. CAVANAUGH: Thank you, Mr. President. Thank you, Senator John Cavanaugh. I'm going to counter that with an equally corny joke that I heard at the doctor's office this morning. They apparently have a joke-a-day calendar. And what do you-- what has five toes but isn't your foot? It's my foot. Ha-ha. Woo. We're really doing great today. OK. So had some conversations over the lunch hour about what we're doing and how to proceed. And there are things that I have brought up in this budget that I've asked on the microphone and I have yet to get answers on. We are cutting \$25 million from DHHS for efficiencies, but we don't know what those efficiencies are and I would really like to know. Are we cutting, like, paper supply? Are we cutting employees? Are we elim-- is this just an elimination of vacant positions? If it is, are those vacant positions statutorily required to exist? What

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

vetting has been done on those efficiencies? And no one has given me an answer other than "efficiencies." And I don't just cut budgets for efficiencies because that's not a thing. I want to see what I'm cutting. Are we cutting staff? Because it's administrative. Well, administrative can be staff. What staff is it if it's administrative? Is it support staff for child welfare? I don't know because we don't know because nobody has answered that question. The same thing for Corrections. The \$10 million cut from Corrections for the nursing. How many nursing positions are open? How many have been filled? And how many are currently being hired out by traveling nurses? Then there's the Medicaid with Corrections. Fantastic. Wanted that for a long time. Kudos to the Governor's Office for getting on board with getting people who are incarcerated on Medicaid if they can. But it's not that easy. You can be on Medicaid, but the Medicaid expenses can't be covered for things while they are incarcerated. It-- the-- that reimbursement for Medicaid is when a patient has to leave the government facility for more than 24 hours to seek medical care, then it can be billed to Medicaid. So have they run the math on that? Is that equal to the savings that we are cutting from the budget? That is an answer I would like to have before I cut \$10 million in healthcare workforce for the Corrections facilities, which are woefully understaffed. And I don't think that that's an unreasonable question to ask of the Appropriations--

KELLY: One minute.

M. CAVANAUGH: --Committee. Thank you, Mr. President. OK. Senator Dover went on about my bringing up of the 30-year contract for the training for the child welfare workforce. Let me explain. Yes. Just because you've had a contract for 30 years does not mean that you should continue to have the contract. They go through a competitive bidding process and they are awarded the contract. Why do we keep awarding it to the Center for Children, Family, and Law? Because they are the only ones qualified in the state to do it. That's why. And by contracting with them, 50% of it is paid by federal IV-E dollars. Those IV-E dollars are not easy to get. They're very specific. They're not like all the rest of the federal dollars, which aren't also-- also aren't easy to get. But--

KELLY: That's your time, Senator. You're next in the queue, and it's your third time on it.

M. CAVANAUGH: Thank you, Mr. President. So, so the-- we're-- 50% of the contract for training child welfare workforce is paid for by the federal government. If we bring it in-house, we lose access to those

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

IV-E dollars. So they can provide-- they'd have to be able to provide the training in-house for less than the 50% because right now the state is only paying 50% of that cost. Is that what's happening? And, if so, what is the plan? And, yes, you can bring the services back in-house. Believe me, I fought for several years to bring child welfare back into the state. I understand that. I understand the value of that. I do. It doesn't necessarily mean it's going to be less expensive. And we don't have a curriculum. We don't have a training program. The employees that work for the state currently are not able to deliver the same level. We don't have metrics for evaluation. It's going to be another rendition of everything that we went through with Saint Francis Ministries when we were-- I, I can't even go through that again. That is like drowning in water. We had truncated our training program to, like, weeks. And now the Department of Health and Human Services is planning to do on-the-job training for case management. And I wonder if anyone on the Appropriations Committee knows anything about that in these efficiencies. I'm pretty sure we're going to be hearing from the courts early next year that they don't appreciate these efficiencies in how child welfare is being trained at DHHS because we heard from them a lot when we were experiencing the efficiencies of shortening the training period that used to be several-- I think it was 10 or 12 weeks, down to 9 weeks, then down to 6 weeks, then down to 3 weeks. And now we're bringing it in-house and having it on-the-job training. It's not gonna be that easy. What are the efficiencies? And then we have the fact that we are bringing all work-from-home state employees back into buildings where we don't have office space. So when we're cutting administrative costs, I have to ask the question, have we accounted for the fact that we need to now rent office space for all of these employees? Because we did, in fact, find efficiencies in having employees work from home-- starting in the pandemic and moving through-- by eliminating some of the leases we had on office space. That was a huge efficiency that we are now going to have to bring back. Is that accounted for? Are these efficiencies in addition to that? Does anybody have an answer to any of this-- to any of this? You can't just have somebody show up and say we want to cut this by \$10 million. How-- what are you cutting? Well, we found some efficiencies in our-- in how we deliver health care in Corrections. OK. What does that mean? What does that look like? Because healthcare is expensive. It is hard to find efficiencies in healthcare. Not that you can't do it, but it is hard to find. And healthcare in Corrections, that's really hard to find efficiencies. Were these questions asked and were they satisfactorily answered? What are they cutting from DHHS? And--

KELLY: One minute.

M. CAVANAUGH: Thank you. They're cutting \$25 million, but now they're willing to shift \$15 million from the hospital assessment back to HHS. So that \$15 million that they're willing to give back to HHS, what is that that you're no longer cutting? What is it that's being negotiated here from \$25 million to \$10 million? What is off the table for cuts within DHHS's budget? Is there any answer to any of this? Because it doesn't seem like it, and it doesn't seem like anyone on the Appropriations Committee is willing to get on the microphone and give details. Yes, you listened. We all listened. We all watched the hearings, sat in the hearings. Where are the answers to these questions?

KELLY: That's your time, Senator.

M. CAVANAUGH: Thank you.

KELLY: Thank you, Senator Cavanaugh. Senator McKinney, you're recognized to speak. Senator Blood, you're next in the queue and recognized to speak.

BLOOD: Thank you, Mr. President. So I'm going to go on. Business is not government. Government is not business. I stand against LB2 and in support of the IPP motion. And I want to address real quickly-- because I, I don't know if you guys learned this at a ALEC conference, but I keep hearing this over and over again: it's about logic, not emotion. But clearly, if you want to better define logic, you have to have emotion because it helps us judge and place value on the facts. So you can say whatever you want about when people are emotional. But Senator Machaela Cavanaugh, for the many, many times that she has brought things forward to us and to the media, she's been right and spot on every time. So you can say whatever you want about the way she delivers, but she's usually right. And it's really unfortunate that it takes someone having to constantly bring it to our attention for us to catch it. And I blame some of that on term limits. But I want to keep going about some of the history of some of the things we've seen with Governors. You know, when my peers and I started 8 years ago, Nebraska was \$2 billion in the hole. Previous Governors, previous legislators helped that happen. You know the one thing that has never happened-- and you talk about let's run business like a government and whatever-- government like business, sorry-- it's-- there's never been a real strategic plan. Yeah, there is Blueprint Nebraska, but that was really to shore up what they wanted to have done with economic development so they had something to refer back to. If our state had a strategic

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

plan, a living, breathing document, regardless of who replaced what Governor, you'd have that plan, that plan where you brought in staff, where you brought in state senators, where you brought in citizens, and you'd say, OK, here's our goals for the next 1, 3, 5, 10 years. How do we meet those goals? How do we generate that revenue? How do we make sure that our policy and our budget mirrors those needs? And then you keep meeting year after year. OK. Well, we thought we needed to, to meet this goal, but we haven't met this goal. Why not? What's wrong? Is it still a goal that we want to meet? We don't do that. Instead, we have term limits and we keep bringing in new people and we keep bringing in new Governors. And every single time that happens, things change. Our priorities changed. They change sometimes when we maximize a certain party or minimize a certain party. They change based on the background of the Governors who think they can come in and just sweep things away that was done previously and start afre-- start anew. And you know who suffers? Nebraskans. Our staff. Look how many people have left Nebraska government in the last 12 months. People that have retired earlier than expeca-- expected. Why do you think that is? Because it's been such a fun place to work in? Hah. I would beg to differ. We have somebody talking about a really important aspect of the budget. A budget where basically we're going to say, you got to cut. If I went up to Senator Hughes and I said, Senator Hughes, I know that you make \$1,200 a year. And I need-- thanks, Senator Jacobson. That was a nice little ditty on your phone. And I said, you know, I need you to take \$2,000 of that out of your budget. And I know that right now you live in the back of your station wagon. You're going to have to make the decision whether you can park it at a truck stop or just keep it in your stall--

KELLY: One minute.

BLOOD: --across the street. But I need that \$2,000. We're asking people to make ridiculous decisions without any planning. It's just like why we're here now. We've got to bring property tax forward. Absolutely. We could have gotten it done when we were here in session, but there really wasn't good negotiating. Now we're here and we're like, we just got to do something, so let's do something. And I agree, we did something. Senators, we've got to plan better. I encourage you to push for a strategic plan so whatever you leave is something that someone can jump on board with and know what direction Nebraska should be going. Because we should be so much better off than we are right now. And we need to quit pointing fingers and we need to move forward together as a group. Thank you, Mr. President.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

KELLY: Thank you, Senator Blood. Senator Jacobson, you're recognized to speak.

JACOBSON: Thank you, Mr. President. I was listening this morning to the testimony and-- I guess that's what it is, that-- I-- listening to the filibuster this morning from those who are complaining about how much this special session was costing but yet we're going to waste time this morning saying the same thing over and over and over again. That's what I call a filibuster. If there's new information, let's have it. But I haven't seen any new information. But I want to speak to a couple of things. Very often we complain that the Governor gets involved and the administrative branch is meddling with the legislative branch and they shouldn't do that. Well, you know what I'm hearing this morning? Is I'm hearing the legislative branch trying to tell the administrative branch how to run their agencies. Is that not what you're hearing? When did the Legislature who makes-- who meets 60 and 90 days every other year better equipped to decide how to run the agencies than the agency directors who report up to the Governor? What do we elect a Governor for and why do we have director-- agent-- directors of agencies if individual senators are going to tell them how to run their agency? That baffles me. That's not how it's supposed to work. We ask the Governor to cut state spending; and when he does, he gets criticized for it. Tell me the difference between the CFO, Lee Will, sending an email to state agencies telling them to find spending cuts before the special session or having him do that before a regular session. Is that not the prerogative of the Governor's Office, to tell agencies that we want them to make cuts? I think that Senator Clements has made it abundantly clear that the Appropriations Committee has reviewed those numbers and they actually cut back some of what the excesses were. Let's also recognize where we are. OK, we're in August and we're going to be meeting again in January. And these agencies are not going to run out of money between now and then. And we're going to be meeting again, and we're going to be looking at a new budget for the coming biennium. We are-- it just blows me away that we can't cut property taxes, which we all ran on. Many of us took it to heart. Many of us ignored it. It was just talking points until the next election. But many of us took it seriously and are trying to find a way to return dollars back to property taxpayers who are being taxed out of their homes. And don't kid me, I see the emails that are being sent to all senators. So every senator in this body has gotten those emails. But some have chosen to ignore them. And then when it comes to sales tax, well, now we hear the mantra that these-- this is the Governor bringing these mean-spirited cuts. Mean spirited. No. The Governor is doing his job, trying to find solutions and offering those solutions

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

to the legislative branch, who then makes the decision what they want to do. That's what's happening. So we can't make cuts to property taxpayers by taxing items that will not even remotely impact low-income people. And when you include inco-- earned income tax credits, low-income people would do, do better with what we were proposing. But we can't do that. And instead, we're going to demagogue that and say they were going to be hurt when they weren't. They were going to be the ones who are going to benefit the most.

KELLY: One minute.

JACOBSON: And then we get to the point here now where the Governor has proposals to the, to the Appropriations Committee who brought those proposals to help fund the rest of the dollars needed to front-load the LB1107 tax credits. And now we're going to fight spending cuts. So those listening at home, you want to know why it is so hard to cut property taxes? Because there are so many in this body who do not want to cut spending. And if we don't spend those dollars, you know what's going to happen next year? There will be bill after bill after bill to spend money. And they're going to say go to these particular funds, take the money there to fund it. That's how it works. Thank you, Mr. President.

KELLY: Thank you, Senator Jacobson. Senator Vargas, you're recognized to speak, and this is your third time on the motion.

VARGAS: Thank you very, very much. Colleagues, I wanted to talk about a couple of the different lapses here, and especially since the conversation's about cuts versus lapses. A couple things that are worthwhile to note. When we work with the Fiscal Office, especially on lapses, we try to look at what happens in the long term, what happens-- like, how, how often do lapses exists for committees? A good example is in Corrections. We've had years where we had lapses of even \$90 million-- you know, a little bit less now, but those lapses that we've seen are sometimes as a result of hiring freezes, probably because we couldn't actually hire the staff, we couldn't get people on board. Sometimes it's because of a lack of implementation of different initiatives. But we are trying to look at historical as much as possible, and it's one of the reasons why a lot of the lapses that you, you don't see in here that the committee didn't take were lapses where we didn't think that they were sustainable. We thought that they were potentially unfair. And we wanted to try to treat them as, as fairly as we possibly can within the system. That's some of the explanation behind some of these lapses. It's why we didn't take some of the other DHHS lapses. It's why we didn't take the State Patrol

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

communications system lapse or the election administration lapse or the state disbur-- disbursement unit lapse-- or, sorry, the PSC lapse of broadband bridge. It was largely because of that. And I know it's easy to look at it as whether or not we are cutting or not cutting. It's more whether or not we are letting them carry over more funds, which historically they never fully utilized those funds in the last 8 years. But the reason, again, that I've been against the, the bill has been because of the HHS, because of process, because of not knowing what the cuts do, because not knowing what the actual adjustments within HHS administration actually are affecting what the contracts are that they've lapsed. That's an issue because if we don't know what those are, it's, it's bad governance on our part and we have to try to do a better job of addressing that. And it's, it's an issue. We don't normally do this. We don't look at a 10% budget-- base budget reduction. Lapses-- you know, we do them from time to time and we voted for them, many lapses, in the past on different things. That's not as uncommon. But doing base budget reductions is uncommon unless there's a, a functional reason for it. And we're being told that there is a functional reason, but I'm not seeing enough evidence that there is yet. And we've asked for that and we still haven't received it. And I think that if that rationale's going to come, it can come through the base budget recommendations here in the biennium. I think it's a much more responsible way of being able to address a base budget reduction. Even if it was a base budget reduction of, like, 1% to 2%, that would be a lot more normal and more consistent with what we see with other agencies or what we even operate with when we start, you know, base budget reduction. I, I know Cle-- I know Dorn-- you know, we have done this where we look and we have a 3% sort of across the board identified within agencies. And then we kind of look to see what those cuts mean, whether or not it means an FTE or a contract or a vacancy not being filled. And that's typically what we have done when we're looking at those cuts. We did not do that because they did not give us the information on what that 10% reduction base looks like, which is a concern. And so that's the reason why I'm opposed to it. The other items, I am either supportive or I don't think that they're harming, largely because we asked these questions of our--

KELLY: One minute.

VARGAS: --side of Fiscal and also the Governor's side to try to make sure we're getting as much information as possible and looked at the historical trends on spending because historical trends on spending is the most eye-opening. And it's the reason why I'm most concerned about base budget reductions with HHS when we have a lot of volatility with HHS needs. And next year, they can come in and say they need \$30

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

million added. And it is incredibly difficult to add that back in. And I don't want to put us in that position where the body or the committee won't do that if we don't have the, the extra revenue and do it a little bit too reactive rather than responsive is what I'm seeing right now in this proposal. So with that, still opposed because of that HHS \$25 million cut. The remaining amount of about \$95 million, it is-- I am fine with. I am OK. Some of them I'm in support of. And it was the work of the committee to--

KELLY: That's your time, Senator.

VARGAS: --figure out response to lapses.

KELLY: Thank you, Senator Vargas. Senator John Cavanaugh, you're recognized to speak, and this is your third time on the motion.

J. CAVANAUGH: Thank you, Mr. President. Well, I would yield my time to Senator Machaela Cavanaugh again, but I guess I've got another joke. So folks have texted me now with joke suggestions. I'm going to app-- appropriate one. So what's-- who's a senator dressed in brown that sounds like a bell? George Dungan. Sorry. Couldn't resist. I re-- yield the remainder of my time to Senator Machaela Cavanaugh.

KELLY: Thank you, Senator. Senator Machaela Cavanaugh, you have 4 minutes, 25 seconds.

M. CAVANAUGH: Thank you, Mr. President. Well, I appreciate Senator-- and thank you, Senator John Cavanaugh. That was almost worth it. I appreciate Senator Jacobson's question and I am appreciative to have the opportunity to answer his question. So his question was, can't the Governor cut his budgets and manage his, his, departments and agencies, et cetera, et cetera? Sure can. But we have these pesky things. They're called laws. There's brown books up there. There's some back there. You can look at it on your computer too. And some point in time, the Legislature had the forethought to put into statute the budget process for the state of Nebraska, including that we must have a balanced budget, which is a great thing that we have and makes us one of the more fiscally solvent states because of that. So to that end, there is a process that both the Governor, state agencies-- code and noncode-- and the Legislature must report and interact with each other and with the public to make this process as transparent as possible. In 2023-- in June of 2023, the administration hired in a no-bid contract a consultant to begin this shadow process of creating the budget that is LB2 today. And we currently at that time had the Office of Excellent-- Office of Administrative-- well-- Excellency--

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

it was an efficiency office. I-- sorry. I will get the name of it later. Any-- anyhow, it was the-- it's-- COE is the name of the program, but-- and they were embedded in every agency to identify efficiencies. So in August of 2023-- you know, started the contract June 2023. August of 2023, that office was eliminated. Now, our contract with Epiphany is about \$2.5 million a year. The cost to operate that office with state employees, state income tax, people who live here, have homes here was \$2.2 million. So we eliminated an office that generated revenue of income tax and people who live here in this community that cost \$2.2 million to engage a consultant to do a shadow budget for \$2.5 million. OK. Cool beans. That was a choice. The Legislature passed a bill. We did that. But what wasn't a choice-- and-- what I would be hard-pressed to believe anyone in here actually intended was for us to violate statute. And we, as far as I know, have not. But the Governor's Office has. So-- and they know. They know what they're supposed--

KELLY: One minute.

M. CAVANAUGH: --to be doing because on July 9 of 2024, Lee Will-- chief financial officer of the Governor-- sent a memorandum to all agencies, boards, commissions: Attention, agency finance officers. As we conclude the '23-25 biennium, we encourage you to begin setting up your fiscal calen-- your '24-25 budget information for the budget status report, which is required. I would like to remind you to-- of the requirement for agencies to complete the budget amount portion of the budget status report. It goes on to explain all of these things. And it then even references state statute that requires these things. So, yeah, actually, they can't do this. And voting for LB2--

KELLY: That's your time, Senator.

M. CAVANAUGH: Thank you.

KELLY: Thank you, Senator Cavanaugh. Senator Erdman, you're recognized to speak, and this is your third opportunity on the motion.

ERDMAN: Question.

KELLY: The question has been called. Do I see five hands? I do. The question is, shall debate cease? All those in favor vote aye-- there's been a request to place the house under call. The question is, shall the house go under call? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 10 ayes, 2 nays to place the house under call.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

KELLY: The house is under call. Senators, please record your presence. Those unexcused senators outside the Chamber, please return and record your presence. All unauthorized personnel, please leave the floor. The house is under call. Senator Murman, please return to the Chamber and record your presence. The house is under call. All unexcused members are present. Members, the question is, shall debate cease? All those in favor vote aye; all those opposed vote nay. Senator Wayne, for what purpose do you rise?

WAYNE: What's the current vote for?

KELLY: To, to cease debate. The question is, shall debate cease? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 32 ayes, 11 nays to cease debate, Mr. President.

KELLY: Debate does cease. Senator Conrad, you're recognized to close.

CONRAD: Thank you, Mr. President. And just as a friendly reminder-- sorry, I'm a, a little bit tired this afternoon-- is it 10 minutes on my close or 5? 5. Thank you. OK. Thank you, Mr. President. Thank you, Mr. Clerk, for the assist. And thank you, colleagues. I think we've had a good debate thus far in regards to our work together on LB2, which represents significant adjustments to our mid-biennial budget adjustments that we just took up together a few short months ago and that we'll have a chance to continue the dialogue as part of the regular budgetary process that is underway currently with our state agencies, Appropriations, and executive branch and then will be taken up for the full biennium in our regular session. So going back to where I started this morning. We, we've had, I think, roughly 14 hours since we received our budgetary books before we embarked on debate this morning. And the compressed nature of the special session makes it very challenging to do thorough analysis and due diligence on what the impact and meaning of the actions before us might be. I think everybody, everybody is working really hard, from senators to staff and other stakeholders, to try and, and make the best decisions we can. But the risk inherent in that compression is not conducive to sound governance nor budgeting. The other piece that I want to make sure to be really, really clear about that we-- I started off with this morning and I think has been clearly affirmed through the course of our debate on this first motion is that it's not necessary to take any of the budgetary actions in LB2 or LB3. Our constitution demands a balanced budget. That's a good thing. That helps to keep Nebraska in a strong fiscal position. And, and that's a point of generational pride

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

for our state. We-- the, the budgetary application of that requirement applies to the biennium. It doesn't reply to the out-years and it doesn't apply to the moment. So we are in compliance with the balanced budget requirements, as we should be, right now. Any of the budgetary adjustments in LB2 or LB3 before us-- or heck, even LB4 to pay for the special session-- are not necessary. We can take those up as part of the regular budgetary adjustments in just a few short months together, when we're also able to have greater clarity about what these budgetary adjustments mean in terms of the specific program and the larger picture. So that's just a kind of general guideline or, or lens that I think myself and others are looking at in our approach to these budgetary matters. I think the Appropriations Committee has done really important and good work to make the original proposals better, but we really don't need to advance these measures this session in any meaningful way because it's, it's just not required under our budgetary process, constitution, or laws, and, in fact, can easily be taken up as part of the, the general budget process in the fast-approaching regular session. We don't need to take these adjustments in order to pay for anything in LB34. No one's not going to get their front-loaded credit or, or anything else that that demands. We have resources available to do this. It's, it's really just, as I noted before, a, a fairly performative exercise to move forward with budgetary adjustments at this point in the special session. Now, to be clear, there are times and places to make budgetary adjustments in special--

KELLY: One minute.

CONRAD: --sessions-- thank you, Mr. President-- like when we have an economic crisis before us. That is not the context that we're working in today. So I think that we can perhaps step back from some of the most problematic cuts. And hopefully I'll continue to work in good faith and in dialogue with my colleagues and the executive branch and other stakeholders to figure out if we, we can find a better path forward together to hopefully end on a higher note. And I know Senator Clements and Senator Arch and Senator Wishart and others are working really, really hard to, to help the body perhaps have those opportunities coming forward. So I, I-- this is a serious motion. I would ask for your favorable support thereof because it's not necessary that we move forward with LB2 today. Thank you, Mr. President.

KELLY: Thank you, Senator Conrad. Members, the question is the adoption of the motion to indefinitely postpone. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

CLERK: 8 ayes, 32 nays to indefinitely postpone, Mr. President.

KELLY: The motion fails. I raise the call. Mr. Clerk.

CLERK: Mr. President, Senator Machaela Cavanaugh would move to reconsider the vote just taken on the indefinitely postpone motion.

KELLY: Senator Machaela Cavanaugh, you're recognized to open.

M. CAVANAUGH: Thank you, Mr. President. I will go back to-- I was trying to answer Senator Jacobson's question. I don't know if it was a rhetorical question, but I'm going to answer it anyways, about what the rights and privileges are of the Governor to set the budget. And, yes, he can set, set his budget. And, yes, they do come in through budget requests. But there is a process outlined in state statute of what that looks like. And the Governor's administration has circumvented the public and the Legislature's ability and authority to have eyes on what is going on with taxpayer dollars, which I know, it's-- we take them as suggestions, but they are actually laws. We pass laws. Those brown books up there, state statute, are laws. The burgundy. I'm sorry. They're burgundy. So, so Lee Will sent an email or a memorandum-- I don't know. He could have put it in the mail. I don't know. Anyways, he sent a letter to all of the agencies telling them-- reminding them of their statutory requirement to submit their budget reports according to 81-138. Even further, he admitted-- outlines that the director of Department of Administrative Services and requires the director to withhold appropriations when such estimates are not provided by the agency. Further, Section 8 of LB814 in the '23 mainline budget-- biennium budget passed directs that all agencies, boards, commissions shall promptly establish their detailed budget status reports in the state's accounting system. So this Legislature here, the people to your left and right, we passed in 2023 a bill to require that all agencies, boards, and commissions promptly establish their detailed budget status reports. Now why would that matter if the Governor can do whatever he wants, call a special session, and have a biennium adjustment to the biennium adjustment without going through any of the statutorily, legally required steps for establishing a budget? And the argument that it's for a special session is a nonstarter for me personally since he started working on this in June of 2023. After we adjourned sine die from the mainline budget, he immediately began working on this budget here. So that, Senator Jacobson, is why he can't do this. I have a lot of issues about what is in this budget. Yes. As I know many of you do. But at the end of the day, moving LB2 forward is the Legislature saying we don't even care about acknowledging our own laws of how we govern. To

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

me, that is completely unacceptable. Completely unacceptable. I don't agree with how the budget has been handled. Even if it had been handled transparently, I don't think that it is a good way to govern. I have asked-- I can't even think of how many times-- for someone in here to get on the mic who's on Appropriations and tell me what the cuts actually are. What is the \$25 million in HHS versus the \$10 million and the \$15 million? Like, what are we cutting? What are we cutting in Corrections services? And when it comes to Corrections, could we not then just reappropriate that money to, I don't know, have air conditioning or water for the people that are incarcerated? If we got \$10 million standing around, some fresh drinking water would be really nice and humane. But nobody is talking about any of this. And we also have the added question of, what are we doing with the return-to-work policy? DHHS, one of the largest agencies, lots of employees, lots of employees that were working from home, lots of employees whose office space was being leased-- and we ended those leases. And now we don't have any office space, but we're forcing them to come back to work in person. So we have \$25 million to spare in DHHS for efficiencies but we don't have anywhere for the employees of DHHS to work. That makes perfect sense to me. That math adds up to-- I don't even know-- gobbledygook. That's what it adds up to. And, again, members of the Appropriations Committee are refusing to answer on the mic any of this. What are you asking this Legislature to do with this bill that Senator Conrad and others have acknowledged we don't have to pass to pass LB34? We do not have to raid the cash fund interest of protected cash funds that are not in the purview of the Governor to raid. We don't have to do that to pass LB34. We can just pass LB34. And in 2025, we can go through the normal budget process and do all of this the right way. Additionally, I have no delusion that these cuts, if we adjourned right now, didn't move LB2, I know these cuts are going to happen. I know these cuts are going to be brought in January. But here's what else I know. Not doing this today changes nothing except that we stand up and we say we're going to do this the right way. We're going to do this the right way. We're going to follow the letter of the law that has been set-- set out by previous Legislatures and, and even our own. We're going to follow the law because we are here to be good stewards of the taxpayers' dollars. We are here to be legislators to create laws that is thoughtful. And we are not going to just stand by and vote for a bill that violates the law by its very existence. Its very existence. Now, I'm being told that there's 33 for cloture on this as is or not as is or-- changes or not changes. I have no idea. I haven't run a vote card. I haven't asked people how they're voting. The lack of engagement by the body on this issue seems to indicate to me a significant degree of apathy,

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

which is fascinating to me that everyone was engaged yesterday on tax increases. But nobody cares today about breaking our own laws to pass this budget that we don't need to pass. Nobody cares at all to answer actual questions about what the budget cuts are. Where did they come from? Nobody cares about the shadow budget process that takes away the power of the people and the Legislature from ensuring good governance. That doesn't bother you all. You're probably not even listening and you're just going to vote for it. And that's disappointing. So at one point, I was talking about the Department of Ag and the, and the noxious weed. And I understand that the Appropriations Committee took care of that. But here's how this happened-- and this is how this happened for every agency. But since we deemed it necessary to actually fix the noxious weeds problem--

KELLY: One minute.

M. CAVANAUGH: --every agency received an email from Lee Will telling them how much they had to cut their budgets by-- it's in the packet I handed out yesterday-- everyone how much they cut their budgets by and that they would work with Epiphany. There was no further guidance that I can find anywhere that Epiphany sat down with the Department of Ag and figured out that they could cut their budget the declared amount, \$750,000, from-- they didn't need this noxious weed program anymore. Instead, they were shifting that program to another cash fund to take it out of the General Fund. And now we are putting it back because, guess what? It's an important program. How many other times is this happening in this bill that even the introducer doesn't know? How many more times are we--

KELLY: That's your time, Senator.

M. CAVANAUGH: --slipshod taking money from funds? Thank you, Mr. President.

KELLY: Thank you, Senator Cavanaugh. Senator Blood, you are recognized to speak.

BLOOD: Thank you, Mr. President. Fellow senators, friends all, I actually stand in support of the reconsideration. And I stand opposed to LB2 for the simple fact amug-- above everything else we've discussed today is that we don't have to do this right now. We came to pass property tax relief, which we kind of did and are going to by the end of this week. But this can wait. And I think it's weird when we act like our Governor is king. Our Governor is not king. We are the lawmakers. We appropriate the funds. We initiate tax legislation. And,

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

by the way, we do articles of impeachment, which may or may not come in handy in the future. So when somebody stands up here and says, well, there's a small hand of senators that are trying to fight spending cuts. There's so many in the body that just don't want to cut funding. That's not the issue. That's a smoke and mirrors issue. When somebody stands up and says something like that, that is totally contrary to what we're saying, it's because they want you to look up here. Look up here. Look up here. Because then I'm going to say something to distract you and you're going to forget all of the content, all of the narrative that says, hey, we don't have to do this right now. This is not in the best interest of the people that we serve because we still have questions. And, yes, we are responsible for overseeing the executive departments of the state, the executive departments that carry out the laws that we craft. It is our job to check that departments are following the state laws. That is our job. And with term limits and people coming in often-- not everybody-- with very little idea as to how state government works, we're losing that institutional knowledge. We're bringing in so many people that have zero government experience, which you can say, that's what I want. I want a business person. I don't want a politician. Well, I don't know. It depends on what you define as a politician. When I see people that are in here because a Governor writes a \$25,000 or more donation to their campaign to make sure that they have that competitive advantage and they can win, I think that person's now a politician. When I see a Governor create a PAC saying, we're going to make sure that we never have to worry about any bill we pass again in the future because we're going to make sure that we always have 33 Republicans in this body to make sure we get our stuff done. Well, that's definitely politics. That's not serving the public. That's trying to take away their voice. When you try and tip the scales-- as has been done in many election cycles lately-- where the wealthiest people write these outrageous amounts of checks to push people that may not necessarily need to be in here, I find that concerning. And I know many of you knocked on a lot of doors and worked really hard, but I also know for a fact many of you just kept your heads down and, and were told to keep your heads down while a lot of mud was, was slung against the walls because you know you throw enough mud and some of it's going to stick. Not caring who they hurt or how they hurt them or if they brought something forward that might have embarrassed them. They don't care that they have a family. They don't care that they have grandkids or children. They don't care that they have to go to the grocery store and go to mass or church. They don't care. They just want to win. I'm here today--

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

KELLY: One minute.

BLOOD: --not because someone wrote me a nice, big check, but because I worked my tail off to be here. And I'm here to say that this does not need to pass right now. This is so silly that we're wasting time on this. It can wait until January. And we're not trying to IPP it because we think it doesn't eventually need to be done. We're trying to IPP it because there is more work that needs to be done. And now we're in a special session and, as usual, being pushed to do something that we're not willing to do. And it's not because we don't want to cut spending. My nose is right here and not up somewhere where it doesn't need to be. I'm not going to defend the Governor because the Governor is not king. And I don't care what party that person is. They are not the people responsible for this. We are. Thank you, Mr. President.

KELLY: Thank you, Senator Blood. Senator Erdman, you're recognized to speak.

ERDMAN: Question.

KELLY: The question has been called. Do I see five hands? I do. There's been a request to place the house under call. The, the question is, shall the house go under call? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 15 ayes, 5 nays to place the house under call, Mr. President.

KELLY: The house is under call. Senators, please record your presence. Those unexcused senators outside the Chamber, please return to the Chamber and record your presence. All unauthorized personnel, please leave the floor. The house is under call. Senators Wishart, Walz, Bostar, and von Gillern, please return to the Chamber and record your presence. The house is under call. All unexcused members are present. Members, the question is, shall debate cease? All those in favor vote aye; all those opposed vote nay. There's been a request for a roll call vote. Mr. Clerk.

CLERK: Senator Aguilar voting no. Senator Albrecht voting yes. Senator Arch voting no-- Senator Arch voting yes. Senator Armendariz voting yes. Senator Ballard voting yes. Senator Blood voting no. Senator Bosn. Senator Bostar voting-- not voting. Senator Bostelman voting yes. Senator Brandt voting yes. Senator Brewer voting yes. Senator John Cavanaugh voting no. Senator Machaela Cavanaugh not voting. Senator Clements voting yes. Senator Conrad voting no. Senator Day.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

Senator DeBoer voting yes. Senator DeKay voting yes. Senator Dorn voting yes. Senator Dover voting yes. Senator Dungan voting no. Senator Erdman voting yes. Senator Fredrickson voting no. Senator Halloran voting yes. Senator Hansen voting yes. Senator Hardin voting yes. Senator Holdcroft voting yes. Senator Hughes voting yes. Senator Hunt voting no. Senator Ibach voting yes. Senator Jacobson voting yes. Senator Kauth voting yes. Senator Linehan voting yes. Senator Lippincott voting yes. Senator Lowe voting yes. Senator McDonnell voting yes. Senator McKinney voting no. Senator Meyer voting yes. Senator Moser voting yes. Senator Murman voting yes. Senator Raybould. Senator Riepe voting yes. Senator Sanders voting yes. Senator Slama voting yes. Senator Vargas voting no. Senator von Gillern voting yes. Senator Walz voting no. Senator Wayne. Senator Wishart not voting. Vote is 32 ayes, 10 nays to cease debate.

KELLY: Debate does cease. Senator Machaela Cavanaugh, you're recognized to close on the motion to reconsider.

M. CAVANAUGH: Thank you, Mr. President. Colleagues, I hope that people will genuinely consider this because then we can move on. And if not, then I will start sharing in the record the records requests that I didn't share yesterday because yesterday was just a sampling. And I don't want to kill a million trees, so we will move to the electronic documents that I've been receiving that pertain to how we got to LB2. But the bottom line is LB2 violates our own state statutes. It violates our own budgeting process. It's not needed to pass LB34. It's completely outside the bounds of how we have handled business of budgeting, period. And it's not transparent. It's an abuse of the integrity and-- I'm sorry. I should let-- I've-- got, like, two hours of sleep. I-- when I got home, I had to take my son to the emergency room. He's fine. But-- then we had to be there for several hours, so. And then I had to get my arm X-rayed finally. So I'm a little, a little tired and not great with my words, but I still know what I think, and that is that this violates state statute. This has been going on for a long time, since 2023. It's been done as a shadow process behind the backs of the Legislature, behind the backs of our own fiscal analysts. And this should not stand. And in addition to that, it takes money haphazardly. As I started to say previously, the noxious weed, \$750,000 is just one example, but it's a succinct example that that money was cut from the ag budget and they intended to shift it from General Fund to a different cash fund because they understood that they actually need to do that program. Because if we don't take care of noxious weeds-- from a tour I did of Senator Brandt's farm my freshman year and he showed us some noxious weeds. I remember that very clearly. I also remember Senator Hunt using, I

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

think, a machete to cut down corn. It was quite the day. Anyways, we need that program. And even the Appropriations Committee recognizes that we need that program. But that's one thing, one thing in this budget. And the email that I have shared with everyone from Lee Will to every code state agency outlining block number amounts of money that they must cut from their budgets, that was not because they found efficiencies. That was a deliberate-- the Governor wants to cut the budget by 3 and 6% this year and next. Here's how much you have to cut to meet that goal. Find it. That's it. That is the entirety of how we have LB2 today. And that should concern us. In addition, in Lee Will's email, he says to Epiphany-- where he copied them all on that-- that we will have to figure out a way to handle the noncode agencies. You know what they did? They put together LB2 and they just cut them without a conversation whatsoever. We don't have to pass LB2 to pass LB34. We can go through this process. You can make these cuts in January. I am begging you, my colleagues, to care about the integrity of the institution and our--

KELLY: One minute.

M. CAVANAUGH: --responsibility to appropriate funds and be good stewards of taxpayer dollars. This should not stand. If we can vote to indefinitely postpone this now, we can move onto the next bill and we can go home, take a nap. I know I need one. Thank you, Mr. President.

KELLY: Thank you, Senator Cavanaugh. Members, the question is the motion to reconsider. All those in favor vote aye; all those opposed vote nay. There's been a request for a roll call vote. Mr. Clerk.

CLERK: Senator Aguilar voting no. Senator Albrecht voting no. Senator Arch voting no. Senator Armendariz voting no. Senator Ballard voting no. Senator Blood voting yes. Senator Bosn. Senator Bostar not voting. Senator Bostelman voting no. Senator Brandt voting no. Senator Brewer voting no. Senator John Cavanaugh voting yes. Senator Machaela Cavanaugh voting yes. Senator Clements voting no. Senator Conrad voting yes. Senator Day. Senator DeBoer voting yes. Senator DeKay voting no. Senator Dorn voting no. Senator Dover voting no. Senator Dungan voting yes. Senator Erdman voting no. Senator Fredrickson voting yes. Senator Halloran voting no. Senator Hansen voting no. Senator Hardin voting no. Senator Holdcroft voting no. Senator Hughes voting no. Senator Hunt voting yes. Senator Ibach voting no. Senator Jacobson voting no. Senator Kauth voting no. Senator Linehan voting no. Senator Lippincott voting no. Senator Lowe voting no. Senator McDonnell voting no. Senator McKinney voting yes. Senator Meyer voting no. Senator Moser voting no. Senator Murman voting no. Senator

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

Raybould. Senator Riepe voting no. Senator Sanders voting no. Senator Slama voting no. Senator Vargas voting yes. Senator von Gillern voting no. Senator Walz voting yes. Senator Wayne. Senator Wishart not voting. Vote is 11 ayes, 32 nays, Mr. President, on the motion to reconsider.

KELLY: The motion fails. I raise the call. Mr. Clerk.

CLERK: Mr. President: LB2, introduced by Senator Clements at the request of the Governor. It's a bill for an act relating to appropriations; defines terms; provides, changes, and eliminates appropriations for the operation of state government, postsecondary education, state aid, capital construction; repeals the original sections; and declares an emergency. The bill was read for the first time on July 25 of this year and referred to the Appropriations Committee. That committee placed the bill on General File with committee amendments.

KELLY: Senator Clements, you've opened on the bill. You're recognized to open on the committee amendments.

CLEMENTS: Thank you, Mr. President. Just a minute. Yes, I, I did open on the bill, but on my opening on the bill, I really did go through the committee amendment. Committee amendment is shown on the handout from Fiscal, page 1, 2, and 3, and shows a number of items that the committee did not agree with the recommendation of the Governor. And I-- just a couple of comments. We're very confident that the reductions in the budget that we did make are sustainable. And we've been hearing from constituents that if you're going to have people pay more sales tax or some kind of tax that the state ought to contribute to-- by cutting government spending. That's what this is doing, cutting government spending but not cutting it to the bone. We're leaving, in most cases, ample money, leaving them more money than what they spent last year and allowing for an increase in HHS particularly. After the, the cuts that were-- that we have voted out of committee, HHS would still have-- just a minute-- \$201 million available in this fiscal year. They spent 192 last year. So they would have \$9 million more than what they spent last year. They could increase their spending by 4.5% and still have all they need after the-- with-- without the \$25 million that's being discussed. I also appreciated Senator Jacobson talking about the-- how we are really not to micromanage agencies. We're-- we do have an over-- you know, oversight and we look into how they're doing and-- but then rely on the Governor to, Governor to manage the executive branch and the agencies. I also reviewed-- I, I reviewed quite a few items where the Appropriations

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

Committee preserved items in the budget, like the Corn Board, the ri--noxious weed, and a number of other items. I was-- at lunch, I was thanked by the-- an individual thanking me that the State Fire Marshal was not cut in an area where they wanted to preserve that. That was one we'd heard about. And, and we did that, preserved that funding. The, the items that we're doing really do help to give property tax relief and keep the balance-- budget balanced as much as possible. So I urge you to vote yes on AM39, which is the proposal that you'll see. And the handout would be the AM39, the Appropriations Committee amendment. Again, I thank the Appropriations Committee for all of the hours that we've worked on this and the deliberations that we did to, to come up with a fair solution. Thank you, Mr. President.

KELLY: Thank you, Senator Clements. Mr. Clerk, for a priority motion.

CLERK: Mr. President, Senator Conrad move-- would move to bracket the bill until January 7, 2025.

KELLY: Senator Conrad, you're recognized to open.

CONRAD: Thank you, Mr. President. Good afternoon, colleagues. I don't think I'll need to use my full time in regards to opening right now, but I appreciated having a conversation with some other members who filed thoughtful amendments on the budgetary bill-- the budget bills before us in the special session. And I am trying to get a better understanding of some of the key issues related to the HHS cuts, the, the cuts to the legislative branch, the Universal Service Fund, and then kind of drill down a little bit deeper to understand the committee's work and how that impacts other key and core areas of government. So, again, I would just contend that I, I don't think that we need to take either of these measures up at this juncture to be in compliance with our balanced budget amendment or to pay for anything in relation to LB34. I think that these-- the Governor's Office has started a thoughtful and important conversation to identify where we can find efficiencies and address cost savings for the taxpayer in our budget. I don't think that-- I think perhaps some of the conversation is, is ongoing and needs to have more clarity with stakeholders and agency directors and Nebraskans who rely upon those services, that we can assess what those cuts may mean in terms of providing great service to Nebraskans and great value to the taxpayer. And we could very well end up at this exact same place based upon some of these road map components that the Governor and Appropriations have put forward in LB2 and LB3 as part of the larger budgetary process in January. But we, we should really allow that to play out. We'll have a chance to get, I think, at least one additional forecast under

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

advisement this fall to have a sense about kind of where we are from an economic, economic perspective and what that means for our projections and our bottom line. We'll have a deeper chance to, to look at this in conjunction with other key aspects of utilization for some of the big funds, having a clearer picture from the agencies themselves after they go through this statutory process with the Governor's Office in preparation for the Janu-- January budget, which is actually really interesting. And I'm glad Senator Cavanaugh lifted that up. It was delineated in the Governor's executive order in regards to finding some vacancy savings. And what it is is it's just a statutory process which lays out how budgets are crafted. And that is ongoing. It is part of our normal practice and it provides a great deal of information in a very transparent way to all Nebraskans who have interest in those budgetary matters as we kind of work towards where we might end up with budgetary introductions in January. So we should let that process play out. We may very well end up revisiting or, or taking some of these budgetary adjustments or actions as proposed in LB2 or LB3. But, but there's no re-- reason to really rush to judgment at this time in terms of our bottom line or legal requirement. So I'm always going to be open-minded and work in good faith with the executive branch and my colleagues. But I, I do think, just from an overall perspective, there's no reason to really rush forward at this juncture with these cuts. And, and we should definitely continue the conversation in our regular bro-- budget process leading up to January 2025. Thank you, Mr. President.

KELLY: Thank you, Senator Conrad. Senator McKinney, you're recognized to speak.

McKINNEY: Thank you, Mr. President. I rise in support of the bracket motion. And I'm rising again to discuss the cuts to Corrections. And I know there was just the testimony of the-- Director Jeffreys sent out. I'm not sure who shared it, but I was looking at his testimony. But even so, I was thinking in my head that, OK, if, for whatever reason, they found a way to create some type of savings within Corrections that would save \$10 million, they still could use \$10 million for programming purposes. There's a bunch of people who are in beyond their parole eligibility dates currently incarcerated that is causing a huge part of our overcrowding pro-- problems that need more programming who could utilize programming. We could hire more people, more service providers to do more programming in our facilities. So although I'm not fully understanding how they could find a way to save \$10 million when our prisons are overcrowded and they are not fully staffed that you could save \$10 million. If you can, why couldn't you reallocate those dollars within the department for something like

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

programming, to improve programming, to improve services within the department? Just because there was a new director hired, didn't improve the conditions overnight. There are still many complaints that my office gets about the conditions of our prisons. The women's facilities are not the best. The men's facilities are not the best. There's many issues still going on. That new facility won't be online for-- I don't know when it's going to be online because I don't want to support it. So I don't care when it's online because I hope it's never built. But I hope to get a update on whenever they decide to start breaking ground or if they broke ground, but neither here or there. They could be finding ways to reallocate those dollars to help people currently incarcerated in those facilities, to help with programming, to improve services, to help with substance abuse, help with mental healthcare, those type of things. Just because they aren't spending the dollars don't mean that \$10 million isn't needed for the people that we are incarcerating as a state. Because as much as people don't want to believe it, 90%-plus of the people that are currently incarcerated are going to return back to society. So why don't we use that \$10 million to make sure the 90-- excuse me-- the 90, 90% of those people are getting better services and are improved individuals by the time that they get back into society, back into our communities? Don't just take away the \$10 million because this is the reality, and this is what everybody needs to be clear on. Let's say we take away the \$10 million-- and I know you all are not listening to me because you all are talking. You could take the \$10 million and say we're using it for property tax relief. Fair. Even though I don't agree. On the back end, we don't use this \$10 million and we don't help the people currently incarcerated and they recidivate--

KELLY: One minute.

McKINNEY: --you're going to use the \$10 million anyway to incarcerate these people because we didn't use the \$10 million up front to make sure that they never returned. So you're not saving the taxpayers any dollars. It-- they're still going to pay this \$10 million because we're not using our dollars smart. So although you'll say to your, your constituents, we saved you \$10 million. We gave you 10 more-- \$10 million more from Corrections. If we're not helping people, we're not reallocating dollars in a smart way to make sure people are getting the services they need. On the back end, they're still going to pay those-- they're still going to pay that \$10 million because people are going to recidivate. They're going to be incarcerated. And we're not even talking about operational costs for the new facility because this still hasn't been discussed. And they're going to come asking for that again too. And that's going to be \$10 million plus.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

KELLY: That's your time, Senator.

McKINNEY: Thank you.

KELLY: Thank you, Senator McKinney. Senator Machaela Cavanaugh, you're recognized to speak.

M. CAVANAUGH: Thank you, Mr. President. I was going to ask if Senator Lowe would yield to a question. And just so he knows in advance, it's a question about the YRTC-Kearney.

KELLY: Senator Lowe, would you yield to some questions?

M. CAVANAUGH: Please.

LOWE: Sure.

M. CAVANAUGH: OK. Do you-- are you aware if they have done any of the construction that we appropriated funds for to the YRTC-Kearney campus? Because in November of 2023, Senator Day and I went there. They gutted the buildings, but nothing else. And then I think earlier this year, you saw the same.

LOWE: The-- I am not aware of the start of the construction. I know they are-- put bids out--

M. CAVANAUGH: OK.

LOWE: --and they have-- they're, they're looking at materials.

M. CAVANAUGH: OK. Thank you.

LOWE: Yes.

M. CAVANAUGH: Appreciate that. Would Senator Clements yield to a question?

KELLY: Senator Clements, would you yield to some questions?

CLEMENTS: Yes.

M. CAVANAUGH: Thank you, Senator Clements. Senator Clements, is the money that we appropriated for the YRTC campus, is that still set aside to be utilized for the YRTC-Kearney construction project?

CLEMENTS: As far as I know. I haven't heard any-- there's nothing changing with that in this bill.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

M. CAVANAUGH: OK. So-- but we don't know where the DHHS cuts are coming from within DHHS, but you feel confident that they're not coming from that construction project?

CLEMENTS: Oh, the cuts we have are administrative--

M. CAVANAUGH: What does that mean?

CLEMENTS: --operations, but.

M. CAVANAUGH: What does administrative cuts mean? I mean-- I genuinely don't know. What does it mean?

CLEMENTS: I think personnel that may be-- I don't know. Personnel cuts possibly or efficiencies. That's the old efficiency name. But it-- YRTC was not a part of the discussion.

M. CAVANAUGH: OK. And we don't know what personnel would be cut--

CLEMENTS: No.

M. CAVANAUGH: --from which departments or programs within DHHS?

CLEMENTS: No.

M. CAVANAUGH: OK. Is that something that we can get information on?

CLEMENTS: We could ask.

M. CAVANAUGH: OK. All right. Thank you, Senator Clements. It-- just listening to some of the conversations, Senator McKinney talking about Corrections and-- it's been brought up on the floor today about we don't-- we want to cut budgets until we don't. I don't like bloated government. I don't like overtaxing people. I don't like spending taxpayer dollars on things that private entities should be doing, like building a lake. But that money isn't being taken. I don't like building another prison that in-- by the time it's built, it will be too small when we could be doing judicial reform. And there's been study after study done on what they did in Texas. And I-- I don't even know how many years ago it was-- stand on the floor here and I read this article from ALEC about Texas judicial reform and how it was saving billions of dollars. If we decided to actually tackle criminal justice, we could see a windfall over the years.

KELLY: One minute.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

M. CAVANAUGH: Instead of being short-sighted, we could actually invest in the right things. Invest in behavioral health, in community-based Corrections or community-based centers, healthcare, on and on and on. Sorry. Again, super tired. But, but we're not. And we're not willing to cut programs that should be funded by private businesses, like building a recreational lake. Unless it's going to be a state park, there's no reason for the state to be involved in it. So-- I don't know. It doesn't matter. That last vote-- I mean, clearly, it doesn't matter. People are willing to vote for a bill that violates our own laws of how we operate. So I could just stand up here and, I don't know, do a soft shoe probably and--

KELLY: That's your time, Senator.

M. CAVANAUGH: --it wouldn't matter. Thank you, Mr. President.

KELLY: Thank you, Senator Cavanaugh. Senator Erdman, you are recognized to speak.

ERDMAN: Question.

KELLY: The question has been called. Do I see five hands? I do. Members, the question is, shall debate cease? All those in favor vote aye; all those opposed to vote nay. There's been a request to place the house under call. The question is, shall the house go under call? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 26 ayes, 5 nays to place the house under call.

KELLY: The house is under call. Senators, please record your presence. Those unexcused senators outside the Chamber, please return and record your presence. All unauthorized personnel, please leave the floor. The house is under call. Senator John Cavanaugh, please return to the Chamber and record your presence. The house is under call. All unexcused members are present. Members, the question is-- there was a open vote. Senator Erdman, will you take call-in votes? There will be call-ins. Mr. Clerk.

CLERK: Senator Hunt voting no. Senator Dungan voting no. Senator John Cavanaugh voting no. Senator Bostelman voting yes. Senator Ibach voting yes. Senator Dover voting yes. Senator Slama voting yes. Senator Dorn voting yes. Senator Hughes voting yes. Senator Moser voting yes. Senator Meyer voting yes. Senator Murman voting yes.

KELLY: Record, Mr. Clerk.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

CLERK: 27 ayes, 6 nays to cease debate.

KELLY: Debate does cease. Members, the question is-- Senator Conrad, you're recognized to close.

CONRAD: Thank you, Mr. President. Good afternoon, colleagues. I would ask for your favorable consideration of the bracket motion before you. As noted many times before-- and just to reaffirm-- it's not fiscally or legally required that we move forward with any adjustments to our biennial budget as presented in LB2 or LB3. And so I would just ask the body to take a beat and to get more information in regards to how these issues will play out and what they mean for both the taxpayers and the taxpayers who rely upon these services before we jump into making these budgetary adjustments at this time. I understand that people are frustrated and tired and pulled away from home and business and family and there is an effort to both structure and prolong debate on one side and an effort to truncate and move forward with less debate on another side. But I think it's pretty well understood under the components of the rules that we all agreed to to govern our work together that whether or not these protective motions are quickly disposed of by calling the question or otherwise it's probably not going to save anybody any time and energy as we work towards cloture. So whether we have the debate on protective motions or we have it on floor amendments or otherwise, if we're not able to continue negotiations and are pushing forward to cloture vote in 8 hours, calling the question and calling the house just kind of inconveniences people's day. But it's always good to get your extra steps in and, and to have a chance to reconvene here. So I think we've been through this before when we've been in a challenging position when we aren't able to find consensus. But from a rules perspective, it-- we don't need necessarily these motions to be disposed of quickly to extend debate to the cloture period. But we could put ourselves out of our misery as quickly as possible if we accept the bracket motion, move onto LB3, which I think is potentially far less controversial and, and hopefully hasten our, our legislative day and work together so that we can continue our work on LB34 tomorrow, take up LB4 to pay for the legislative session, and conclude our business in the extraordinary session. Thank you, Mr. President.

KELLY: Thank you, Senator Conrad. Members, the question is the bracket motion. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 10 ayes, 32 nays on the motion to bracket, Mr. President.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

KELLY: The motion fails. I raise the call. Mr. Clerk.

CLERK: Mr. President, Senator Machaela Cavanaugh would move to reconsider the vote just taken on MO11.

KELLY: Senator Machaela Cavanaugh, you're recognized to open.

M. CAVANAUGH: Thank you, Mr. President. I would like-- for the record, I did not call the house. The house was called because there weren't enough people to vote to cease debate, which is-- there was only two people in the queue, so. Makes a lot of sense. We could have just organically ceased debate, but that's fine. I can, I can talk some more. So here's where we're at, colleagues. Here's where I'm at in order to move forward. Clearly, we don't care about laws. Fine. So what's the best that I can hope for here? What I would like to see is the Legislature taken out of this bill. Full stop. Bring me that amendment. File that amendment. Show our staff some respect and I'll let you be on your merry way. That's it. I would love to fight for DHHS. Absolutely would love to fight for DHHS. But I don't have to fight for everything. Other people can fight for these things. But I am going to fight for our staff, 100% for 8 hours if that is what it takes. I am not going to stop until there is an agreement to take the legislative staff or the legislative whatever it is-- legislative anything out of this bill. Senator Clements wants to bring that amendment. If he gets it graced by the Lord Pillen, then I will stop. So. That's where we're at. I think it should be galling to everyone, all of the noncode agencies who are having their budgets slashed without conversation. But I am here for our staff. Our staff. The people who stay here late at night when we are debating and making deals. The staff upstairs, which, when we say things have to come down-- they're-- literally, physically-- for those of you at home-- upstairs. Like, you walk out of the Chamber, out of the cloakroom, and there's a staircase that you go up. That's why we're always talking about something coming down from upstairs-- it's from upstairs. So, so that's it. I'm going to stand here and I'm going to take the 8 hours until somebody-- preferably the Chair and introducer of the bill-- files an amendment to take the Legislature entirely out of LB2. I don't think that's unreasonable. I think that's 100% perfectly reasonable. If the rest of you are willing to vote for something that violates our constitutional authority of appropriating funds, have at it. God bless. But not at the expense of this institution. Take it out. Just take it out. That's how tired I am. I am so tired I am willing to stop for one thing that 48 other people should easily be on board with. So. That's where we are. I was going to read more about the records requests that I have acquired, but I am having a hard

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

time-- as, as probably evident on TV and in here-- I'm having a hard time keeping track of my thoughts because I am so tired. And I am tired from yesterday and I am tired from being here. But I literally was sitting in the ER for hours with my son and, you know, I'm not gonna lie, it was-- he's fine-- he's totally fine, totally fine. But it was terrifying for a little while. And I just wish that I could have stayed. I mean, I could have. I guess I made a choice. But I wish that I was at home with him giving him the snuggles and helping him get the rest that he didn't get last night instead of being here. That's where I'd like to be. And I would love for you all to help me get there by taking the Legislature out of this bill. Every single person in this Legislature depends on the legislative staff. And we should not be OK with the Governor cutting our budget. And you can't say it's for efficiencies because it was completely arbitrary. And as far as I know, the Exec Board or the Planning Committee didn't sit down and go through our budget with the shadow government Epiphany and find efficiencies to cut it. So why are we doing it? Why are we doing it? Still can't get an answer on what the cuts for DHHS are. And, honestly, like, I think we-- that's bonker-- it is bonkers to me that there is \$25 million in cuts to DHHS and we don't know what they're for. It is bonkers to me that they can all of a sudden put \$15 million back. And let me just tell you, people at home, what does that mean they can put \$15 million back? It means they never had to cut it in the first place. They acknowledge that the \$25 million cut is too severe and they're willing to shift funds around to make up for that shortfall to get some other cuts that are in here that they really want. The DHHS cuts, those are the stick. They want to distract us from this entire thing and only deal on the DHHS cuts. It's the only thing the Governor's Office is willing to give on. And they're only willing to give on it because, for them, it's a giveaway. So they literally are cutting \$25 million from DHHS as a leveraging tool to get LB2 passed. But they're sticking hard on the Legislature. You know how I know they're sticking hard? I haven't seen anybody walk up there and turn in an amendment to cut the Legislature out of this bill. I hope you guys don't have your staff ever get you coffee because I wouldn't-- if you don't support this, I would start getting your own coffee because I wouldn't, I wouldn't trust it. It's like, you know, when you are really rude to somebody in a restaurant and they're bringing you your food. Like, that's-- you're gambling there for sure. How much time do I have, Mr. President?

DORN: 3:04.

M. CAVANAUGH: OK. Thank you.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

DORN: Oh, excuse me. 1:38.

M. CAVANAUGH: I'll take either. So-- I mean, I, I can go back to reading information. It's more "disconjoined" because there's so many-- just, like, in the last 24 hours, I've been-- my office has been getting records requests back. And I know there's a lot to dig into them. And I don't want to just be, like, willy-nilly reading you things. But if that's what it takes to--

DORN: One minute.

M. CAVANAUGH: --stand here and stay on topic, then that's what I'll do. I would prefer an amendment to be introduced-- preferably by the Chair of the committee-- to take the Legislature out of LB2. That's what I would like to see. That's what will get me to stop. Please. Someone do this for our staff. Thank you, Mr. President.

DORN: Thank you, Senator Machaela Cavanaugh. Senator, Senator Conrad, you're next in the queue.

CONRAD: Thank you, Mr. President. And I'm wondering if maybe some of our Appropriations friends are on the floor. Maybe Senator Wishart's here. Sorry to catch you off guard. I just had you in the line of, of sight there. And I can also just ask rhetorically-- and here comes Senator Vargas as well. I normally look to my friend Senator Dorn here to ask the Appropriations questions, but. I was just wondering, just removing any sort of the politics from it, if we could perhaps just have a, a, a kind of a, a general understanding, again, from the Appropriations Committee as to whether we must take the actions proposed in LB2 as amended by the committee or LB3 in order to effectuate the changes to try and get more money to the people with the LB1107 front-loading and otherwise that we took up in this substantive budget bill. So I, I just want to be clear that, if we don't move forward with LB2 and LB3, it doesn't in any way stop the front-loaded credits from going to individual Nebraska taxpayers. I just-- I want to make sure that we have some clarity on that before, before we continue the, the dialogue or discussion. Would you be able-- if Senator-- well, there's Senator Dorn. He's in the Chair. No, no wonder I couldn't see him. If Senator Wishart would be so kind to yield to a question.

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

WISHART: I'd be happy to.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

CONRAD: Thank you, Senator Wishart. And I'm sorry to catch you off guard. I know you're working hard explaining the, the budgetary adjustments to, to other members as we find ourselves in the debate. But I think you may have heard the rhetorical question that I asked a, a few minutes ago. If you could just perhaps help to provide some clarity to members about whether or not we need to take these adjustments to actually return the additional tax relief in the front-loaded LB1107 or, or LB34. Just, just help people understand that because I think our, our goal is the same. We want to make sure that those additional credits get out as quickly as possible to Nebraskans. But I, I'm just, I'm just saying I don't think we need to do it through or with LB2 or LB3 in order to accomplish that. But could you just share your perspective on that, on that technical point?

WISHART: Yeah. So thank you, Senator Conrad. From my, from my perspective and understanding, we do need to pass a version of LB2 and LB3 for us to look out in the ite-- out-years and ensure that we're financially stable to be able to afford what we did on LB34 yesterday. But I do think that there is room from looking at this for the, the reduction in the Health and Human Services funding.

CONRAD: OK. Yeah. I, I appreciate that. And I appreciate your-- thank you, Senator Wishart-- that you're looking to the future to make sure that we're fiscally responsible and, and solvent, and, and I know good Appropriations Committee members always do that to make sure to head off any forecasted disaster. But I think perhaps we're saying the same thing or maybe talking past each other a little bit. You're looking to the out-years and this getting us on a better trajectory for the out-years if we, we took these proposed budgetary adjustments. I think that's definitely a legitimate perspective. But my question was I don't think we need to move forward with LB2 or LB3, from a fiscal or legal perspective, in order to return additional relief to taxpayers as a complement to LB34 with the front-loading component, so. Thank you, Mr. President.

DORN: Thank you, Senator Conrad and Senator Wishart. Senator McKinney, you're next up to speak.

McKINNEY: Thank you, Mr. President. Would Senator John Cavanaugh answer some questions?

DORN: Senator John Cavanaugh, will you yield to a question?

J. CAVANAUGH: Yes.

McKINNEY: Thank you, Mr. President. Thank you, Senator Cavanaugh. Senator Cavanaugh, when you realize that there's cuts in this budget from Corrections that are at the amount of \$10 million, what did you think?

J. CAVANAUGH: I was wondering where they were making those cuts.

McKINNEY: Me too. What do you think we could-- so under the premise that they said that, for whatever reason, Corrections wa-- was able to make some savings, what could we use \$10 million in Corrections for?

J. CAVANAUGH: Well, I mean, certainly programming to help the folks who are not able to get their drug treatment programming accomplished or get their mental health treatment accomplished or perhaps transitional housing that has programming accompanying with it to reduce recidivism so we could actually cut the total cost of incarceration.

McKINNEY: Why is that important?

J. CAVANAUGH: Well, a lot of folks go-- something like 90% of people who go to prison are coming back out into the community, or 90% some. I can't remember the exact number. And those people who come back out are going to live in our communities. And if they don't get rehabilitative services in prison, they're likely to reoffend. And then if they don't get continuing support when they get out, they're probably going to backslide from whatever treatment and services we gave them while they were in. And so we need to help people bridge that gap, get stability in their housing, get stability in their mental health, and whatever their other issues might be. And then, of course, help people get on their feet jobwise. So all of those things. If you don't have those, you're going to fall back into the same pattern you had before, which is what ended you up probably incarcerated.

McKINNEY: Thank you. Is it a fair assumption for myself to say that if we don't reallocate the \$10 million to the things you just suggested that there's a high potential for us to still be paying \$10 million to Corrections for operations to house people because we didn't put up the up-front money today because we want to tell people we're going to save them \$10 million of property tax relief when, in reality, they're still going to pay that \$10 million in the future anyway?

J. CAVANAUGH: Well, as you well know, we are-- we have appropriated several hundred million dollars in the last couple years towards

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

construction of a new facility. And we've had a big conversation-- or you and I and others have elevated the issue that even with the new facility, we will be overcrowded and more than likely not close any old facilities. So our operations cost overall is going to go up when we build the new facility. It might be a, a more cost-effective facility to operate itself, but we're going to have to continue to operate the State Pen, which is the one they've been telling us will close. So I would expect our operations cost to go up-- continue to go up year over year.

McKINNEY: Thank you, Senator Cavanaugh.

J. CAVANAUGH: Sure.

McKINNEY: So what you all need to realize is it is better for us to use that \$10 million to service and treat and help the individuals that we are currently incarcerating today instead of taking it away from them. Maybe the department found a way to save some money. I would really like to dig into those details to see how when they're currently overcrowded and understaffed. But even if they were able to, why aren't they looking at, OK, if we could save--

DORN: One minute.

McKINNEY: --\$10 million, how can we move this money to better-- beefing up our-- not better-- but beefing up our programming? How can we improve our substance abuse services, our reentry services, all of the services that they're supposed to provide these individuals? It's not supposed to be the Department of "Punitive" Services. It's supposed to be the Department of Correctional Services, which is to, to help people, to correct the-- whatever caused them to be incarcerated in the first place because 90% of them are going to end up back in our communities. So that is something to think about when you stand up and talk about, we're saving taxpayer dollars, when, in reality, you're really not. You're just kicking the can down the road and the taxpayers will still be paying that \$10 million. It's not a savings. You're just kicking the can down the road. Thank you.

DORN: Thank you, Senator McKinney and Senator John Cavanaugh. Senator Hansen, you're next in the queue.

HANSEN: Thank you, Mr. President. All right. So I want to bring up a couple things here and some of the arguments that I'm hearing on the microphone about bringing up budgetary issues during a special session. I know that's been kind of a concern among some senators

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

here, and we should not be discussing budgetary issues during a special session because it's not right or we haven't done it before or we're trying to protect the institution. And so I actually looked up the numbers. And from 1975-- I'll actually read you off the years that we've had special sessions and appropriation bills have been brought up either to cut stuff or just to pay for things, state aid cuts, all this kind of stuff. So the whole list of them: 1975, '81, '82, '85, '86, '92, '92 again, 2001, 2002, 2009, and 2010. All of those years we've had special sessions, Appropriations have brought up bills to discuss budgetary issues. This is nothing new. I don't think it's something to get angry about, or at least bring up anyway. So this is totally appropriate because we're talking about either, (A), paying for the special session or, (B), making cuts to the budget for various reasons. Something else I wanted to bring up. And this is nothing-- I was hoping Senator Machaela Cavanaugh could ask-- answer-- this is not a bad question, so don't worry. So if she'd be willing to yield to a question, please.

DORN: Senator Machaela Cavanaugh, would you yield to a question?

M. CAVANAUGH: Yes.

HANSEN: I figured this analogy would be right up your alley.

M. CAVANAUGH: OK.

HANSEN: So when you bring a bill-- because we've-- I've seen this in H-- and this is something I don't disagree with you on. When you bring a bill like in HHS-- and really, it's a small bill. It doesn't do a whole lot. It doe-- not in a bad-- it's-- it doesn't require a lot of extra staff--

M. CAVANAUGH: I won't read into your question.

HANSEN: OK. I'm not trying to make it sound nefarious. So-- but you bring a bill that's small and they're like, well, we need to hire three full-time staff and we need a-- do 40 computers. That usually upsets you.

M. CAVANAUGH: Death by fiscal note.

HANSEN: Yes. All right. Thank you.

M. CAVANAUGH: Yeah. You're welcome.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

HANSEN: So what I feel like we're doing here-- maybe I'm wrong-- but is-- when Senator Cavanaugh brings a bill like that-- and rightfully so-- they only hire maybe 1 person and 2 computers instead of 3 people and 40 computers. All of that unused money or appropriations that is being sent now for that bill, we're saying, nope. We want that back. It's time we start using that for property taxes, we start putting it back in the General Fund. It's not appropriate or you didn't need it. And so we're trying to get some of that money back. I feel like sat-- that's what we're trying to accomplish with some of the appropri-- with LB2. So I think it's, (A), well within our means to do that since we've done it before plenty of times in special session. And, (B), it is appropriate to do it because it's money a lot of times that's sitting out there or it wasn't used or where they said they were going to hire staff and they didn't actually need that much staff. And so we're saying, OK. Well, then we want that money back so we can use it maybe for other purposes. So-- maybe, maybe I'm wrong, but I feel like a lot of the-- what, what the Appropriations Committee has brought with AM39-- especially the skinnied-down version of LB2, basically, doesn't seem illogical. It seems like they seem like appropriate positions to put forth that we should be able to all vote yes on. In a, in a budget of HHS, that's-- Senator Riepe might know more than me, being a previous HHS Committee Chair. It's-- what is it, like, \$1.5 or \$1.6 billion? I'm sure I'll get a text about it. But in a budget that's \$1.6 billion--

DORN: One minute.

HANSEN: --and we're talking about, boy, \$15 million in administrative costs, which is in DHHS we're talking about, I think that's something that we can accomplish. I don't think that's too unreasonable. So anyway, I just wanted to bring up those couple things so we can at least maybe rest the argument that the institution will be fine. This is not unprecedented to do budgetary bills during a special session, so. Thank you, Mr. Lieutenant Governor.

KELLY: Thank you, Senator Hansen. Senator Machaela Cavanaugh, you're recognized to speak.

M. CAVANAUGH: Thank you, Mr. President. I actually would ask if Senator Hansen would yield to some questions.

KELLY: Senator Hansen, would you yield?

HANSEN: Yes.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

M. CAVANAUGH: Well, first of all, thank you for engaging in this. This is very exciting. Is it OK if we just kind of have a conversation here?

HANSEN: Yeah. It depends on the conversation, sure.

M. CAVANAUGH: Well, I think it'll be OK. I don't think it-- I, I don't think you'll want to run away. But you can if you want to. So you, you bring up some really good points. And I just wanted to clarify with you that I don't think anybody thinks it's not appropriate to do budget changes during a special session, but what I've been discussing is massive mid-biennium changes to a mid-biennium budget that we just passed. Does that make-- like, do you understand what I'm--

HANSEN: I wouldn't clarify it as massive-- classify it as massive, excuse me.

M. CAVANAUGH: I think that the number of agencies that budgets are changed in the underlying bill would indicate that it's pretty close to a mid-biennium adjustment. But my issue with doing this right now is not the cuts themselves, although I-- the DHHS cuts, I just want to know what they are. Are they personnel? Are they facili-- like, I just legitimately would like to know what they are. But the cuts themselves are not what I'm concerned about. It's the process that this was not transparent and it wasn't done in alignment with our own statutorily required budgeting process. The budgets can, I think, can be-- or, the cuts, I believe, can be cut and debated on their own merit, generally speaking. But I'm worried about how we got to today. Does that make sense?

HANSEN: Your concerns make sense.

M. CAVANAUGH: OK. Because what I'm, I'm trying to convey-- and I, I-- maybe I'm not doing a good job. Again, really tired. But what I'm trying to convey is that whether we do the cuts or we don't do the cuts, we don't have to do them today. We can go through our normal budget process. The cuts-- they don't have to use the money. We-- as we well know, we cannot compel them to use the money. So the cuts can just sit there unused. The money will sit there unused, get interest-- and they'll go for the interest in January. I just-- I haven't, I haven't heard an argument for why we have to do this now versus going through our regular process.

HANSEN: And if I may for one minute.

M. CAVANAUGH: Yes, please.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

HANSEN: I think, philosophically, this is where, where, where maybe we disagree. I think any time we get an option to be able to kind of be more efficient with taxpayer money-- you're saying right now it may not matter because this doesn't-- it, it won't really affect us until next year. However, I think then the more efficient we can be now, we're able to plan a little bit better in the future with this extra money now and say, OK, this is where we're cutting. What can we do with that? And how can we appropriate that more in a efficient manner? Kind of gives us a little more time before the budgetary process starts, which then might help-- administration might help us then maybe plan for these unused funds.

M. CAVANAUGH: Well, what I've heard from fiscal analysts and some members of the Appropriations Committee is that these carryover funds are what we really basically utilize at the start of the session and are absorbed into the General Fund. So it's kind of like we're just, like, doing the same thing. And-- you know me. I really like to follow process and laws. And that's a big sticking point for me on this bill, is how we got here. But I appreciate the conversation.

HANSEN: Yes.

M. CAVANAUGH: And I appreciate you engaging in it. I also hope the people at home appreciated seeing that this is actually how we normally talk.

HANSEN: Most times, yes.

M. CAVANAUGH: Most times. When, when we're, you know. Sometime--

HANSEN: Depends how late it is and how much caffeine we've had.

KELLY: One minute.

M. CAVANAUGH: Thank you, Senator Hansen, for yielding to the conversation. So, again, it's not-- I mean, the cuts have their own debate on whether they are appropriate or not. My concern with LB2 is how we got here today and what us moving forward a bill that violates statute and process, that is-- I feel like that's sending a really bad message to Nebraska that we are OK with our own authority being circumvented. And that's not a message I'm comfortable sending. But as I said last time, if somebody can file an amendment to take the Legislature out of this bill, I'll let you all vote your conscience. But that, I can't-- I will stay here until we go to cloture if that does not come out of this bill. Thank you, Mr. President.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

KELLY: Thank you, Senator Cavanaugh. Senator Erdman, you're recognized to speak.

ERDMAN: Thank you, Mr. President. I was going to call the question. But after visiting with Senator Conrad, I've changed my mind. Senator Conrad said the Legislature, the legislative services doesn't have enough cushion. Small Legislature, so we need a big cushion. So let me use these numbers. And I know I shouldn't probably try to use facts to change your opinion because you're not interested in facts. You're interested in a pound of flesh. Because if we're interested in facts, we'd have voted already. They got 22%. They'll have a 22% cushion if we take the \$3.5 million. 22. The Legislature will have a 77% cushion. 77. How much is enough? Is double enough? This isn't about having a cushion or having a certain amount. It's about we don't want to give in. If you have a pound of flesh, we're going to take it. OK? I'm tired of being here. I'm tired of listening to this garbage that we've heard. I'm done with it. OK? There are several, many vice presidents over at HHS that need to go. They need to be off the bus. The director came in and told us that he can withstand that \$15 million cut in administration because he sees ways to make cuts. So the 195 base appropriation has the \$25 million taken out of it. They have spent \$192 million last year. They had an excess of \$21 million. We took 15. That leaves them an excess carryover of 6. Those two together, a little over \$201 million, which is a 5% cushion. How much do they need? The state has a 16% cushion. The University of Nebraska has 211 days. 211 days of cushion. \$548 million. Don't blow smoke up my pipe trying to tell me that you're worried about cutting DHHS. We have not made one cut. We took the money that was appropriated to DHHS that they haven't spent. We didn't cut one program. Not one thing did we remove. We took the excess funds. So if you're listening at home, don't feel like the Appropriations Committee don't know what they're doing. We worked diligently to protect those services that people need. For example, behavioral health aid, we took no money out of that. None. OK? Public assistance, we took zero. All right? Disability, DD, we took zero. None. So don't whine to us about what we're doing that DHHS is going to have some kind of cliff effect, they can't make payroll or whatever other excuse you want to use. OK? Pull your amendments. Let's vote on this bill. Let's move it to Select. And if we want to make-- you want to make adjustments between now and Select, let's talk about it. But standing up and saying there's not enough appropriation cushion in the legislative aid fund-- or legislative services is not a true statement. So don't try to smokescreen this that we're trying to protect services and we're

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

trying to protect the Legislative Led-- Council and all this. I'm going to tell you something.

KELLY: One minute.

ERDMAN: This has nothing to do with anything but we need a pound of flesh from you people and we're going to take it. And the next time I put my light on, I will call the question because I need to move on. You need to move on. Some people are going to be out of the state coming up real soon. We need to get this done now. Thank you.

KELLY: Thank you, Senator Erdman. Senator Wayne, you're recognized to speak.

WAYNE: Thank you, Mr. President. And, colleagues, I don't-- I understand Senator Erdman's frustration. I felt that way yesterday. But, for me, I've made no deal on this bill and I have no problem taking it to cloture. So that's where I'm at. People want to talk to me about what would get, get me off of cloture, that's fine. I don't have motion pads. I don't have amendments put up. But I have no problem doing that right now. And I can sit here and start filling out motion pads and fill the queue back up. But we'll, we'll be going to cloture on this and you'll have to find 33 is where I'm at. And I'll tell you why I'm there. And what I really-- who I really want to talk to is my class, the class of 2017. We have been through a lot. We first came here, we had 2 years where if you had a fiscal note, you couldn't bring it out of committee if it had more than \$10,000. We IPPed bills that cost any amount of money. Then we took on a billion dollar deficit, supposedly, that we made cuts. Obviously, it's supposedly because we ended up with \$300 million in the-- in extra, but nevertheless. After that, we did some amazing things. We did some amazing things. We had Omaha pass a rental registry without even passing a bill. We tackled COVID at a interesting time. We dispersed a lot of dollars and we kept people going and jobs here. We were one of those states that weren't affected the most by COVID. Then we went into this little thing called redistricting, which I think, at the end of the day, we were one of the first states to finish redistricting. Did so in a timely manner. It wasn't fun. It was like it is right now, a little painful and a little frustrating, but we got there. Then we came back and did some amazing things where we distributed over \$1.5 billion into communities to make a huge difference. North Omaha is still waiting for that money to come, but we'll one day get there. But we actually did some transformational work. The one thing we did, class of 2017, is we did unprecedented income tax cuts, corporate tax rate cuts at a time where we thought it wasn't possible. We were

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

leading the nation in a lot of things. And what bothers me and why I'm going to take time on this and go to, I guess, till 6:30 or whatever the time is, is I feel we're settling. I feel we are doing the bare minimum. I feel we are doing just enough to go back and talk to our districts that we delivered something, although most people won't see the difference. And 2017 class, there's going to be 15 of us being replaced. And I'm gonna throw Senator Slama in our class. That is a-- not-- a lot of knowledge that is going to disappear. A lot. And what's crazy about our class is we are one of the most diverse class ever to walk through this body. And somehow we all figured out how to get along. And I can't tell you the number of times we were in the moment, in the heat, upset that we stepped back, we took a pause, and we came out with a great solution even though we didn't like it. It took me 8 years to pass my original LB75. And now it's in the courts. But we have made great strides. And in this special session, we are deciding to be OK and not be great. We had people cancel their trips for this special session.

KELLY: One minute.

WAYNE: We had people tell loved ones they couldn't go to weddings because of this special session. And we are going to settle for OK. We're going to settle for OK because one or two people over here, one or two people over there don't want to do the work. But what I haven't heard from my class, 2017, is that we're ready to go home. Not one person in my class has said that. Every one-- person in my class is saying let's make a difference. Let's figure it out. But we're not saying it on the mic. We're not actually sitting down trying to do something. What gets Lowe to a yes? What gets Slama to a yes? What gets Wayne to a yes? What gets Blood to a yes? We're not having those real conversations. And so maybe me talking for the next 3 hours and Erdman calling the question for the next 3 hours--

KELLY: That's your time, Senator.

WAYNE: Thank you, Mr. President.

KELLY: Thank you, Senator Wayne. Senator John Cavanaugh, you're recognized to speak.

J. CAVANAUGH: Thank you, Mr. President. I appreciate Senator Wayne's comments. I just pushed in earlier when I wanted to chime in on the fact that I think we should not be cutting the Legislature's budget and I think people should probably-- I know there's a lot of things-- people think there's money that's un-- been unused or underused. And

there's different philosophies about that, but there's a fundamental question about the Governor coming and telling us how to run the Legislature. And if you all recall, we passed pay raises when Senator Briese was here. So now 2 years ago and-- for all of our staff. Well-deserved pay raises. And then the Governor I think vetoed part of that pay raise. And then there was a lot of consternation and hand-wringing about whether we should attempt to override the Governor's veto in his first year. And if I re-- memory serves, I think we decided not to do that. And by we, I mean other members. I was in favor of overriding the Governor's veto to follow through on the pay raises that we had promised our staff. And then, of course, there was conversation that said, well, there would be enough money in these-- this kind of budget area going forward to make up for those pay raises, at least in the next part of the biennium. And then-- now we're taking more of that money away. And I do recall-- somebody could maybe correct me-- that there was maybe after that first year and after we'd gotten past that, that there was concern that there wasn't enough money. So somebody can correct me on that. But it does seem to me like we-- I appreciate the, the Appropriations Committee diverging from the Governor's proposal because I know that's hard for some members of the committee to step out away from the Governor, but I-- so I appreciate that. But I do think we should diverge further. And I do agree with my colleagues that I don't think this is necessary at this point. On my first time on the microphone, I talked to Senator Clements and asked him what normally happens when there are these sorts of lapses, and they just are taken care of in the regular biennium budget process in the regular biennium because we don't have-- though it might feel like we have a special session every year, that's not true. This is my second special session in my 4 years here. And I know everybody who was here 2 years before me had the COVID pause session. But I know there's a lot of other special sessions. And Senator-- as Senator Hansen pointed out, while it may not be inappropriate to address at this point, the question is not necessarily whether it's inappropriate. The question is whether it's necessary. And I think we've heard a lot of talk about that this is not necessary, it's not required. And considering that we are under such a constraint-- time constraint, pressure to accomplish things here, it seems that we don't need to, to spend 3 more hours taking this up. But I will be interested to hear what Senator Wayne has to say in those 3 hours. And to go back to the conversation I was having with Senator McKinney about eliminating available funds for maybe new ideas. You know, the Department of Corrections, we of course have opposed-- Senator McKinney and myself and others-- have opposed massively increasing their budget and giving them leeway to do a lot

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

of what they want. And partly that's because we're unsatisfied with the-- some of their work and partly because we don't want to continue to incarcerate people. But we do believe that we should be-- the folks we are-- under the care of the Department of Corrective Services should be getting those services, be given the corrective--

KELLY: One minute.

J. CAVANAUGH: --thank you, Mr. President-- should actually-- we should be-- if we have extra funds that are not being required to spend, we-- there are lots of programmatic things we could be doing. You know, one of the ones that comes to mind immediately is making sure that everybody walks out of the department with a state-issued ID. That's a problem folks have when they get out. You know, my bill last-- 2 years ago made sure that everybody walks out with their Medicaid-- signed up for Medicaid because it was problematic to get people signed up once they left. If we can get people walking out with a state-issued ID, it makes it easier to cash a check, to get a place, to get a job. And that's not something that's necessarily happening right now. So if we can find ways to find those other innovative ideas with this money rather than clawing it back and not allowing Department of Corrections to use that money for those other things, maybe we would decrease recidivism, maybe we would decrease the population overall, maybe we'd--

KELLY: That's your time, Senator.

J. CAVANAUGH: Thank you, Mr. President.

KELLY: Thank you, Senator Cavanaugh. Senator Conrad, you are recognized to speak. And waive. Senator McKinney, you are recognized to speak.

McKINNEY: Thank you, Mr. President. And I support the reconsider motion. And, Senator John Cavanaugh, I have another question for you. Sorry to catch you off guard, but have another question. What if we used the \$10 million they're trying to take away from the department for job training or trades or skills development? Don't, don't you think that would be a good idea? Oh. Would you yield to a question? My bad.

KELLY: Senator John Cavanaugh, would you yield?

J. CAVANAUGH: Yes. There we go.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

McKINNEY: OK. So do you think it would be a good idea to use \$10 million for job training, skill development, vocational training, trade skills, and things like that?

J. CAVANAUGH: Yeah. I, I think it'd be great. We hear all the time about gaps in our employment based off of folks-- we need people who are trained in, say, welding. And so we need people who know how to weld. And then if they can get that certificate, come out of incarceration, they can get-- fill those jobs that we need.

McKINNEY: And then this could also help with our property tax issue because when we talk about housing, for example, and a lack of housing stock and increasing the housing stock in rural areas or across the state, there's a labor shortage. But if we skill people up that are incarcerated, get them out with the skills, we can increase our housing stock. Do you think that, that, that could be possible as well?

J. CAVANAUGH: Yeah. That's a great idea. A lot more people know how to frame a house if we give them the opportunity to learn while they're incarcerated.

McKINNEY: So would you say there is a lot of creative ideas that we could use as a state with \$10 million that we would want to claw away that we're just ignoring?

J. CAVANAUGH: I-- yes. I think we are being shortsighted and not meeting the moment with the enthusiasm that maybe would be available to us if we chose to.

McKINNEY: So we're not meeting the moment of a special session. If we're here for a special session, we should be doing some special things for Nebraskans, right?

J. CAVANAUGH: I'd like to see us do some special things.

McKINNEY: Thank you.

J. CAVANAUGH: Sure.

McKINNEY: Senator Wayne, would you yield to a question?

KELLY: Senator Wayne, would you yield?

WAYNE: Yes.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

McKINNEY: How do you think we could reallocate \$10 million for Corrections?

WAYNE: If we have to move it-- are you saying move it from Corrections or keep it in Corrections?

McKINNEY: Keep it in Corrections.

WAYNE: Well, one thing we can do is work on-- well, at the federal level, they call it halfway homes. We call them tra-- transitional housing. Can definitely do that. Senator Bosn had a bill with career tech that we could probably boost up with some funding behind it. We could also do more around grants to students or people who are there who want to go to Metro and Omaha at the OCC and help with reentry. There's a lot of things we can do that we've-- we just don't have-- to me, I thought we didn't have funding to do it, but clearly we do.

McKINNEY: And I said this earlier-- I think I'm correct, but I might not be correct because I'm not always right. But I think I'm right in saying that even if we were to reallocate or take away the \$10 million by not reallocating it within Corrections, we are going to potentially still spend that \$10 million on Corrections in the future because the people who we are electing not to help are probably going to end up back there or end up there anyway. Oh. He didn't-- he walked away from the mic.

WAYNE: Repeat that. I'm-- I apologize.

KELLY: One minute.

McKINNEY: So what I was saying was if, if, if we don't reallocate it back within Corrections, we potentially are still going to spend that \$10 million on Corrections by not helping people anyway.

WAYNE: 100%. 100%. You figure we let out 1,500 or 2,000 people a year, at a 35% recidivism rate-- yeah. We'll spend it again.

McKINNEY: So it's temporary property tax relief.

WAYNE: At best.

McKINNEY: Thank you. Thank you, Mr. President.

KELLY: Thank you, Senator McKinney and Senator Wayne. Senator Machaela Cavanaugh, you're recognized to speak. This is your final time before your closing.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

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

KELLY: Senator Wayne, would you yield?

WAYNE: Yes.

M. CAVANAUGH: Senator Wayne, I apologize because I had gone out into the Rotunda when you were talking before. Can you tell me what you want to see happen today with this bill?

WAYNE: Well, I want this-- to be transparent, I want this to die.

M. CAVANAUGH: OK.

WAYNE: And this goes back to my overall problem with where we're at. We yesterday adopted a, a bare minimum bill, which requires-- my question to Chairman Clements was, does this have to pass in order for the-- LB34 to work? And he said yes. Some of his committee members disagree, but I'm taking the Chairman on his first val-- on his face value. So to me, this is my other effort to stop LB34, which, again, it comes down to this: we're in a special session. Let's do something special. Let's do something extraordinary. Let's do something that we-- out-of-the-box thinking that we can figure out how to get something done. And we haven't had that. We have not had that. The reason this special session is costing so much and the reason this special session is lasting so long is because we're treating it as a regular session by individuals having some conversations here and there, cutting a deal. But under-- unlike a regular session, the call is somewhat limited. We're talking about property tax, right?

M. CAVANAUGH: Right.

WAYNE: So there isn't a whole lot of dealmaking and negotiating going on because it isn't like, hey, will you support me over here for criminal justice in order for-- to get this tax package done? We're not having those conversations. So the one-off conversations we keep having won't work here.

M. CAVANAUGH: Yeah. I get it. I, I, I get it. And I would take a deal on it just if you gave me a nap at this point. But thank you for that. I did say that my line in the sand today to stop filibustering this bill for me personally-- and I tried to make this very clear to everyone-- is to remove the Legislature budget cuts from LB2. And I know that the Chair of the Exec Board has filed an amendment to do that that we will get to. But so-- and I want to get to that

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

amendment. What I have said in the past is, you know, this bill in my mind is a-- what's a suitable word-- a poop sandwich. And if you take some of the poop out and add condiments, it's still-- you're still eating a poop sandwich. So I don't support this bill at all even with condiments added. But I do want to get our, our Legislature removed from here. So I see that Senator Wayne is next in the queue. Then we will be going to my closing. And I will wait until my closing to withdraw because I would like to get to the amendments. But, again, I am not telling anybody else in here, including Senator Wayne, what to do. I just would really like to make this very double-decker poop sandwich at least a single sandwich. Thank you, Mr. President.

KELLY: Thank you, Senator Cavanaugh. Senator Wayne, you're recognized to speak.

WAYNE: Thank you, Mr. President. So there's a lot of places I can go and talk about-- I can talk about sales tax increases, removal of exemptions. But rather-- I'd rather talk about-- I like Brandt's bill, so I'm gonna talk a little bit more about that here. I think we need to get that to the floor. We need to vote on it today. And people are saying, why am I going to take time every day? Well, it's simple if anybody's listening. I said I wouldn't come down here unless LB25 was on the table. Not on the table. So I can either go home or I could filibuster. Well, I'm choosing to come down here and filibuster because these are bad bills, period. I'm not asking for LB25 to be back on the table. Not at all. I'm saying, at this point, if we're going to do something, let's do something. I didn't waste my time coming down here to do something that literally can be on consent calendar next sesh-- next session. There's talks about removing the caps. If the caps were gone, that is a consent calendar bill. Then what the hell do we need a special session for? There is nothing special going on right now. And we're in a special session. And when I adjourned sine die, Speaker got up and said, this is our bill. This is our time to do something magnificent, that Nebraska is watching were the key words he said. Nebraska is watching. And what are we doing? We're making it better for a current tax fund, property tax credit to be utilized. That's what we're doing. That's a victory. Slam the ball. We scored. Taking a current tax credit and making it more effective. And you're telling me you couldn't do that in January? You couldn't figure that out in February? But, no, less than 24 hours, we have a special session that we're going to solve this issue by doing something that was already introduced multiple times and doing the same thing. Now, the problem right now, for those who are-- I don't know why you would be watching at home, but if you are there were some deals, cuts with some other people and they're figuring out, well,

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

Wayne just went off on a tangent by himself. Well, I've been by myself since I've been down here. And I signaled when we left session what would allow me to come back. This isn't a surprise. Nobody should be caught off guard. It was in every newspaper, every news outlet. So don't be surprised today. And I'm OK with LB25 being off the table. But don't expect me to sign up for this. Making cuts, however we want to call them-- here's the question I have for the Appropriations Committee: what changed in the last 3 months? When you appropriated all these dollars to these agencies in the last 3 to 4 months, what magically changed that now they have so much money we can cut? Either you didn't do a good job 4 months ago or this is all politics. Get up and defend that. What changed? Because we already appropriated them dollars. And now all of a sudden they have too much money. But when we try to make cuts during the regular session-- and not cuts-- reappropriate the budget--

KELLY: One minute.

WAYNE: --it was a stonewall. I couldn't even get Senator Hansen some water for his district. Couldn't get him \$10 million. We went all the way down to \$5 million because everything was a budget. It was perfectly done. We couldn't touch the budget. But Lord and behold, today in a special session, we can make cuts in every agency. And what makes people uncomfortable right now is because everything I'm saying is correct. They voted that bill out-- budget bill. Think it was 7-0-- maybe 1 dissent-- that the budget was correct. We even had a deficit budget or we made some changes to the previous budget, the annual budget. We had 2 budget bills. Everything was correct. But 4 months later, called into a special session. By golly, it's no longer correct. We got to make cuts. Explain the difference. The only difference is somebody said we should do some property taxes for a special session.

KELLY: That's your time, Senator, but you're next in the queue.

WAYNE: Thank you, Mr. President. The only difference is we got people running for office. They got through the primaries. It's a good way to put a little flier out there saying you voted for property tax relief. See, I had a court case similar to this, where the judge placed the children with, we'll say, X. 3 months later-- literally the day before the call-- I had a hearing for an ex parte motion by Y. And all I said in front of the judge, what has changed in 3 months? Show me clear and convincing-- show me a centennial of, of evidence that something has changed that this judge should rule differently. And the judge kind of nodded their head, looked at wise counsel and said,

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

what, what changed since my order 4 months ago? And it was basically, we want to feel good. We want to feel good. Sounds like what we're doing here. Judge just looked and said, that's not good enough. Needs to be a little bit more a change than that. But that's where we are today. We want to feel good. It's not feeling good right now. Because I want somebody on Appropriations to push their button and tell me what changed. Because you spent 2 months having hearings. Went into the dark room and came out with a budget. And every time we try to make a move on the floor-- I think there are maybe 3 bills that actually moved something on the floor-- and actually, a couple Appropriations Committee veered off and voted against their own budget and they got the death stare because you know they take a blood oath when they go in there. And we couldn't move anything. But 4 months later, in the wee of the night, got to make cuts. Half-hour past midnight, we woke up and was just like, HHS, \$25 million. Was running at the gym, um, Corrections, \$10 million. Because that's about how much logic we heard of why we're making cuts. The reason I like Senator Erdman because he, he, he uses his facts that he has and his belief is they're-- got too much. Too much money. They're-- got too much administration, too much-- bloated, all-- but he's been that way for the last 8 years I've been here. Hasn't changed. I'm asking everybody else in Appropriations, what changed? I don't see anybody rising to put their light on and tell me what's the difference now. The economy hasn't changed that much. I, I, I review the re-- receipts every month and some are up, some are down here and there. But I didn't see any massive report from HHS saying we found something new. I found a little report from a outside company that says we can save some money. But that's not special session. How much ARPA money do we still have unobligated? What if I told you it's about \$100 million? Not a, not a motion or a budget move-- something on that. I don't see anything about that. That's got to be obligated by 2025 or it goes to roads. But what road? We don't know because we gave the--

KELLY: One minute.

WAYNE: --Governor the authority to just make that decision on his own. There goes \$100 million right there. Senator Hansen pushed his light. You mention Blair and water, he cannot stop him-- he go-- he's going to push his light. He can't stop himself. I wish Jacobson was out here because I got something to say about North Platte. That'll take up 15 minutes. I'm just asking what changed? I hope to get an answer. We'll keep having this conversation. Thank you.

KELLY: Thank you, Senator Wayne. Senator Ben-- Senator Hansen, you're recognized to speak.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

HANSEN: I can't let my good friend Senator Wayne go unchallenged, otherwise he'll go another 3 hours talking. Trust me, I've been on the side of a mountain with him and shared a bathroom with him. And so I know quite a bit about Senator Wayne, good and bad. But he's a nice guy. He's asking what has changed. Nothing has to change. Maybe we have more information about where money is being spent and where money is not being spent. But the point I made before is that it's not so much something has changed as opposed to we have an opportunity. And, really, I don't think this should have taken as long as it sho-- it is. This should take about an hour. And so I say we have an opportunity now to make our budget more efficient and effective for the Nebraska taxpayer. And then also gives us more information about what we-- how we can do the budgetary process in January, prepare us a little bit better. And I think it's appropriate. So nothing has changed as opposed to there's an opportunity now to just make things more efficient and effective. Clawbacks in that money that's not being used. It's sitting out there. I really don't think it's the government's job to just hold onto money, a lot of times, depending on the situation, that's, that's sitting there in perpetuity unless there's a good reason. And Senator Clements issued that-- or, discussed that and-- when he got on the microphone. They went through all the agencies. They went through all the-- where money has been sitting. Some they kept, some they didn't. And I think that's fine. I think some of the discussion we're having now, sometimes we learn new things. And I'm all about what Senator Wayne talked about before is, like, we actually talk and discuss either on the mic or not on the mic, learn things about, you know, issues we're dealing with, and maybe come to an agreement on stuff. Maybe we'll come to an agreement on AM39 and LB2. I hope we do. Move things along. So. Anyway, I couldn't let my good friend Senator Wayne go on a microphone unhinged, so I had to get on there, and, and-- I don't want to know what face he's making behind me. But like I said, it's OK we-- it's OK and it's appropriate for this time for us to discuss this kind of stuff, and I, and I'm glad we are. Thank you, Mr. President.

KELLY: Thank you, Senator Hansen. Senator Wayne, you're recognized to speak, and this is your last time on the motion.

WAYNE: Thank you, thank you, thank you, Mr. President. So I'm glad we brought about information and opportunity. That's a, that's a great segue. See, underneath our constitution, it has to be extraordinary occasion. New information, we get new information and we go back to budgets every year in, in January. This isn't extraordinary. And what we're doing isn't extraordinary. That's my problem. We all look good up there in the front when we come and we get elected and we stand up

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

there and we get sworn in by the Chief Justice to uphold the constitution. Part of upholding the constitution is right now saying this is extraordinary. Tell me this bill is that. Somebody in good faith get up and tell me what we are doing with LB43, LB34, and this bill as the combination to carry the load, tell me what we are doing meets that definition. And nobody can. I swear yesterday some people closed their eyes and pu-- and pushed green because they didn't even want to do it. They were hoping they accidentally hit red because they really didn't want to vote for that. We can do more. We can be more. And guess what? You might have to miss your cruise. You might have to miss your flight. Might have to miss my birthday party at the end of August. That's fine. Because I knew what I signed up for. But what I didn't sign up for was to not do anything extraordinary during a special session. See, what we did during special session before we had one on redistricting, we took a whole bunch of data that wasn't even complete. We were in rooms and we were hammering it out and we were having nightly meetings. We were having nightly Zoom calls. We worked. We figured it out. We took a 3-day pause and had multiple meetings. We took a 4-day pause out here, and I don't know anybody who was in a meeting. This has been driven by the Speaker from the beginning, and we are on a schedule to fail. We are on a schedule to fail. We can do more. And it's not hard. Brandt's LR, put it out. Introduce a tax bill that rearranges how we do property tax. Not hard. Then we ain't gotta get in a fight with the lobby and the school districts and everything else. That all goes away. There's a simpler path. Can't have that conversation on the floor. One person can dictate the schedule. And 17 of you guys were scared to change the schedule. That's fine. I'm used to it. So we're going to suffer through. Or we can adjourn sine die. Somebody came up to me and said, Senator Wayne, what do you want? I don't have a ask. I'm asking you guys to do better. I'm asking for us to be better and, and sit down and have a real conversation. Senator Erdman went to-- or his staff went to every office, talked about EPIC. Probably nobody took him up on it. Probably nobody real-- had a real conversation about EPIC. And this is where I'm gonna talk for the next hour about, about EPIC and why it's going to be fun. Not to bring Erdman into the conversation, but to show you how close you guys are but you won't have a conversation. If you are taxing sales tax on a gross receipt-- not net income-- you're not that far off. But you don't want to have that conversation because that would actually lend some credibility to the EPIC people. We are debating a Governor's plan who had 8 hours of negative testimony--

KELLY: One minute.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

WAYNE: --but we will not debate a, a plan like EPIC that had 7 minutes of negative testimony. Whether you believe it or not, whether you care for it or not, it had 7 minutes versus 8 hours. But we're not going to have that conversation. We're not going to have a conversation out of a, a LR that's already on the floor, Senator Blood's bill, that's been on the floor before this bill. But yet this bill got scheduled. We're not going to have that conversation either. What if EPIC was really on the floor and we had a conversation and figured out how to tweak something? What if we gave it a, a, a start date of 2 years from now and let the next Legislature figure it out? What if we put pressure on doing something different instead of taking a cruise?

KELLY: That's your time, Senator. Thank you, Senator Wayne. Senator Linehan, you're recognized to speak.

LINEHAN: Last night, we had a vote on the main part of this bill. And I think it got to 35 or 34. And there were people who voted for it who filibustered it. And maybe I wouldn't notice that, except I've been to this dance so many times. We, we get here and we all say we want to cut taxes, but then you filibuster it and you drag it out and you ask for amendments. And then at the end-- I'm guessing when, when we finally get to Final here we're going to have 40 votes because we got people running for office and they, they don't want to go home and say, I voted against property tax relief. So we whittle it down as much as we can. Everybody complains about, you know, being here. I have staff downstairs in the Revenue Committee. They haven't had a day off in 15 days. Not one. So we can keep doing this. But if you, if you really against property tax relief, get up and say it. Don't say it's, oh, because we're doing this or we're doing that. And there are-- and I'm going to call them out. And they were-- they've been that way ever-- and I'm going to probably miss-- but I'll give credit to Machaela-- Senator Machaela Cavanaugh and Senator John Cavanaugh, Senator Hunt. They do the filibustering, they do the work, and they don't vote for the bill in the end. That was their position when we did the ImagiNE Act. That was their position when we did LB1107. That was their position when we did tax cuts, whether it was property or income taxes. And they stuck with it. So if they get up and take this bill 4 hours or 6 hours, I, I get that. That's OK because that's what they believe. But what I find most irritating is people get up-- and I got some shining examples from yesterday, as if you all look at the vote, you'll-- jump right off the page at you. You filibuster it all day and then you vote for it. So when people ask you, you can say, oh, I voted property tax cuts. So I don't-- I'm-- I'll stay here till 6:30. I'll stay here till-- as I have already said, I'll stay here. Oh, I'll stay here as long as it takes. So I don't like this kind of

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

like, well, if you do this or that, then we're on or off. How much time do I have? I hate when people ask that. How much time do I have?

KELLY: 1 minute, 58 seconds.

LINEHAN: Senator Wayne, would you like the rest of my time?

WAYNE: Yes.

KELLY: Senator Wayne, 1 minute, 50 seconds.

WAYNE: Thank you. So here's my-- again, I'm, I'm against this because I think we're not doing enough. I've been saying that from Day 1. I didn't filibuster yesterday because I was hoping we were going to go somewhere, and we went the wrong direction, in my opinion. But I respect that. But that's why I'm off. But here's what I will say. We could have made all these cuts and adjustments via emails. We're not having a real debate. We're not having a real discussion. We could've did a Zoom call, said, OK, Governor, you cool. You got your budgets. Make those cuts. Don't even have to be here. Don't even have to vote on it. He already got it. He could just held it over till next year. You all could have did a change in January. We didn't have to do this bill. The tax credits aren't going to take effect until next year. You all could have did that in January. We could have set up the whole outline via email--

KELLY: One minute.

WAYNE: --Zoom call two times, tops. I could be fishing somewhere with Senator Erdman. We could be doing something else. We didn't have to have all these hearings. We didn't have to have all of this paper and media around us doing all this stuff. Zoom call. Two zoom calls. Open it up to the media. Say we give Governor consent to do it. You all have fun January. Not even have a special session. What vote have we take that made a difference in the outcome that's going to happen this year before the end of this quarter? Somebody tell me. What are we doing right now that's going to make a change this year for somebody in my district, somebody in your district, anywhere? Thank you, Mr. President.

KELLY: Thank you, Senator Wayne. Senator Erdman, you're recognized to speak.

ERDMAN: Thank you, Mr. President. I come back up to the mic to say a couple of things. One, Senator Hansen is not the only one that had taken a trip with Senator Wayne. He told me he was a fish whisperer. I

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

didn't believe him. But I'm a believer now. And, and I appreciate that. We had a great time. Discussed a lot of things there. Found out we have more things in common than we actually knew about before we went on the trip. He had mentioned earlier in his comments about we had people talk to each office about EPIC this last week. I find it very peculiar that we all had on our palm cards property tax relief or some sort of property tax agenda. I had that on mine. And starting in '17, I was so frustrated at the end of that session that I called a press conference in the Rotunda and asked if anyone was interested in real property tax relief, please join me. Had about 25, 30 people sign up, join me. We started a petition drive to lower property tax by 30%. That petition drive was ran by a farm organization that pulled that with not notifying me why they did. We then tried another petition to lower it 35% with a property tax credit. That petition failed because of COVID. I made that statement on my palm card, and I meant it. Very few in this body had that on a palm card that meant it except they wanted to get elected. Senator Wayne has made that point very clear in his last few comments. We are not interested here about fixing the tax system. If we were, we could have done that. 57 years we've been functioning under this broken system. We like it. How do I-- how do I know what-- that's true? It's because we've never changed it. Every year, we introduce hundreds of bills dealing with taxes. Not one has ever been a solution. But when someone has an idea that is a solution that fixes the system, whether it's because of the person that introduced it or maybe it's because it wasn't their idea or maybe, for example, if we actually solved the property tax problem, all the ag groups would go away because they wouldn't be needed. The most frustrating part about this job is I discovered that the reason we haven't gotten property tax relief is not because of the senators who live in Omaha and Lincoln. It's because the ag groups. They've never supported anything that made a difference in anybody's life. They claim to be a grassroots, ground-up organization, and that's not the case at all. So I point the fingers at those who should be for property tax relief are not. We as a body are not in favor of changing our tax system because we like to pick the winners. And I used to say we like picking winners and losers, but we don't pick losers. All we have to do is pick the winners. The loser is automatic. Imagine Act, Nebraska Advantage Act, TIF financing-- all those pick winners. EPIC, if you would really look at it-- and I would say there's probably a-- just a couple, maybe 3 or 4 in this body that have ever taken the time to sit down and have a discussion, is where we need to go. And why do we need to do that? Because it puts the taxpayer in first place.

KELLY: One minute.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

ERDMAN: Nothing I've ever voted on or discussed on this floor of the Legislature ever-- has ever placed the taxpayer in first place, has never taken into consideration how much taxes they pay. Not once. Never. The government did not elect you people. The people did. But you don't take that into consideration when you're talking about taxes. So we can't take money from this agency or that agency because if we fall on hard times, they don't have enough money. But we don't take into consideration what happens when someone else falls on hard times and they can't pay their taxes. It's very peculiar what we do here. Senator Wayne's exactly right. We've done nothing. And we'll go home and tell the people we voted for property tax relief when, in fact, it may make a slight difference. I don't even know what \$140 million spread over all the taxpayers in the state is, but it'll be a few cents.

KELLY: That's your time, Senator. Thank you, Senator Erdman. Senator Moser, you're recognized to speak.

MOSER: Good afternoon, colleagues. Good afternoon, Nebraskans. Thank you, Mr. President. Well, I haven't said a whole lot throughout the day. I was hoping this day would pass without me getting in the mood to get up to talk, but here I am. So I'm going to answer some of the questions asked that were posed that nobody wants to answer. So Senator Wayne asked, well, what has changed? Well, when you budget, you set aside money for certain projects, certain expenses. And then when you don't spend all that, you have money left over, then you reappropriation that money. It's experience. You didn't need all that money, so you take some of that back. And the people who are all upset here about taking some of this lapsed fund-- these lapsed funds back can reappropriate the same money in January if they're worried about how much money all the different departments have. The, the most bizarre one is the legislative fund that was being raided for some cash. Of all the departments, this one should be the most predictable. We haven't changed the number of senators. We haven't changed the number of pages. We haven't changed the number of employees-- well, we've added a few in the building. But we shouldn't need a big cushion there. We know what those things are going to cost us. I think the majority of what's going on here today is venting. People are mad because the Governor is trying to interject himself into some of the business of the state and because he thinks that some of these things should be done more efficiently, we should spend less money. And some people here don't like being told what to do. And so they're fussing about it. I, I, I, I did get one idea, just in kind of a lighter hearted moment. So before, when one of the senators was talking, I was sitting here thinking about what I'd-- really should be doing instead

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

of sitting here listening to this and I kind of dozed off. And if you put something on YouTube and it gets, like, a million hits, they pay the person who recorded it. And so I-- we, we could do this as a state, is take some of the senator's speeches and then loop them and play them on YouTube for a sleep aid. So when you wake up in the middle of the night and you can't sleep at 3:00 in the morning, you can key up a half an hour of how much time have I got left? How much time do I got left? How much time have I got left? Do that for about a half an hour. Thank you.

KELLY: Thank you, Senator Moser. Senator Erdman, you're recognized to speak, and this is your-- this is your final time on the motion.

ERDMAN: Thank you, Mr. President. Wow, third time. So I thought about taking 5 minutes of silence, but I've already done that once, so I won't do that again. But I want to finish my comments because it's my third and final time is, if I were to ask for a show of hands how many in this room really want to do something about property tax and about income tax and about moving our state forward, all of you'd raise your hands. And then I bring an idea and say how about this? No one says a word. No one has a discussion. No one has a suggestion that you may improve it if you do this. Have you ever thought about this? Senator Hardin has. He and I have had conversations about how to improve EPIC. How do we do this? How would this work? He's thinking about a solution. Most of you in this room have never thought about a solution. You're interested in whatever the majority will agree with. And even dead fish can float downstream, right? But when you go upstream, that's when you find it a little tough going. If we were serious if we thought that we could improve Nebraska's position in taxes by doing something significant, we would do it. We're not interested in that. We like the status quo. We got 1.96 million people. That's enough. We don't want more people. So all of the policies that we've passed in the, in the, in the past-- since I've been here anyway-- have not kept one person in the state, have not stopped brain drain because their taxes are too high. Income tax, property tax, inheritance tax. All of it. OK? I don't know what needs to be done to force people to have a conversation about fixing the system. But as I said yesterday, perhaps your taxes aren't high enough yet. The good news is they will get there. The good news is because they're going to go up-- property taxes are going to go up about \$1 million a day. So at some point, you're going to cry uncle and you're going to say, I'm to the point I don't care what happens. Let's make a difference. Let's change it. That's what happened in '66. There was no plan, none at all, before the voters removed the only source of revenue the state had. Zero. No planning. So in '67, when they came

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

back, they implemented sales and income tax. We have a plan. We had a plan. Open for discussion. I offered a chance this session to discuss how to implement EPIC over time. Did I get one person-- one-- to come to me and say, hey, how do you do that? Maybe I can help you. Only Senator Hardin. Senator Wayne's right. We're not interested in doing something big. This doesn't do-- what we've done-- putting the front-load on LB1107 is exactly-- that amendment is exactly what I had introduced on LB388 in April. Rejected by this body. Now it's important. And that's all we get. That's it.

KELLY: One minute.

ERDMAN: So if you're watching at home, remember this: what we've done this special session will be a decrease in your increase. A decrease in your increase. That's exactly what this bill will do and this special session has accomplished. Thank you.

KELLY: Thank you, Senator Erdman. Senator Blood, you're recognized to speak.

BLOOD: Thank you, Mr. President. Fellow senators, friends all. I, I still stand in support of the reconsideration. And I completely agree with Senator Erdman. And with that, I would like to yield any time I have left to Senator Wayne.

KELLY: Question or yielding time, Senator?

WAYNE: She's asking me a question.

BLOOD: I'm asking him a question. I'm sorry.

KELLY: Senator Wayne, would you yield to a question?

WAYNE: Yes. Yes.

BLOOD: You wanted my time.

WAYNE: Yes. Well, we had asked-- the question she had asked me is to, is to comment on what Senator Erdman said, so I'm going to answer that. Anyway. Guys and-- ladies and gentlemen, I'm just going to say-- I don't even know. I'm just frustrated. So here's my problem and I'm going to keep talking about what Erdman just said. We don't have real conversations. We make deals. And I know why because I'm usually one of the dealmakers to make a deal. Huh? I mean, that's why. I mean, that started back when I was on OPS, when they used to come down here and say, oh, OPS, you're going to lose \$30 million. You're gonna lose

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

\$100 million in TEEOSA changes. At the time, John Lindsay was our lobbyist. I was sitting and I would say, OK, let's go cut a deal. What do we gotta do? And we would just make an adjustment and we would lose maybe 5 or 10. That was 4 years of me on the OPS School Board. I knew how this place worked. I brought a bill down here to shrink the school board. Senator Lautenbaugh did it for me. Got filibustered the first year. Figured out I couldn't make a deal. Senator Chambers came in the building and replaced Senator Brenda Council. Introduced same bill. Made a deal. I made a deal with, at the time, Government Chair. And I figured out how this place works. But when it comes to big picture items, you got to bring people to the table and you got to have broad conversations and figure out. And it always works in a regular session because you can pick and choose stuff that aren't related to be a part of your deal. But this one, property tax, I remember one year Senator-- Speaker Scheer called everybody into the office on a Saturday who introduced a property tax bill, and it was the ag guys who were fighting about a penny and why that didn't go anywhere. I thought, why is this Erdman guy in the room? So I left. I had nothing-- I didn't care-- I mean, I didn't really care. It was the ag guys fighting because they couldn't come up with a solution. Senator Erdman's right. The solution is you got to change everything. Property tax has been relied on way too much. When Senator Chambers split OPS into three, the real issue wasn't racial. The, the publicity, the, the media made it into a racial issue. The real issue was we used property taxes to fund education. And if you divide north Omaha out, they're going to have a lesser value. You can't actually function in the school. We should rely on-- more on state aid. So the solution in all that in litigation was to come up with the learning community to blend-- literally, they called it-- blending the property taxes to figure out relief to equalize the school districts within Sarpy and Douglas County. I've been down this road. Just funding education alone, I told the Revenue Committee, has never worked. We've tried it in the '70s, the '80s, and the last round was TEEOSA. There were lids at \$3 that went down to 55 cents. Absolutely that happened. But they started going back up. Started going back up. Because the easiest thing to do to call property tax relief is to fund education because it's the biggest chunk you can do. So if I say, hey, I got \$500 million in there. I did \$500 million of property tax relief. Great. Economy isn't going well. Education funding TEEOSA was supposed to get 7% increase. Heineman and others said we can't afford 7%, so we'll do 1%. So that way, when we run for office, we can't get hit by defunding education. We actually funded it and we provide an increase. But it was a gap.

KELLY: One minute.

WAYNE: It was a gap, and that gap continued to rise until a group of school districts formed the Nebraska Council and sued the state. We've been-- we've done this so many times. And all that knowledge from EPIC to what I know to what Senator Linehan knows to Blood's amendments-- 15 of us go away. And you got to start this process all over. And you know who benefits the most? The lobby. Because they get to keep telling their stories and lies, and it takes 2 or 3 years for senators to figure out what's the truth and not. And then a new class is gone, and we're right back here. That's the problem. We got a time and opportunity right now to fix it. So let's have a conversation about EPIC. Let's have a conversation about Brandt's bill. Let's figure out how far you really are off. Because you're not that far off.

KELLY: That's your time, Senator.

WAYNE: Thank you.

KELLY: Thank you, Senator Wayne. Seeing no one else in the queue. Senator Machaela Cavanaugh, you're recognized to close on the motion.

M. CAVANAUGH: I almost forgot I was filibustering. Not really. I have to say, Senator Moser, that is a spectacular idea. I think you have found a new revenue stream. I was talking with one of our colleagues-- it was today, several hours ago-- and I had mentioned that my father in law was once on the board in South Dakota of the municipal liquor store. Municipal's a little bit of a misnomer. It was not a city, but it's called city-- Big Stone City. So anyways, they have a municipal liquor store. Town of 500 people. And that-- basically, that's how they fund-- they don't have a gas station. They don't have a grocery store. They do have a grade school and a church. And they have a hotel where people who come for pheasant hunting stay and you can get the beef commercial, which is a thing that, if my brother were-- he probably is listening to this, but. Yes, the beef commercial. Anyhoo. So one of our colleagues and I were discussing, well, there we go. We should have a municipal liquor store or whatever in the Capitol. And this is my idea. Now, normally, I don't like to increase taxes, but I think if we put in a liquor store in the Capitol, we could double the tax for the convenience of it. And we might, we might just solve all of our problems. I don't know. I don't want to make assumptions about people's, you know, partaking in libations, but possibly. So anyways, Senator Moser, thank you for your suggestion. It was delightful. And I hope that somebody is doing that right now. Just know that I think Senator Moser reserves the right to take that income for the

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

Legislature, whoever you are out in the Internet doing that. I don't think that's a really legal standing, but. Anyways. So I said-- I think-- I don't know-- it was an hour ago or so-- that I wasn't going to keep fighting this bill if, if we could take the cuts to the Legislature out of the bill. I also said I was only speaking for myself. I wasn't, I wasn't even, like, working a deal with anybody because I was standing here all by myself talking and talking. And I still would love for us to take the Legislature out of LB2. That did not mean that I would vote for LB2, because I will not vote for LB2. But if we do get to the amendment, I will vote for the amendment to take the budget cut to the Legislature out of this bill. And then I will probably sit in this chair and possibly fall asleep. Just pretend not to notice, please. So with that, I was debating-- I was going to just pull this motion because, you know, I'm kind of at the point where I just want to see where, where the ship takes us this afternoon, evening. So I think that's what I will do. Mr. President, I would like to pull my motion to reconsider.

KELLY: Without objection, so ordered. Mr. Clerk.

CLERK: Mr. President, Senator Ibach would move to amend the committee amendments with AM89.

KELLY: Senator Ibach, you're recognized to open.

IBACH: Thank you, Mr. President. Oh, boy. Pivot a little bit here. Thank you very much. And thank you, Senator Machaela Cavanaugh, for the refresh on the invasive species bill. It was spot on. And I could save lots of time if I just said ditto. But anyway, I want to just say thank you for that. I fully intend for everyone listening to withdraw this amendment at the end of my opening. But I want to give just a little bit of a highlight to the situation that caused me to introduce this amendment in the first place. So as you may know, for my first 2 years here, I sought to increase funding to the Noxious Weed and Invasive Species Assistance Fund in order to help local agencies across the state mitigate weeds and Phragmites, which clog our waterways. This is a total pivot. Last year, due to budget constraints, I pulled LB218-- which would do just that-- after it was placed on Final Reading with the assurance that the original \$706,000 appropriated for the program would remain in place. On June 5, my office became aware that the appropriations this Legislature provided to the Department of Agriculture was no longer being used for that purpose. Instead, these dollars were being used as a means to provide a reduction in General Fund spending for the agency, which arguably didn't comply with Revised Statute 2-958.02, Section 4, which clearly

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

states: The director shall receive applications for grants under this, this subsection and shall award grants to recipients and programs eligible under this subsection. So I want to thank all those who contacted the Appropriations Committee with their concerns regarding this issue. And I also want to thank the Appropriations Committee for keeping the Department of Agriculture's budget whole. Now that the agency budget remains funded as originally approved by this Legislature, I do expect the director to carry out the statute that requires these funds to be used for the purpose and carries out the program as the Legislature intended. With that, I would withdraw my amendment. Thank you, Mr. President.

KELLY: Thank you, Senator Ibach. So ordered. Thank you, Senator. Mr. Clerk.

CLERK: Mr. President, Senator Dungan would move to amend the committee amendments with FA122.

KELLY: Senator Dungan, you're recognized to speak.

DUNGAN: Thank you, Mr. President. Good late afternoon, colleagues. I think some people are still here and paying attention. I am not going to withdraw this amendment. I do want us to get to a vote on this. I'm not going to take a lot of time. I'm not going to filibuster this, necessarily. But this is the amendment that withdraws or takes out the part cutting the DHHS cuts. We've talked about it all day. We've had a lot of conversations about this. I don't think it's going to necessarily take a lot more of our time. I spent quite a bit of time on the mic this morning talking about my concerns. I want to start by thanking the, the members of the Appropriations Committee who fought in order to make sure that we were not cutting services that come directly out of the developmental disabilities part or the behavioral health part of the budget. What we're talking about, though, still are cuts being made to the administration budget upwards in the realm of \$25 to \$40 million. And what I've heard in my conversations both on the mic and off the mic with members of the Appropriations Committee is it is unclear whether or not those funds from the administration services of DHHS are going to directly impact the services that DD, or developmental disability, folks, receive. Again, I have personal experience in this world. I know for a fact from boots-on-the-ground people working in this area that there are currently struggles in order to get services. We have people who were on waiting lists for years. We have people who can't get daycare programs. We have people who-- or day programming. We can't get people who have direct service providers. It's, it's a mess. And so before we cut a massive amount of

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

money, I think it is important that we know exactly the effects of where that's going to come from and what that's going to do. And the fact that nobody can tell us what these cuts are going to do with regards to the actual implementation and, and administration of behavioral health services and DD services, to me, is problematic. So, colleagues, I would urge a green vote on this floor amendment. It leaves the rest of this the same. I have other concerns with the process, but I don't even have to get into those. We've discussed this long enough. We've talked about DD services and DHHS services, so please vote yes on this floor amendment to take out the cuts to DHHS. Thank you, Mr. President.

KELLY: Thank you, Senator Dungan. Senator Wayne, you're recognized to speak.

WAYNE: Thank you, Mr. President. And this is where my colleague, Steve Erdman, and I are going to disagree because I don't know enough about HHS to say we should have a cut. I know there's enough problems over there that, until I do, I think they should have money. And that's just where I'm at. So, first, I'm going to talk about why I'm a-- why they call me the fish whisperer. And then I'll talk about more context, but. So bring a little fun to the conversation. So I was joking one day here last year when we started talking about going on a fishing trip that I was the fish whisperer. And there were a lot of jokes going back and forth. And every once in a while, I'll find, like, a TikTok click or a YouTube click of somebody sticking their hand in the water and the fish would grab them, and I would send it to the little group who were all going. We were laughing back and forth. But when I pulled up in Minnesota, I got there at night after a storm. Got up the next morning. And I was kind of joking. And I put my hand in the water and I'm like, oh, I'm going to catch fish right off of this dock. Don't worry. I can feel it. And we were all joking. Lord and behold, I caught a lot of fish off that dang dock. And there were some-- 2 walleyes, 2 northern pikes, some bass. I, I probably caught more fish off the dock than some people caught that whole trip. So that's part of it. Then the second part was I was fishing on Senator Erdman, Holdcroft, and Halloran's boat, and Senator von Gillern was by himself. And I, I got a-- can't tell the whole story because there's litigation pending on this, so I'll keep it short. But I was transferring over to the other boat and somehow I ended up in the water. And I told them that the fish brought me back up and we should stay right here and catch some more fish. And sure enough, we caught some more fish. So it is true. I became a fish whisperer by accident. But I am one now. And we have people who can verify that. But since then, in Minnesota, I haven't been able to catch a dang thing in

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

Nebraska. So I did bring a bill to fix that, \$10 million to have some more fish hatcheries around walleye and northern pike. That's still in committee. I hope it gets voted out. Well, anyway. So let's talk a little bit about why this is-- amendment's important. Again, and to me, it comes down to this is one of the places that Senator McKinney has deemed it Department of "Hell and Harm." And it affects a lot of east Omaha, particularly black, brown, and low-income children. They have always had problems. And I'm gonna let you in on a secret. I don't talk bad about any agency unless I have a solution. So if you go back and check the record, for the last 7 years, I never really spoke negative about HHS because I do juvenile court law. And that is the most complex agency and industry and area that I can think of. And I don't pretend to know all the answers except for maybe we need to break it up and figure out how to get more focus. So I don't talk about it. But I do have a problem with cutting something without knowing enough about it. Call me ignorant, call me whatever, but that's where I'm at. I don't have a whole bunch of facts that they need every dollar like some other people here. But I know that the kids that I represent and the families that I've seen have struggled. In fact, I got a case right now where there has been 3 caseworkers in 4 weeks. I don't know if that's a money problem. I don't know if that's a salary problem. But I don't know taking money away from an agency that I see personally have so many problems is the answer. So that's where I'm at. Some people might-- I mean, the part-- Appropriations, they come in, ask questions, ask tough questions. They may have more knowledge than me. I'm on the end user side. The end user side of--

KELLY: One minute.

WAYNE: --seeing kids in this system not getting the help, not the families not having the help. I have visitations that are canceled multiple times because we can't get somebody to drive a family or a kid to the other place. I just don't know enough. But I know there's a problem, and I don't think we can cut our way into prosperity when it comes to HHS. That's all I have of why I'm voting for this amendment, because I'm the end user or I see it every day in litigation that I go through in juvenile court. And maybe it's dysfunction. Maybe it's a lack of money. But I don't think cutting it is going to solve the issues that I see every day. Thank you, Mr. President.

KELLY: Thank you, Senator Wayne. Senator Erdman, you're recognized to speak.

ERDMAN: Thank you, Mr. President. I am one of those-- I am a person who can verify that Senator Wayne is a fish whisperer. Amazing what he did. As he said, he caught fish when no one else did. I've only seen people catch fish off that dock were little, tiny bluegill about 3 inches long. And he caught more fish off the dock than I did in the boat. So he's right on that. So I'm going to talk about Senator Dungan's amendment. I'm opposed to it, and I'll tell you why. We didn't make any cuts to HHS. None. We took funds that were not going to be spent and we swept those funds because they couldn't use them. The director is new-- relatively new, Steve Corsi. Outstanding individual. Understands what needs to be done in HHS about delivering services to people. Understands that when the money is not being used, that it shouldn't just sit in an account. And so upon his recommendation, we did what you see in the bill. That's what we did. We're taking the excess funds that weren't going to spend anywhere. And this did not cut any, any program. We left, as I've said before, we left completely whole behavioral health, public assistant, and DD. Never touched those. So to stand up and say we got to restore this money because we're making cuts is a misstatement. I would tell you something else, but I want to be-- try to be kind. Senator Walz encourages me to be kind, so I'm going to try to do that. It's a misstatement. It's incorrect. OK? We're not cutting anything. So this amendment is not necessary because what it'll do, it'll restore the \$25 million back into an account that won't be used for anything. That's money the state taxpayers put in that fund. It belongs back to the people who put it there. That's what we're trying to do. I'm a little disappointed that the Appropriations Committee works hard trying to come up with the correct appropriations to make sure these agencies have the correct funding needed. Senator Armendariz spoke about that this morning. It, it's not a willy-nilly thing. We ask questions. We ask questions of the person who is in charge of that agency to see if we're making the correct decision. And who knows better what the agency needs than the people who run the agency. We as senators don't know what we should appropriate the money for exactly like they do. That's what they do. That's their job. And so we're taking this \$25 million upon the recommendation of the director of HHS. This amendment is not necessary. But we'll have a discussion. We'll keep talking about it. We'll-- perhaps we'll vote on it. But if you want to put the money back to just leave it in the account, just do that. But just know that that \$25 million belongs to someone else-- not to you, but to the taxpayer. But we seldom, we seldom take into consideration the taxpayer. Because if we did, we'd fix our tax system. But that's what we do here. We've always done that here. And we will continue to do that. So vote no on A-- FA5-- FA122. Vote no.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

And then let's move this bill so we can move LB3 and we can move on with completing the work in this session. Thank you.

KELLY: Thank you, Senator Erdman. Senator Wishart, you're recognized to speak.

WISHART: Thank you, Mr. President. I rise in support of FA122 and want to thank Senator Dungan for, for bringing this amendment. First of all, I, I do want to defend the work that the Appropriations Committee has done. You know, to, to answer the, the questions on the, the level of detail we've gone in-- into this budget. You know, we, we pored through this line by line ev-- everything you're looking at. And I'm, I'm happy to, to talk with each one of you about the discussions we had on every single item that is included in this budget and in LB3 as well. And, colleagues, there is always an opportunity when presented with us, like in this special session, for us to relook at our budget and determine where there are additional areas where we can find some savings. And I have no issue doing that. And I think for the, for the most part with LB4, what, what you have in front of you is a very sound piece of legislation that ha-- we have meticulously gone through and looked at each agency and said, yes, they can handle this. They have some savings that they're not going to spend. The one area that I have had concern with is with the Department of Health and Human Services. And I differ from Senator Erdman-- and, and we have these healthy debates-- in that this is the one area where if there are savings, from my perspective over the 8 years of serving in the Legislature, there is ample opportunity for us to reinvest those savings in serving people. And in particular for me, kids who are in our child welfare system. I have had the experience being a foster parent in the past with the challenges that youth in our state go through every single day when they are state wards removed from their families and into a roller coaster of an experience that no child should ever, ever, ever have to go through. And I have to tell you, colleagues, I'm still on the lists of, of CEDARS, where they send me emails and texts constantly about kids who need overnight service or longer term care. And it's, it's pretty devastating when you read the amount of kids that are going through this in our state. And so for me, when we're looking at health and human services, if there are savings that we can find-- and no doubt there are-- then we should be looking at how we redirect those savings to go towards those kids in particular. I also want to stand up and defend some of the work being done on, on the Epiphany effort. I actually got a chance as an Appropriations Committee member to listen in, in a hearing to Kristen Cox and some of the work she's done in Utah, which we followed in terms of some of their juven-- some of their justice reinvestment

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

work. And I do think that there is an opportunity for us as a state to find additional efficiencies in savings by ensuring that people are getting access to service quicker. And so they're not in the rotating system of needing support because they get the support they need quickly and they're able to get it back on their 2 feet and, and live a, a healthy, happy life. And so I-- you know, I, I won't be here next year, but I, I do think there is an opportunity for looking internally and holistically our budget, looking at the systems that we have in place-- which she discussed-- and where there are roadblocks--

KELLY: One minute.

WISHART: --that are preventing us from being able to get services to people quickly. And so I'm hopeful that some of that work will lead to more efficiencies in terms of budget but also quicker access to individuals for the care they need. And so I, I am ex-- excited about the opportunity that the Legislature has to, to embark on that. And I'll be watching that from afar as a citizen. Thank you.

KELLY: Thank you, Senator Wishart. Senator Wayne, you're recognized to speak.

WAYNE: Thank you, Mr. President. So I want to talk a little bit about a vision I had about 2:30 this morning. The vision was that maybe we can figure out how to deal with the taxpayer. That was the, the context of it, how to deal with the taxpayer. And, actually, it goes to a conversation that happened almost 3 years ago between me and Senator-- Senator Erdman and I. It was some bill I wasn't supporting. And he said, who do you work for, a taxpayer-- do you work for government or a taxpayer? And his second question was, who elected you, government or a taxpayer? And I actually started thinking about that. And if you really put it in that perspective and you eliminate the politics, kind of emboldens you to do something for the taxpayer, for the public, not the institutions. So I was thinking about that at 2:30 because I-- you know, if you don't know me, I try to figure till the-- till there's no votes on the board and the bill is dead forever to how to fix it. And what I came up with-- and I started thinking about Senator Brandt and his constitutional amendment. Then I started googling and checking out all the states and I was looking at tax rate levies, assessment levies, and ratepayer levies, and levy limits and all this stuff. And then I started looking at what most states are doing and how they were separating out homes, rental property, commercial, motels, and hotels. And it took me back to Trevor yelling at me my second year saying it's unconstitutional because of this thing called the uniform "apportionality" clause. And I said, I don't

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

care. Drop the damn bill anyway. And at the hearing, he wrote a memo that says this is unconstitutional so we shouldn't vote it out. Well, he didn't say it that way because he didn't commis-- comment on policy like that. But he made it clear in Urban Affairs that it was unconstitutional. Then I started thinking more about Brandt's amendment, and I said what if, what if we took a system-- and people may or may not listen, but I know Senator Lowe will-- what if we took a system where we said your house-- and it's kind of a, a version of, of Senator Hughes's plan, but it's actually through all, not just education funding. What if we took your house you live in and put it at 65% of the market rate? Pretty good idea. What if we took the rental house and put it at a 75% market rate? And then we take the corporations and other people who may not live here and have these big businesses, we keep them at the market rate. And then what if we took the money of LB1107 and we pay the delta for that homeowner? That directly goes to the homeowner because it is owner occupied. Then I thought, if I ran this by McKinney, what would he say? Now, at that point, I might have had a sip at 3:30 or 2:30 of something that made me feel a little better. And I was like, McKinney would say, well, is Ohio Company going to get any money? I said, no. They would actually be treated differently because it's not a owner occupied. And I can see him saying, I might get on board with that. Then I started thinking about ag. And instead of taxing all ag the same, what if we separated out the home? Could that help? Don't know enough about ag. Got to talk to Erdman. Oh, scratch--

KELLY: One minute.

WAYNE: --that off. If it ain't EPIC, he ain't going to talk back to me. So let's see who else I could talk to. But just imagine that. We change our entire property tax structure where the homeowner gets a bigger benefit than the corporation. The renter can get some kind of benefit to offset not getting anything. And that person who is renting that house or apartments also gets a tax break except for the corporation. That's not regressive. So how do you pay for it? Well, we already got some money. I think there are some exemptions we can definitely close. And Senator Linehan--

KELLY: That's your time, Senator.

WAYNE: Thank you, Mr. President.

KELLY: Thank you, Senator Wayne. Senator Machaela Cavanaugh, you're recognized to speak.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

M. CAVANAUGH: Thank you, Mr. President. I'm going to try and be brief because I would like to get to a vote on this. But I did want to comment about the DHHS cuts. They are-- what has been presented today by the Appropriations Committee prior to Senator Erdman's comments was that these were budget cuts that were made by the department, not unspent cash that was being recuperated. And when I asked what the cuts have been, the answer has been for efficiencies. But we don't know beyond that if that is staffing or something else. Maybe technology updates. I don't know. So I just wanted to clarify that. And I had one other thing I wanted to say that I said off the mic but I think it's important to say on the mic as well. Senator Linehan, you-- Senator Linehan, I'm just let-- I'm trying to get her attention a little bit here. Senator Linehan, I, I was just-- I want to say this on the mic because I said it to you off the mic. Senator Linehan, you are terrible at taking a compliment, but I'm going to give it to you again on the mic. I am so impressed with the work that you have done all of the years that you've been here. But the work that you have done on this special session-- I mean, I love to fight with you, obviously, but that doesn't mean that I don't appreciate the effort that you put into it and how you put yourself out in front of really hard and controversial things. So I love to fight with you. And I wanted to say that on the mic. And you are terrible at taking a compliment. And with that, I will yield the remainder of my time, Mr. President.

KELLY: Thank you, Senator Cavanaugh. Senator McKinney, you're recognized to speak.

McKINNEY: Thank you, Mr. President. I actually support FA120-- FA122 from Senator Dungan for-- some of the reasons why I support reallocating the dollars for Corrections, I think we should reallocate the dollars that we're trying to take away from the Department of "Hell and Harm" to actually make them the Department of Health and Human Services. Because what currently happens today, you have caseworkers showing up to court that do not know the cases, that do not know the families or kids. So why don't we reallocate dollars to ensure that our caseworkers are properly trained and prepared to deal with these families to make sure that we have proper and adequate staffing, those type of things, if we're-- if we have an extra \$25 million? Maybe they're not using it, but maybe we can realloc-- reallocate it to make sure that Nebraskan families can be taken care of. Because I would assume and probably guarantee-- and I would bet you on this-- that a good majority of the families and children that are in the child welfare system could tell you a horror story about DHHS. So why don't we reallocate our dollars to take care of the

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

families and kids in the system instead of taking away dollars altogether? Just because the dollars are there, it doesn't mean just take it away. Maybe we could find better usage of those resources to take care of Nebraskan families. Because-- I'll say it again. Yes, you take these dollars away and say we reallocating dollars for property tax relief, but the reality is, if you don't take care of these families and these kids today, you will still be paying \$25 million on the back end to take care of these families, which will be paid with taxpayer dollars. So it still will not be any type of relief for taxpayers. But don't listen to me. Listen to yourself. But I'm just giving you my opinion on these things. And I yield the rest of my time to Senator Dungan.

KELLY: Senator-- thank you.

McKINNEY: Oh, he don't want it.

KELLY: Senator Dungan waived the time. Senator Wayne, you're recognized to speak. This is your last time on the floor amendment.

WAYNE: I've, I've spoken 3 times already? Thought I only spoke twice. I'm gonna start keeping track of that too. Thank you, Mr. President. So what I was talking about was taxing people differently. And people want to get to this vote, and I'll let them get to this vote. But we can definitely switch out residential versus nonresidential. We can tax them differently and give direct property tax relief to individuals. Now, people are going to wonder why I'm thinking about taking this to cloture. I don't know if I will. I'm kind of just going with the flow. I'm thinking about taking it to cloture for the exact same reason that Senator Linehan spoke about. Some people were filibustering yesterday and then voted for cloture. And I'm tired of people hiding. We talk about property tax. We run on this issue. But we play games and hide. So you'll vote against this bill. It'll pass with 27, 28, maybe 30, maybe 40. And then will help filibuster tomorrow. And then if it gets enough votes, you'll vote back on to say you voted for property tax relief. I'm tired of that. So the only way I'm going to get that 33rd person to show their hand is to take it 6 hour-- to 6:30. No more hiding. Be who you are. Have some political courage here. And the reason why I say that is because I did it. First year. Attorney General Hilgers. Preemption. Took it. Took it on the chin. 33rd. Went regular order. Wayne. Last one. Everybody knew I was 33rd. Started getting mailers and all types of stuff. Took it on the chin. Stand for what you believe in. School choice. First year, wasn't for it. Second year, I'm seeing how-- try to work with OPS. After 8 years, I was like, man, I, I-- my district needs something. Last 3

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

years, took it on the chin. Looked at everybody in their face. Took it on the chin. People need to start having some courage here. I know what happened yesterday. We pulled that amendment down because there's people running for offices. Didn't want to take a vote on it. For that reason alone, I would have left it up. We should publish every committee vote in the record. Don't get to hide in committee on votes. We need to stop all the games and, and have some courage and take votes that you believe in. The fact of the matter is, there is not a school district when it came to the floor has supported any plan. And OPS will never. Because at the end of the day, the pie is only so big. And if we have to give rural schools more, OPS is going to be opposed, period. That was the stance when I was on the board. That's their stance today. They voted even against Hughes's bill. That's their stance. Even if you put a hold harmless provision in because after 5 years the Legislature might touch it. So we got to bypass them. I'm tired of having that fight. Education is what it is. And it can't be a money issue because OPS is sitting on a ton of cash reserves, like hundreds of millions of cash reserves. So much money they have we have to shut down special ed programs in Senator McKinney's district because we can't find teachers. That's how much money they have. They can just do what they want. For those who are wondering, everybody's huddled up over here trying to figure out what they're doing. See, that's what-- fir-- my first couple of years, that's what my job was. It was come filibuster--

KELLY: One minute.

WAYNE: --so we can make a deal in the corner. And that's what I learned. I need to be in a corner, not on the mic. But on this issue, they've asked me, what do I want? What do I want? I don't want anything. It's liberating. I could just talk and not worry about making a deal. And I don't want anything because this overall concept is not good enough for my district. Need to break the puzzle and start all over, and there's a way to do that. And we can continue to focus on scheduling. We can continue to focus on being done in this order and that order. But we're scheduling into failure. We're scheduling into failure. We have the talent and ability to do something right now. We don't have the political courage. Thank you, Mr. President.

KELLY: Thank you, Senator Wayne. Seeing no one else in the queue, Senator Dungan, you're recognized to close on the floor amendment. There's been a request to place the house under call. The question is, shall the house go under call? All those in favor say [SIC] aye; all those opposed say [SIC] nay. Record, Mr. Clerk.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

CLERK: 18 ayes, 3 nays to place the house under call, Mr. President.

KELLY: The house is under call. Senators, please record your presence. Those unexcused senators outside the Chamber, please return to the Chamber and record your presence. All unauthorized personnel, please leave the floor. The house is under call. Senators Bostar, Hughes, and Bosn, please return to the Chamber and record your presence. The house is under call. All unexcused members are present. Senator Dungan, you're recognized to close on FA122.

DUNGAN: Thank you, Mr. President. Colleagues, I know it's getting late in the evening. I first of all want to say I really appreciate you paying attention and staying here. It bears repeating sometimes when these amendments are, quote unquote, real amendments, but that's part of the reason I wanted to make sure people were here. This is a real amendment. We've been discussing all day whether or not the cuts to the DHHS appropriations or the, the carryover is appropriate. And my point that I've made since the very beginning of today is that I have really serious concerns about whether or not DHHS, if we make these cuts, is going to be able to continue to provide the same level of service to people in the behavioral health community, in the developmental disabilities community and, as Senators McKinney and Wayne have pointed out, also in the juvenile justice community. DHHS has a number of programs it operates. And, again, I want to thank the Appropriations Committee for their hard work ensuring that we don't take money out of the delineated or particular budgets for things like behavioral health and such. But this is all money coming out of administrative budgets. What we've learned from the debate today, colleagues, is that we don't exactly know what the administrative budget affects. What we do know is that part of that money goes towards the operations of everyday services like providing services for DD people, for the behavioral health folks, and the juvenile justice system. So to reduce the amount of money available to DHHS without fully understanding and having a, a, a good understanding of what the effect is going to be, puts us in a problematic situation. I'm not even saying that we can't have this discussion in 4 months about whether or not there are efficiencies to be found. Senator Wishart made the very good point that there are absolutely efficiencies that we can find, but we should not and we cannot make those decisions on a very short notice and without having information. When I asked Senator Vargas questions about this earlier today, he was able to, I think, very, very accurately state and articulate that when they asked questions from DHHS about where this money would come from and what the actual effect of these cuts would be, they weren't able to answer them. So we don't know, if we make these cuts, what's going

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

to happen. And that's not a good way to budget. So, colleagues, again, I really appreciate your support-- or just being here. I appreciate your support of FA122. To remind people what this does, is it cuts the cuts to DHHS. So this removes DHHS from the conversation about the budget cuts. I would urge your green vote. And with that, Mr. President, I would ask for a roll call vote, reverse order.

KELLY: Thank you, Senator Dungan. Members, the question is the adoption of FA122. There's been a request for a roll call vote, reversed order. Mr. Clerk.

CLERK: Senator Wishart voting yes. Senator Wayne voting yes. Senator Walz voting yes. Senator von Gillern voting no. Senator Vargas voting yes. Senator Slama voting no. Senator Sanders voting no. Senator Riepe voting no. Senator Raybould. Senator Murman voting no. Senator Moser voting no. Senator Meyer voting no. Senator McKinney voting yes. Senator McDonnell voting no. Senator Lowe voting no. Senator Lippincott voting no. Senator Linehan voting no. Senator Kauth voting no. Senator Jacobson voting no. Senator Ibach voting no. Senator Hunt. Senator Hughes voting no. Senator Holdcroft voting no. Senator Hardin voting no. Senator Hansen voting no. Senator Halloran voting no. Senator Fredrickson voting yes. Senator Erdman voting no. Senator Dungan voting yes. Senator Dover voting no. Senator Dorn voting no. Senator DeKay voting no. Senator DeBoer voting yes. Senator, Senator Day. Senator Conrad voting yes. Senator Clements voting no. Senator Machaela Cavanaugh voting yes. Senator John Cavanaugh voting yes. Senator Brewer voting no. Senator Brandt voting no. Senator Bostelman voting no. Senator Bostar voting yes. Senator Bosn voting no. Senator Blood voting yes. Senator Ballard not voting. Senator Armendariz voting no. Senator Arch voting no. Senator Albrecht voting no. Senator Aguilar voting no. Vote is 13 ayes, 32 nays, Mr. President, on adoption of the amendment.

KELLY: The amendment fails. I raise the call. Mr. Clerk.

CLERK: Mr. President, Senator Machaela Cavanaugh would offer FA124.

KELLY: Senator Machaela Cavanaugh, you're recognized to open.

M. CAVANAUGH: Thank you, Mr. President. So here's what's happening as far as I can tell. There, from the start of today, were discussions and negotiations going on with the Governor's Office and his people that are just right outside the glass there about removing DHHS budget cuts from this bill. And they had some sort of agreement on that that we wanted to remove those budget cuts and the Legislature. And what

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

they said was, no, you can have one or the other, but actually you can't have one or the other. You cannot have the Legislature. We will give you the HHS cuts. We will take those out. And I, being myself, thought, well, somebody needs to defend this institution and the people who work here. So I'm going to have my own line in the sand that I'm going to filibuster this if we can't protect our own people. So then it was decided, OK, there's the agreement. You get this cut reinstated, but not DHHS. So then somebody introduced an amendment to put the Legislature back in. And then that was withdrawn. And Senator Dungan on his own introduced an amendment to take DHHS out. And then somebody else put another amendment to take the Legislature out that was filed after Senator Dungan's but not in concert with one another. So I was thinking Senator Dungan's bill must be-- or amendment must have the 25 now that has been christened by the Governor because the, the amendment to withdraw the cut to our own institution was taken out. So they must have all decided, we'll give you 25 votes on HHS. But now that has failed. So now we're back to my line in the sand, which is our own institution. And here is the thing I am going to put to you, colleagues. Clearly, they never needed to cut \$25 million. They were willing to give it up like that in a heartbeat. And they never could tell us what they were cutting. Is it paper? Is it computers? Is it people? Is it buildings? What are you cutting? They never said. When I asked Senator Clements, he says efficiencies. That's not an answer. Senator Armendariz and Senator Dover got on the mic and said efficiencies. That's not an answer. What are you cutting with that \$25 million that you can just as easily give back without batting an eye at, like, 10 a.m.? But now we can't. We can't even get-- I don't think we got 20 votes to put the DHHS money back into the bill. So do we have the votes to put our own people whole again or are we actually working for the Governor and not our own constituents and not for the institution of the Unicameral? I am in the queue, but I'm actually going to take myself out of the queue. I have nothing more to say on this. This body owes it to these people to vote to put that money back. You owe it to your staff. You owe it to the legislative staff. You owe it to the legislative divisions to put that money back. Show a little backbone. Show a little spine. Stand up for our own. Thank you, Mr. President.

KELLY: Thank you, Senator Cavanaugh. And you are next in the queue and recognized to speak.

M. CAVANAUGH: No one-- oh. Nope. I guess waive.

KELLY: Waived. And, Senator Dover, you're next and recognized to speak.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

DOVER: Thank you. I just want to stand up and say it, it's somewhat insulting to work the hours that Appropriations put in, in a bipartisan way. Democrats and Republicans working together and, with some exception, we're all standing up trying to defend what we spent days and days-- and, and I think a lot of you are aware of this, but I think this needs to be said is we meet 5 days a week, the 9 of us, and we do it for weeks. And to, to insinuate that we don't do our due diligence would be the same thing for me to, to talk to-- about to another senator saying they don't do their work on the committee. And I wouldn't do that because I really think that most people here do the best they can based on the information that they have. And I think one of the most important things that we at the Legislature need to do is not be hypocritical. And so we did not treat the Legislature any different than any other agency. And so when we saw money sitting there, we said this is not our money. This is the people's money and it needs to go back to people in the form of property tax relief. So I, I, I-- it's, it's late-- later in the day, I guess. And if I sound frustrated, I am. But we worked hard. We asked questions. And we actually met with Senator Aguilar-- Chairman Aguilar and, and discussed this with a, a member from accounting and Trevor. And so we sat down and they said as long as we didn't do this, they're OK with this. And they were-- when I met with them, they were OK with what we had done. And the only argument they had is was what if-- what, what if we get sued? What if? And that's the same thing we heard in every agency. It's kind of funny that every agency wanted to have this cushion of other people's money-- the people's money-- sitting there just in case. The problem is just in case means that money's sitting there, not being productive, not being used efficiently. And it's the people's money, so I want to return that. So anyway, I did meet-- as well as Chairman Clements met with Senator Aguilar. Went over things. They were fine with it. And here's the funny thing is, why is it when we meet with people and they say, no, we're OK with this, but don't do this-- which we agreed on-- do one thing, don't do another. Why is this now a big issue here? And I think the worst thing that we can do, I think, as a-- you know, another way as a state compared to cities and, and, and counties, et cetera, is they have other rules for us because we're more important and we don't want to go through the-- perhaps the-- we don't want to be cut or whatever, but we're willing to cut other people. We should, we should be willing to do what we think is fair, treat everyone fairly. And that's exactly what we did. We treated the Legislature as same, same as every agency. And I think we were fair. Thank you.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

KELLY: Thank you, Senator Dover. Senator Conrad, you're recognized to speak.

CONRAD: Thank you, Mr. President. Good evening, colleagues. I rise in support of the amendment. And let me just offer a couple of reflections where, where we find ourselves at this point from, from, of course, my perspective only. But you'll, of course, remember from regular session, as we near the end, after battles were waged and hard fought, and eventually everybody ends up tired and perhaps dissatisfied with either the strategy or the substance. Things always have to fall apart a little bit before they come back together. Seems like we're kind of at that point in this special legislative session as I'm trying to keep track of the conversations here today. But I, I do want to acknowledge how hard the Appropriations Committee works. I know having sat in those chairs for 8 years it is a huge responsibility. And I know that the folks who sit there now are doing really, really hard work to try and make the best decisions. I also know, though, that once that budget is presented from the committee, once it emanates from the committee and then it's presented to the full body, it, it has to become our own. It has to be subject to kicking the tires, asking questions, adding amendments, adding in dollars in some instances, subtracting dollars in other instances. The vast majority of the Appropriations Committee budget typically gets adopted, but it, it has to-- while we can and should give great deference to the people who sit in those seats as we do for other committees, jurisdictional committees, we also have to remember that it does need to become ours as the full body as we carry out our constitutional duty to pass a budget and, and to pass balanced budget at that-- which, again, is to the biennium, not to the out-years or to the present moment. The other thing that I just want to be clear because I think it is really getting lost in the debate on LB2 and LB3 perhaps later is that LB2 and LB3 are not an A bill for LB34. They're, they're not required to pay for the substance of the additional tax relief that's modest but meaningful in, in those bill-- in that bill. This, this is a separate track. They're, they're not related thereto. So people just need to be really clear about that. If they were an A bill for LB34, they'd be an A bill. They're, they're separate tracks with the, with the property tax measure moving forward. The other piece I just want to note quickly in support of this particular amendment is, of course, just to reaffirm that we're the smallest Legislature in the entire country. And we do operate efficiently and provide good value to the taxpayers. And having a one house and saving money was actually one, one of many reasons why our unique form of government was adopted by the citizens so many years ago. But I also

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

want to clarify that not a single penny of the dollars in this particular amendment or in the legislative budget writ large go to enriching senators individually. Our salaries are set by the constitution. They cannot be changed. Our per diems are set by law. They are directly related to the expense of service. We make \$12,000 a year. We're not protecting ourselves or enriching ourselves as senators when we ensure that we have a strong and independent, coequal branch of government. If you'll look at the Appropriations Committee's work, there are no cuts to the--

ARCH: One minute.

CONRAD: --other independent, coequal branch of government, to our partners in the Judiciary. There are some proposed cuts to the executive branch and executive agency. But I would point that out as a point of contrast. Additionally, the reason-- thank you, Mr. President-- we have such a high unexpalad-- unexpended balance in some of these line items within the Legislature is because we have a high number of vacancies due to the fact that we're working very hard to increase staff's pay so that we can recruit and retain smart, talented people into public service in this role. But those vacancy savings are-- can be wiped out very quickly. Additionally, we get hit with unexpected expenses like special sessions or a legal bill defending ourselves from overreach in the executive branch, as we did with the OIG last year, or the HVAC prop-- process, which sparks a almost--

ARCH: Time, Senator.

CONRAD: --\$1.5 million unexpected bill. Thank you, Mr. President.

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

WAYNE: Thank you, Mr. President. Colleagues, what I passed out to you is how Colorado differentiates types of taxes. So if you didn't get that, it's a little-- just a, a grid. Colleagues, this is where we need to move to. And here's my problem with LB34. Homeowners are being treated the same as out-of-town companies. Ted Turner and Bill Gates are going to get property tax relief the same as grandma in Florence. We have an opportunity to stop what we're doing. And I know people are scared, don't want to upset the Speaker, don't want to upset the Governor. I get that. But I'm trying to save some homes in my district. Some of you know how personal this is to me. And some people in my family have actually moved because of the storms and their property taxes went up. Storms and getting trees and all that removal. That's not covered by insurance. That's stuff you got to just clean

up. And they're elderly. And their property tax took another hit. And they just said they can't do it no more. This is an opportunity we have in front of us, and we're seriously not talking about it. So I just passed it out and say just look at it. This isn't the Wayne plan. I'm not smart enough to come up, come up with it. What I am doing is smart enough to look at different pieces and putting something together. And if you find something good, you just keep doing it. But we have a opportunity through Brandt's constitutional amendment to do this. The opportunity is simple. Residential versus nonresidential. We already did it with ag. We could add a actual further part of the ag breakout and do home residential versus ag land. We could talk about that if his bill was up and we could talk about if that was the best thing to do. But what you see in here is they treat owner-occupied people and those providing rents different than corporations. We can't do that. Our constitution forbids us from doing that. And the fact that we are not even having that conversation-- think about that. We are talking pie in the sky, high-level stuff and just front-loading LB1107 and that kind of stuff. Great. But we are not even talking about the real issue of how we are one of the few states-- when I say few, maybe one other state-- that has a uniform and proportionality clause in their constitution. If you don't believe me-- because I know I'm on the other side of the aisle or I'm urban or whatever other myth you might think about me-- go ask Kenny out in the hallway. Go ask Trevor over there who used to be Urban Affairs. There's plenty of people you can ask that to who will say we are one of the few states that do that. That is a fundamental problem that we won't even address. But here's the solution. Speaker wants us to get these done first then address the core issue that's causing them. Now, what triage approach is that? Scheduling into failure. Start at the basics. The basics are our constitution says real property has to be uniform and proportionate. We carved out a section for ag land through the greenbelt. But the problem we are seeing now is it is still skyrocketing and the fights are coming because we don't want to say, Ted Turner, Bill Gates, we're going to treat you the same. You're going to get this massive tax break. This investment company who bought over 400 homes throughout the Nebraska, you get the same tax break as grandma down the street, as the small farmer who's owner occupied. We don't want to have that fundamental conversation because we got to stick to the schedule and schedule for failure.

ARCH: One minute.

WAYNE: This is not a win. This is an opportunity right before you to show how other states are doing this. Now, they have a lot of other sales and other tax revenue streams. That's why their percent is only

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

28% on corporate and even 6%. But the categories-- look at the categories and tell me that doesn't make sense. One conservative tell me this doesn't make sense. I'll be more than happy to give this entire thing to Senator Jacobson, Senator Brandt, Senator Hansen, Senator Dover. If it's because I'm saying it and you're not listening, they can have it. But somebody get on the mic and tell me why this is-- why, why we shouldn't start here, why this isn't part of the conversation. To front-load, give money away instead of fixing this and then front-load--

ARCH: Time, Senator.

WAYNE: Thank you, Mr. President.

ARCH: Senator Aguilar, you're recognized to speak.

AGUILAR: --President. I rise in support of FA124. And, first, I want to address an issue that Senator Dover talked about. He kept using the term, what if. What if. In the case of the council and the reasons that we need those reappropriated funds, it's, it's not what if. It's when. It's when. Every year, every budget cycle, something comes up, whether it be hiring legal outside counsel, making repairs to the Chamber. It happens all the time. And we shouldn't have to depend on going to the Appropriations Committee and ask them for General Fund budget money. I feel I have a fiduciary responsibility to not only this institution but to the employees and the staff of this institution. This is something I care deeply about in my position as Chair of the Executive Board, and that's why I'm being supportive of this issue. Thank you, Mr. President. And if I have any time left, I'd yield it to Senator Conrad if she chooses.

KELLY: Thank you, Senator Aguilar. Senator Conrad, that's 3 minutes and 39 seconds.

CONRAD: Thank you, Mr. President. Thank you so much to my friend Senator Aguilar. I, I've had the honor to get to know Senator Aguilar during our parallel tracks in public service in the Nebraska Legislature. And it's been a true joy and honor to work with him and now see him as Chair of the Executive Board and as the member with the most seniority in the body. I am-- I'm very glad that Senator Aguilar adds his leadership to these critical institutional debates which I also feel very passionately about. And I think when it comes to term-- when, when it comes to issues like ensuring that we have a strong, independent, coequal branch of government-- and, and that's effectuated through having top talent in our staff to draft bills, to

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

assist with high-level legislative policy, strategy, and work. And folks like Senator Linehan have fought really hard to make sure that we do pay competitive salaries to have good team members to do the critical work of the people. So, again, this isn't about enriching ourselves individually. This is about ensuring our coequal, independent branch of government, which is already one of the most affordable and smallest in the country, can survive to carry out the, the people's work and meet unexpected expenses as they arise. So as a young member of the Appropriations Committee back in my first term of service, some very, very dear, very conservative members with very different political viewpoints than my own helped to mentor me and other senators and really provided a framework for where the inflection points were and, and what priorities to keep in mind. And I remember the conservative senators that I served with on Appropriations, they said always take care of the folks who can't take care of themselves. And I appreciate the committee working hard to keep cuts away from direct aid. And they said, always take care of the Legislature because you took an oath to steward this institution forward. And we can't do our work as the people's branch if we don't have the resources we need--

KELLY: One minute.

CONRAD: --to be a coequal, independent branch of government. And so I've always kept that sage wisdom in my head and in my heart when it comes to questions about the institution. And this goes right to the heart thereto. Thank you, Mr. President.

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

WAYNE: I now ha-- thank you, Mr. President. I have a ask. It's simple. My ask is simple. Now everybody's listening. Isn't that funny? When I talk about actual policy, they don't listen. When I say, will he shut up, we'll listen. Let's put the pull motion up where Revenue Committee Execed on it. Report it out. We vote on that. Brandt's bill, have a discussion tonight. I'll pull off LB3. We can have straight up-- I don't know what anybody else is doing because I haven't talked to anybody else, so talk to them. But I'll stop. Otherwise, we're going to go here. And then someone's going to have to explain to me where we can go 8 hours on this and only on 4 hours on the next bill. Because if we're going to treat bills on General File, we should treat them the same way. So we'll have to go 8 hours on that. And if that's changing and you drop it to 4 because we want to get out of here today and get it done today to stick to the schedule, then that's going to

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

cause another procedural problem that allows me to talk more tomorrow and the next day. We have to educate this body on uniform proportionality. We have to because people just don't know. That's why I passed this out. But talk to people who know about other states. This is what they do. And let me tell you the vision I have for LB1107 and why I'm fighting so hard. The vision I have is you take the owner occupier, lower their rate. You take the money from LB1107 and target them. Target the family owner, the family farm. Target mom and pop who are owning. You pay for that delta to the counties, cities, and all the political subdivisions. So if they're taxed at \$100,000 of assessed value, they're only going to be taxed at, we can say, \$60,000. I'm making up numbers because I haven't talked to everybody about it. So that \$40,000 tax value difference-- that delta-- we pay for. We already gave corporate America corporate rate breaks that take full effect in 2028. That way, they still get taxed at the same rate property taxwise. But now we're focusing on the individual who owns the home. That's affordable housing. Then we set a different rate slightly higher for the apartment complex and the renter of single-family homes. We pay for that delta difference. Now we're actually targeting people who live here and not people who own a lot of land that live somewhere else. Somebody tell me why we can't do that right now in the next 4 days. Right now, we're just front-loading LB1107. It's going to every property owner: banks, Fortune 300 companies, Fortune 500 companies. They're being treated the same as grandma who is on a fixed income who might lose her home. I'm saying we have the ability to be smart policywise and target those who need it, not the corporations who don't. Look at what I handed out. I'm not smart enough to say I can write the bill by tomorrow. But I know the Revenue Committee damn sure is. We got blueprints. Colorado. If you don't like Colorado because you feel it's to bill-- blue, go to Alabama. Go to Arkansas. Go to Texas. I can keep naming everybody who does it unlike how we do it. Arizona does it. But it allows this body right now to target LB1107 money starting January 1 to go to them. And here's the best part: those who are running for office, the Governor, everybody gets to spend the next 2 months talking to the public--

KELLY: One minute.

WAYNE: --of why they should have to vote for this amendment. Now you're engaging people talking about property tax relief, and now they get to feel like they participate in it by voting on this constitutional amendment. Get to travel around your district, talk about why this is important and we should vote for it. And the savings to the family farm, not the corporate farm. The savings to grandma, not Union Pacific-- oh, I'm not supposed to name names-- railroads.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

That's what we can do. Be bold. We have an opportunity here and we can get it done. Thank you, Mr. President.

KELLY: Thank you, Senator Wayne. Senator Clements, you're next in the queue and recognized to speak.

CLEMENTS: Thank you, Mr. President. I'm going to be supporting FA124 that restores the reduction of 2024 funds to the Legislative Council. Senator-- or Chairman Aguilar has a concern that expenses are going to come forward that he's not sure about. I thought the amount that we reduced the budget was going to leave adequate funds. But in deference to Chairman Aguilar, I'm willing to vote for FA124 and that, I think, will help us move on today also. Thank you, Mr. President.

KELLY: Thank you, Senator Clements. Senator Erdman, you're recognized to speak.

ERDMAN: Thank you, Mr. President. You know, I listened to what Senator Dover had mentioned about visiting with Senator Aguilar about making these cuts, and I believe Senator Dover said that Senator Aguilar was OK with it. Perhaps maybe now he's not. But let me share with you what they have in the legislative services after we transfer the \$3.5 million. They have 20-- 22% cushion, 22%. So I wonder if Senator Aguilar would yield to a question.

KELLY: Senator Aguilar, would you yield to a question?

AGUILAR: Yes, I will.

ERDMAN: Senator Aguilar, you heard me say just then that after we take the \$3.5 million, have a 22% cushion. If we leave and put the \$3.5 million back, it's 49%. The state budget Cash Reserve we function on try to get 16%. Tell me, why is the legislative services part of the state need more Cash Reserve than the state? Why do you need 22? Why do you need 49 when the state has 16? Tell me why that is.

AGUILAR: You know, I wish I knew exactly what we need, but each and every budget cycle, something comes up. There's never been one where something didn't come up. And you can't put a number on it, so it's nice to have that in reserve to use when we need it.

ERDMAN: OK. You've been here 10 plus 2-- you've been here 16 year-- how long have you served, Senator Aguilar? How long have you served in the Legislature?

AGUILAR: Would you ask that question again?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

ERDMAN: How long have you served in the Legislature? You had 10 years before, and you came back.

AGUILAR: Roughly 14 years.

ERDMAN: OK. So how long you've been on the Executive Committee?

AGUILAR: This is my second time around.

ERDMAN: OK. So in your past service on the Executive Committee, did you ever see a time when you ran short of funds?

AGUILAR: No.

ERDMAN: OK. So you're saying that 22% is not enough cushion, then what would be some of the reasons why we would need greater than 22%?

AGUILAR: As I stated earlier, we have no control. The only thing we can control are salaries. And right now, we have promises out there that we're going to increase salaries. We did in July. We're going to do it again in January. So, you know, we can't put--

ERDMAN: Does that come out of the legislative services part or the other part-- the other cash fund called Legislature? Which one of those two-- where the-- where does the-- where does the budget for the, for the ser-- for the salaries come from? Which one of those two?

AGUILAR: I don't know that number, Senator.

ERDMAN: OK. Either way. So here's the situation. The other legislative account-- I'm, I'm done. Thank you so much for answering those. The other legislative account has a 77% cushion. 77. The legislative services account has 22%. We've made cuts in the other agencies of the state: Governor, Lieutenant Governor, on down the line. Everybody. So we as a Legislature, we're going to make adjustments to everybody's budget, but you can't touch ours. How does that seem fair? How does that seem right? That, OK, do as I do, but don't do-- do as I say, but don't do as I do. What are you-- what are you trying to do here? So we're trying to restore funds back to the Legislature that they can't prove that they need them. And it's quite obvious that if those situations had occurred during the last 14 years that Senator Aguilar--

KELLY: One minute.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

ERDMAN: --would have been able to state a time when they ran short of money. Not the case. They have plenty of cushion. 22% is a lot. 49% is exorbitant. Vote no on FA124. Treat the Legislature like we've treated everybody else. Thank you.

KELLY: Thank you, Senators Erdman and Aguilar. Senator Jacobson, you're recognized to speak.

JACOBSON: Well, thank you, Mr. President. Well, since we're-- been in the middle of a filibuster all day today, I really didn't want to have a-- to speak a lot. But I just want to mention a couple of things to those that might be home listening to this and just tell you that-- note the things that are happening. Remember I said this morning that the very people that were complaining about how much this special session is costing are the ones who are extending the time? Those that are concerned about our staff are the ones who are making our staff stay late and work overtime. OK? So there's that old saying, you know, watch what I-- do as I say, but not as I do. OK? And that's what's happening here. Now, we've heard from the Chairman of the Appropriations Committee. And I can tell you I've known Rob Clements a lot of years. Rob's a very smart guy. And Rob knows what he's talking about. And during a regular session, most of us would ask the question, Rob, are we OK on this? What should we do here? And he would speak, and that's what we'd do. Except now. Senator Erdman's made it abundantly clear, being on the committee, as has Senator Clements. Going down-- the people that are there and know the numbers have said this is fine. This isn't about the numbers, folks. This is about being obstructionists. The other thing it is is this is about keeping money around in a reserve so that we can spend it on something else. There was a bill this year to undo the Perkins County Canal and bring that one-time \$750 million of dollars that are in that fund and bring it to the floor to fund property tax relief. Well, that's not a program. That's a one-time funding for a project that's critically important in Nebraska. But that was brought. It wasn't serious. It couldn't be serious. It's not an ongoing funding source. But think about the suggestions that were made, how Corrections could be doing all these other things with this money. And it's almost like, how dare you not spend all of your funds? Figure out something to burn it on. That's the message. Surely you can waste it on something so that we can't use it for property tax relief because tax relief is a bad word for some in this body. So I can tell you that in January we will be back with a lot of the workings of LB1. And we'll be doing it with a new Legislature. And the numbers are probably going to be different. And we'll be back. And we're going to continue to be back because we are going to deliver property tax, meaningful property tax relief for,

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

for, for the state. But what we're doing in the meantime is remember, we had an unprecedented number of bills that were introduced-- 99 bills and, and CAs-- that were brought to a narrowly defined special session that was intended for property tax relief-- predominantly LB1, LB2, LB3. We should have been able to come in after the hearings, got in here, had the debate, and gotten out. But we haven't. And now we want to bring in more things that can be handled next year. Now there are people that are saying, well, we want to be able to get this changed. I don't, I don't oppose the, the bill that, that, that Senator Brandt would like to see and that Senator Wayne's promoting. But that's also going to mean we're going to have to change the timing in which we can get something on the ballot.

KELLY: One minute.

JACOBSON: And so I believe we come back in January, we will probably set up a time to where there can be an annual vote, an annual election day-- call it the First Tuesday in November. So there'll be an opportunity next year to have an election and pass all this with plenty of time to review it. But what we've heard a lot here too is we don't have enough time to review this stuff. But now we've got something that's not even made it out of committee, but we want to bring that to the floor so we can pass it. I guess certain things we have to review, certain things we don't. Just saying there's money in your pocket. It's easy to spend. Don't leave a lot of money laying in your pocket that you don't need laying in your pocket. Thank you.

KELLY: Thank you, Senator Jacobson. Senator Hansen, you're recognized to speak.

HANSEN: Thank you, Mr. President. I was deliberating on what to do with FA124 because I'm hearing both sides of the argument on why we should or we shouldn't vote for this and decide to take Legislative Council out because I have some of the same thoughts that Senator Dover expressed. But also listening to previous arguments about the bill from maybe-- perhaps Cavanaugh and others, Machaela Cavanaugh, about how we need to make sure we do our due diligence and make sure there's not an overlap of the three branches of government. And so I was hoping Senator Clements could yield to a question.

KELLY: Senator Clements, would you yield?

CLEMENTS: Yes.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

HANSEN: So, Senator Clements, we, we have every ability to bring this back in January, which, which is what others have mentioned before, right? So this portion that we are talking about with this floor amendment getting rid of it, we can bring it back right away in January. And, you know, after-- in my opinion, we've had some due diligence over the next few months to make sure we're not seeing the executive branch overreach in the legislative or vice versa. We have an ability to bring this back in January and address this again right away during the budget, right?

CLEMENTS: Yes, and especially to find out whether the Executive Board or Legislative Council has some additional expenses. The Inspector General issue isn't settled yet outside legal counsel expenses. We would know better in January if there is excess money then and-- we'll review it then.

HANSEN: OK. Thank you. Is-- I want to get as much done when it comes to being efficient with taxpayer funding, like I mentioned before. And then we have the opportunity to do it now-- which we will with a whole host of other things. But this portion, I can see both sides of the story about how we may not want to treat the Legislature different than others. However, it is somewhat different when it comes to the executive branch, which is what Senator Machaela Cavanaugh expressed earlier. So seeing both sides of the story, I am going to plan on voting F-- voting yes for FA124 with the intent then we can address this in a few months come January to make sure we're doing our due diligence and make sure all of our ducks are in, are in order so we can even be more efficient with taxpayer money and we're doing the right thing, so. Thank you, Mr. President.

KELLY: Thank you, Senator Clements and Senator Hansen. Senator Wayne, you're recognized to speak, and this is your final time on the floor amendment.

WAYNE: Thank you, Mr. President. So, again, I hope people actually looked at this and seen the potential that we have right now. We have the smartest and talentest people who have-- we have the biggest class who have been here the longest. Right now, we can do something. And so the question I have and the question I'm going to ask you tomorrow, is LB1107 front-loading today to everyone, including Ted Turner and Bill Gates, worth us speeding through or setting up a plan to get it right that goes into effect next year? Is it worth today? Now, with all respect to Jacobson saying we can do all this next year, we could do all of what we're doing right now next year because the entire 43 is not going to take effect until next year. We can do everything next

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

year. The problem with a special election is, one, you have low turnout, which means special interest groups can influence sides a lot easier. Two, people don't usually know that elections are in off years unless you're in the spring in Omaha. And three, Jacobson's talking about cuts, cuts, cuts. It costs money for a special election, around \$1 million. Guess who buries that cost? The counties. So we're going to put another unfunded mandate on them. Good job. Good property tax relief there. So here's what I'm gonna educate everybody on today. I think everyone should pay their fair share. You know who doesn't pay their fair share? Financial institutions. They're capped at a 3.6-- 3.54 rate of their income. 2028, corporations get down to 3.99. Individuals get down to 3.99. Corporations of-- financial institutions have been that low for the last 10 years. So let's have a real conversation about paying the rate and what companies and what individuals are doing their jobs. They are statutorily limited to 3.54% of their total income. Property tax relief, everybody should have to pay in something. We're going to make the barber-- go get my hair cut, pay a extra tax. Meanwhile, financial institutions got a sweetheart deal. And guess what? They got a variable rate. As corporate rate goes down, theirs goes down. And it's less than 50% of the corporate rate. So in 2028, their tax on their deposits are 1.4-- 1.5 something. And their max is 3.54% of their total income. So let's have a real conversation about property taxes. Every industry should have to feel a squeeze. So we're going to give the financial institution to own multiple banks and community banks and property, same kind of tax breaks that we're giving everybody else when they have the lowest rate. And it's going down. See, I try not to talk about too many truths up here because people get offended. But that's the truth. In a inst-- in a time where financial institutions are doing the best they've ever done. If there is a bank closure today, typically it ends up with somebody being indicted. Because they are doing extremely well. So why don't they have to pick up some tabs here? Why is the individual paying often two times what banks are paying? Why is corporations--

KELLY: One minute.

WAYNE: --paying two times what banks are paying right now? See, there's a lot of things that go into property tax that we don't want to talk about. We want to find the easiest solution. Cut the levy and let's call it good. We got an opportunity to fix it today. We got an opportunity to fix it while we're down here. And I'm saying let's fix it. Forget the scheduling. Let's get to real solutions. We're down here. We're down here. Let's get something done that Nebraska's asking us to do. Thank you, Mr. President.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

KELLY: Thank you, Senator Wayne. Senator Armendariz, you're recognized to speak.

ARMENDARIZ: Thank you, Mr. President. I just want to be clear, it sounds like some people are making decisions for fear of lawsuits with the legislative money. We want to keep all of the money there just in case we get sued. Sounds like they have about 50% of their budget in money sitting there, the taxpayers' money sitting there, and they want to keep all of it just in case we get sued. So just to be clear, if, if there were a lawsuit and-- that we had to pay out-- and we've done for other organizations-- those organizations come to the Appropriations Committee and let us know of the shortfall. I haven't known of an instance we do not pay out on a lawsuit on a shortfall. So that, that's, that's not a good argument to keep all of the money in case you get sued. If you have a shortfall because you got sued, you come to Appropriations. You ask for a shortfall appropriation. And to my knowledge, you get it. We've done it in the past already even since I've been here. It's not an argument. This is change. We hired an organization to find savings for our state. Other states have done it as well. People are frustrated that now we're finding them and nobody wants to give it up. It is typical. Organizations across the board, government, healthcare, private companies hate change, but a lot of them bring in organizations to find savings for them or tell them how they can run better and do more-- grow, even. This is typical of the fear of change. And remember the last time I was on: emotions come from your base instinct. They prevent logic. We went through Appropriations and we used logic and reason-- reason to decide what was to be done. Thank you, Mr. President.

KELLY: Thank you, Senator Armendariz. Senator Dorn, you are recognized to speak.

DORN: Thank you, Mr. Lieutenant Governor. Been hearing all the conversation about the Legislative Council. Have some thoughts on this also. A couple years ago, I believe Governor Ricketts was still Governor. They brought forward a proposal in his budget to increase the Governor's budget. We had quite a conversation in Appropriations. This is the Governor. We shouldn't do this or we shouldn't do this. I finally made the comment, take the Governor word off the line. If this was some other agency, how would you be handling this? It's the same way with the Legislative Council. Take the Legislative Council name off of there. Why are we better than anybody else? Senator Erdman said they will have 22% left. Would we have any other agency in our budget, would we leave them with 22% in there when we are trying to make sure that we are run as slim or as trim as we can be? Take the name

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

Legislative Council off of there and what would you do? I was not going to speak when Senator Ben Hansen made some of those comments. If this was any other agency in our budget, what would you do? Why are we-- why are we, the Legislature-- why are we any better? They can come back next year, just like everybody else, and bring a proposal to increase their budget. So if you think that other agencies should have 22% left in their finances at the end of their cycle, then we shouldn't even be sitting here talking about this bill or any other bill because I don't think anybody's at that level. Take the name Legislative Council out of there when you decide to vote on this and vote on it based on the numbers. We need to make sure we do what is appropriate for the state. Thank you.

KELLY: Thank you, Senator Dorn. Senator Kauth, you're recognized to speak.

KAUTH: Thank you, Mr. President. I rise in opposition to FA124. I've been listening to the debate all afternoon. I'm shocked that this body does not have the political fortitude to hold ourselves to the same standards that we are holding other departments. I really never thought that we would put ourselves ahead of anyone else. We are the ones who should sacrifice first. We're the ones who should cut the hardest. We're the ones who have control over all of this. And we are the ones who are most directly responsible to the taxpayer. That is not our money. That belongs to the taxpayer. That belongs to the people who are struggling to pay their property taxes. That belongs to people who have paid taxes for decades. It's theirs. It's not ours. When I heard the numbers, I thought, well, gosh, you know, maybe we really do need, you know-- tell me, tell me what those numbers are. If we hold onto this money, I think we have 49% cushion in our account. What on earth do we need that for? As Senator Dorn so rightly said, if there's an emergency, if something happens-- and as Senator Armendariz said-- we would go to the Appropriations Committee and explain what happened, explain why we need the money. We do not need that money right now. That money needs to go back to the citizens of this state, and it's reprehensible to say otherwise. Thank you, Mr. President.

KELLY: Thank you, Senator Kauth. Senator Slama, you're recognized to speak.

SLAMA: Thank you, Mr. President. Good evening, colleagues. In a rare and perhaps unexpected turn of events, I do agree with Senator Kauth and will be joining her in voting no for FA124. And it's for this simple fact, that at the root of every tax crisis is a government spending crisis. If we're unable to cut even ourselves and our

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

niceties and our frills, we're not even going to be able to chip the surface of this tax crisis and solving it for Nebraskans. If we can't cut ourselves first, we're not going to cut anything. So I, I stand wholeheartedly opposed to FA124 and any attempt to whittle down, I think, already very, very, very conservative cuts that I wish went farther. Thank you, Mr. President.

KELLY: Thank you, Senator Slama. Seeing no one else in the queue. Senator Machaela Cavanaugh, you're recognized to close on FA124.

M. CAVANAUGH: Call of the house.

KELLY: There's been a request to place the house under call. The question is, shall the house go under call? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 20 ayes, 3 nays to place the house under call.

KELLY: The house is under call. Senators, please record your presence. Those unexcused senators outside the Chamber, please return and record your presence. All unauthorized personnel, please leave the floor. The house is under call.

M. CAVANAUGH: May I-- oh. Sorry. May I continue on--

KELLY: Senator Cavanaugh, you're recog-- you're recognized to continue.

M. CAVANAUGH: Thank you, Mr. President. Colleagues, I'm-- want to make this brief. Just wanted to remind everyone that FA124 is striking the language that takes \$3.5 million out of legislative services and just keeps us where we were when we adjourned in April. So I ask for your green vote on this amendment. And I think after we vote on this, we will then be going to cloture. So thank you very much.

KELLY: Thank you, Senator Cavanaugh.

KELLY: Senators Dungan and John Cavanaugh, please return to the Chamber and record your presence. The house is under call. All unexcused members are present. Members, the question is, shall debate cease on FA124. All those in favor vote aye; all those opposed vote nay. Members, the question is the adoption of FA124. All those in favor vote aye; all those opposed vote nay. Request for a roll call vote. Mr. Clerk.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

CLERK: Senator Aguilar voting yes. Senator Albrecht voting no. Senator Arch voting yes. Senator Armendariz voting no. Senator Ballard voting no. Senator Blood voting yes. Senator Bosn voting no. Senator Bostar voting no. Senator Bostelman voting no. Senator Brandt voting yes. Senator Brewer voting no. Senator John Cavanaugh voting yes. Senator Machaela Cavanaugh voting yes. Senator Clements voting yes. Senator Conrad voting yes. Senator Day. Senator DeBoer not voting. Senator DeKay voting yes. Senator Dorn voting no. Senator Dover voting no. Senator Dungan voting yes. Senator Erdman not voting. Senator Fredrickson voting yes. Senator Halloran not voting. Senator Hansen voting yes. Senator Hardin voting yes. Senator Holdcroft voting yes. Senator Hughes voting no. Senator Hunt. Senator Ibach voting no. Senator Jacobson voting no. Senator Kauth voting no. Senator Linehan voting no. Senator Lippincott voting no. Senator Lowe voting no. Senator McDonnell voting no. Senator McKinney voting yes. Senator Meyer voting no. Senator Moser voting no. Senator Murman not voting. Senator Raybould. Senator Riepe voting no. Senator Sanders voting no. Senator Slama voting no. Senator Vargas voting yes. Senator von Gillern voting no. Senator Walz voting yes. Senator Wayne voting yes. Senator Wishart voting yes. Senator Erdman voting no. Senator DeBoer voting yes. Vote is 20 ayes, 24 nays, Mr. President, on adoption of the floor amendment.

KELLY: The amendment is not adopted. Raise the call. Mr. Clerk.

CLERK: I have nothing further on the committee amendment, Mr. President.

KELLY: Senator Machaela Cavanaugh, you're next in the queue.

M. CAVANAUGH: Thank you, Mr. President. I honestly don't have much left to say, but I didn't want us to just go forward without going to cloture after we only have, like, 8 or 9 minutes left. I am glad, though, that we got to a vote on that amendment because I was beginning to think that it was being filibustered to keep it on the board till we got to cloture to force people who supported the amendment to vote for cloture and then get screwed. So thank you for screwing us up front. It's appreciated, that level of transparency, of making us think that 25 people are going to agree to do what's right by our Legislature and then not do it just to get a cloture vote. So I guess I should just appreciate we have that level of some integrity in this Chamber today. Just a reminder that LB2 is not necessary and cuts DHHS's budget and cuts our budget and cuts Corrections' budget. And while people worked many hours and listened to testimony, no one can give me specifics about what we are cutting and why. So that's cool.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

The money-- the carryover money-- yeah, we can, we can survive without it supposedly, but it is how we start our new biennium, is to have, you know, money to use until a budget is passed. But I'm not on Appropriations. I just, I just go here to school. So I, I don't know what that's going to mean. I do know in previous years when we haven't had special sessions but we've had special needs like in 2020 when we-- no, I'm sorry-- 2019, my freshman year, when we had an emergency situation at the YRTC-Geneva, where it shut down and they in the middle of the night shackled the teenage girls, put them in a van, and drove them to Kearney to the boys campus, which they couldn't do, which was a violation of PREA, and on and on and on. Bygones. Yeah. So we had to actually, like, launch an entire investigation and have special hearings across the state. And we had to use legislative reserves to do that because we were at the University of Kearney, I believe. I'm kind of looking at Speaker Arch to see-- that was right. Yeah. University of Kearney. And we were in Geneva. Senator Brandt would know, and Senator Dorn. I think we were in, like, a bank vault or something. And the community came and we had to have equipment set up so that we could get transcribing and, and testimony. And it was just like-- it was like a mobile hearing. And we needed these dollars for that. And I know you probably choose to not listen to anything that I've said over the last 24, 48 hours. But we are, you know, teetering on a crisis here with no-bid contracts and government malfeasance. So there is a chance that we might be heading down this road yet again. But even if we're not getting sued, we might decide to do our jobs and do due diligence and government oversight and launch investigative committees that have to travel the state to talk to the people of the state. So, yeah. Thank God we can't think for ourselves. Thank God you all took the Legislature out of it entirely and ignored the separation of powers--

KELLY: One minute.

M. CAVANAUGH: --and just kowtowed to the Governor. I'm so proud of your inability to not think. Wait. That was a double negative. Your inability to think. There we go. Again, I'm tired. I did have an ice cream sandwich for dinner. OK. Well, thank you, Mr. President.

KELLY: Thank you, Senator Cavanaugh. Senator Wayne, you're recognized to speak.

WAYNE: Thank you, Mr. President. So-- I'll just tell you my position from the beginning. I said it at the end of session last session that if we can't help children, I'm not coming back. I want to help all taxpayer-- taxpayers. And if we can't help children who have been

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

sexually assaulted because we failed to investigate or failed to do our jobs, I wasn't coming back. I was dangled with the idea of-- out in front of me with a carrot saying that that was going to be on the table. I didn't know the pressures of a schedule to get this done, but we are moving one way or another. So that fell off. So today, I was going to go home and just call it good. But I left out the Rotunda, came back, and I heard about some potential deal or whatever. And I was like, OK, we'll see how it plays out. And then, honestly, I just felt like if I go home my last year and I just go home and don't do anything, then I'm kind of a failure. And that's never been in my nature. It's never been in my nature not to quit. So I talked to some people and I said, you know, what if we figure out a way to directly target [INAUDIBLE] tax relief to owner-occupied areas in Brandt's bill? And I wasn't joking. I woke up in the middle of the night thinking about this. And it wasn't till I walked back into the Rotunda where I was like, all right, they cut a deal. We're going to move forward. This bill passes, everybody goes. But then I was just like, will I get home and kick myself later for not talking about how we really can do something different? And I got to look at myself in the mirror. And I got to have the-- say that I tried to my mom and dad, to my next-door neighbors, to the neighbor around the corner who just moved, to Michelle [PHONETIC], who is-- has her house up for sale in Florence because their valuation doubled and she had two big trees fall down and, luckily, the neighbors and everybody came in and tried to-- and fix it. But now she's being nicked and dined by the insurance company and she's just like, I can't-- it's too much. My-- I'm on a fixed income. Lost my husband 10 years ago. So I said OK. I can't let them people down. So I'm going to talk and talk until somebody listens. And if you think the idea I'm bringing around of putting a skeleton or putting a framework around how we can do something is completely wrong, then talk to somebody else. Talk to somebody else-- because you're upset that I'm taking time, talk to somebody else and ask them what they are doing in other states. Talk to Senator Erdman. He knows about Arizona. They, they do it differently from ho-- owner occupied to people who have rental houses to commercial. Talk to Linehan. She knows about Colorado, Florida. I'm not making this up. But we want to stick to a schedule so we can get out of here and keep moving and come back in January. Come back in January and say what? Where you have social issues on the table that if you don't do this, we're not going to do this. We get back in a filibuster and do what? I do got to correct Senator Jacobson on one thing. This call is wide open. If you open up the Appropriations budget and make broad cuts, the entire budget is opening every law that goes into it. He had 14 different things on the call, and the

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Floor Debate August 14, 2024

last one was any-- number 14 was anything that can do with the property tax, sales tax, et cetera.

KELLY: One minute.

WAYNE: You may not think marijuana's on the call. It is. Consumable hemp. This is one of the broadest calls I've ever seen. And the reason it's long, because we didn't get the bill till the day before. I remember Trans Canada when they had that whole pipeline debate, everybody knew the 3 bills were and where they were and it became a fight. And we went home. Whoever won, won. That didn't happen here. Your own side were introducing different bills. So don't, don't blame me for being here. I'm just saying, if we're here, let's do something. Thank you, Mr. President.

KELLY: Thank you, Senator Wayne. Mr. Clerk, you have a motion on your desk.

CLERK: I do, Mr. President. Senator Clements would move to invoke cloture pursuant-- pursuant to Rule 7, Section 10.

KELLY: Senator Clements, for what purpose do you rise?

CLEMENTS: I'd like a call of the house and a roll call vote in regular order.

KELLY: There's been a request to place the house under call. The question is, shall the house go under call? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 37 ayes, 3 nays to place the house under call.

KELLY: The house is under call. Senators, please record your presence. Those unexcused senators outside the Chamber, please return and record your presence. All unauthorized personnel, please leave the floor. The house is under call. All unauthorized personnel are present. Members, the first vote is the motion to invoke cloture. There's been a-- all those-- there's been a request for a roll call vote, regular order. Mr. Clerk.

CLERK: Senator Aguilar voting yes. Senator Albrecht voting yes. Senator Arch voting yes. Senator Armendariz voting yes. Senator Ballard voting yes. Senator Blood voting yes. Senator Bosn voting yes. Senator Bostar voting no. Senator Bostelman voting yes. Senator Brandt voting yes. Senator Brewer voting yes. Senator John Cavanaugh voting no. Senator Machaela Cavanaugh voting no. Senator Clements voting yes.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

Senator Conrad voting no. Senator Day. Senator DeBoer voting no. Senator DeKay voting yes. Senator Dorn voting yes. Senator Dover voting yes. Senator Dungan voting no. Senator Erdman voting yes. Senator Fredrickson voting no. Senator Halloran voting yes. Senator Hansen voting yes. Senator Hardin voting yes. Senator Holdcroft voting yes. Senator Hughes voting yes. Senator Hunt. Senator Ibach voting yes. Senator Jacobson voting yes. Senator Kauth voting yes. Senator Linehan voting yes. Senator Lippincott voting yes. Senator Lowe voting yes. Senator McDonnell voting yes. Senator McKinney voting no. Senator Meyer voting yes. Senator Moser voting yes. Senator Murman voting yes. Senator Raybould. Senator Riepe voting yes. Senator Sanders voting yes. Senator Slama voting yes. Senator Vargas voting no. Senator von Gillern voting yes. Senator Walz not voting. Senator Wayne voting no. Senator Wishart not voting. Vote is 34 ayes, 10 nays, Mr. President, to invoke cloture.

KELLY: The motion to invoke cloture is adopted. Members, the first vote is on the adoption of AM39. All those in favor vote aye; all those opposed vote nay. There's been a request for a roll call vote. Mr. Clerk.

CLERK: Senator Aguilar voting yes. Senator Albrecht voting yes. Senator Arch voting yes. Senator Armendariz voting yes. Senator Ballard voting yes. Senator Blood not voting. Senator Bosn voting yes. Senator Bostar not voting. Senator Bostelman voting yes. Senator Brandt voting yes. Senator Brewer voting yes. Senator John Cavanaugh voting no. Senator Machaela Cavanaugh voting no. Senator Clements voting yes. Senator Conrad voting yes. Senator Day. Senator DeBoer voting yes. Senator DeKay voting yes. Senator Dorn voting yes. Senator Dover voting yes. Senator Dungan voting yes. Senator Erdman voting yes. Senator Fredrickson voting yes. Senator Halloran voting yes. Senator Hansen voting yes. Senator Hardin voting yes. Senator Holdcroft voting yes. Senator Hughes voting yes. Senator Hunt. Senator Ibach voting yes. Senator Jacobson voting yes. Senator Kauth voting yes. Senator Linehan voting yes. Senator Lippincott voting yes. Senator Lowe voting yes. Senator McDonnell voting yes. Senator McKinney voting no. Senator Meyer voting yes. Senator Moser voting yes. Senator Murman voting yes. Senator Raybould. Senator Riepe voting yes. Senator Sanders voting yes. Senator Slama voting yes. Senator Vargas voting yes. Senator von Gillern voting yes. Senator Walz voting yes. Senator Wayne voting no. Senator Wishart voting yes. Vote is 40 ayes, 4 nays, Mr. President, on the adoption of the committee amendment.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

KELLY: AM39 is adopted. The next vote is on the advancement of E&R-- or LB2 to E&R Initial. There's been a request for a roll call vote, reverse order. Mr. Clerk.

CLERK: Senator Wishart not voting. Senator Wayne voting no. Senator Walz not voting. Senator von Gillern voting yes. Senator Vargas voting no. Senator Slama voting yes. Senator Sanders voting yes. Senator Riepe voting yes. Senator Raybould. Senator Murman voting yes. Senator Moser voting yes. Senator Meyer voting yes. Senator McKinney voting no. Senator McDonnell voting yes. Senator Lowe voting yes. Senator Lippincott voting yes. Senator Linehan voting yes. Senator Kauth voting yes. Senator Jacobson voting yes. Senator Ibach voting yes. Senator Hunt. Senator Hughes voting yes. Senator Holdcroft voting yes. Senator Hardin voting yes. Senator Hansen voting yes. Senator Halloran voting yes. Senator Fredrickson voting no. Senator Erdman voting yes. Senator Dungan voting no. Senator Dover voting yes. Senator Dorn voting yes. Senator DeKay voting yes. Senator DeBoer voting no. Senator Day. Senator Conrad voting no. Senator Clements voting yes. Senator Machaela Cavanaugh voting no. Senator John Cavanaugh voting no. Senator Brewer voting yes. Senator Brandt voting yes. Senator Bostelman voting yes. Senator Bostar voting no. Senator Bosn voting yes. Senator Blood voting no. Senator Ballard voting yes. Senator Armendariz voting yes. Senator Arch voting yes. Senator Albrecht voting yes. Senator Aguilar voting yes. Vote is 33 ayes, 11 nays on advancement of the bill, Mr. President.

KELLY: LB2 is advanced to E&R Initial. Mr. Clerk, next item. And I raise the call. Speaker Arch, you're recognized for an announcement.

ARCH: No.

KELLY: Thank you. Mr. Clerk, for items.

CLERK: Mr. President, few items. Amendments to be printed from Senator Erdman to LB34. Senator Bostelman to LB3. New LR: Senator McKinney congratulating Terence "Bud" Crawford as a boxing four-division professional boxing world champion. Mr. President-- Mr. President, Senator Machaela Cavanaugh would move to adjourn the body sine die.

KELLY: Speaker Arch, you're recognized to address the issue.

ARCH: Thank you, Mr. President. I'm not sure the purpose of the, of the motion at this point. I think, I think-- I'd like to speak to it, however. I-- we-- there's no question that what we have tackled in this special session has got to be, if not the top most complex issue

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate August 14, 2024

that ever can come before this body, it's certainly in the top 5. It is multifaceted. It is a very complex topic. Many pieces to it. Many constituents that are very interested in what we're doing. But we're not done. We are in process. And we can disagree on what that process is, but we aren't done. We owe it to the citizens to complete our process, whatever the outcome. And whether it's short, whether it's long, we're here. For that, I would ask that you vote no on this motion to adjourn sine die.

KELLY: Thank you, Speaker Arch. The question before the body is to adjourn sine die. All those in favor vote aye; all those-- request for roll call, reverse order. Mr. Clerk.

CLERK: Senator Wishart voting no. Senator Wayne voting yes. Senator Walz voting no. Senator von Gillern voting no. Senator Vargas voting no. Senator Slama voting no. Senator Sanders voting no. Senator Riepe voting no. Senator Raybould. Senator Murman voting no. Senator Moser voting no. Senator Meyer voting no. Senator McKinney voting yes. Senator McDonnell voting no. Senator Lowe voting no. Senator Lippincott voting no. Senator Linehan voting no. Senator Kauth voting no. Senator Jacobson voting no. Senator Ibach voting no. Senator Hunt. Senator Hughes voting no. Senator Holdcroft voting no. Senator Hardin voting no. Senator Hansen voting no. Senator Halloran voting no. Senator Fredrickson voting no. Senator Erdman voting yes. Senator Dungan voting no. Senator Dover voting no. Senator Dorn voting no. Senator DeKay voting no. Senator DeBoer voting no. Senator, Senator Day. Senator Conrad voting no. Senator Clements voting no. Senator Machaela Cavanaugh voting yes. Senator John Cavanaugh voting yes. Senator Brewer voting no. Senator Brandt voting no. Senator Bostelman voting no. Senator Bostar voting no. Senator Bosn voting no. Senator Blood voting no. Senator Ballard voting no. Senator Armendariz voting no. Senator Arch voting no. Senator Albrecht voting no. Senator Aguilar voting no. Vote is 5 ayes, 41 nays, Mr. President, to adjourn the body sine die.

KELLY: The motion fails. Mr. Clerk.

CLERK: Mr. President, a priority motion: Senator Ben Hansen would move to adjourn the body until Thursday, August 15 at 9:00 a.m.

KELLY: Members, you've heard the motion to adjourn. All those in favor-- all those, all those opposed vote nay. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

CLERK: 34 ayes, 2 nays on the motion to adjourn, Mr. President.

KELLY: The Legislature's adjourned.