

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Floor Debate March 23, 2021

**HILGERS:** Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the forty-eighth day of the One Hundred Seventh Legislature, First Session. Our chaplain for today is Senator Aguilar. Please rise.

**AGUILAR:** Good morning, colleagues. Good morning, Nebraska. The prayer this morning was written by Marylyn Felion. She's an associate with the Sisters of Mercy from Omaha. God of sun and wind and rain, of rivers, sweet fields and sand hills, please look with favor upon this beautiful state of Nebraska, which you have given us, upon the people who inhabit it and upon those of us who have been elected to serve the people and preserve the state. Grant that we may ever strive to be the public servants that our state needs and our people want. Give us the patience to listen judiciously, to ponder wisely, to vote with honor. Let everything we do today be done unselfishly for the people of this state, mindful of your infinite justice and mercy, and intent upon the common good of all your people. Amen.

**HILGERS:** Thank you, Senator Aguilar. Senator Dorn, you are recognized for the Pledge of Allegiance.

**DORN:** Colleagues, please, please join me in the Pledge of Allegiance. 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.

**HILGERS:** Thank you, Senator Dorn. I call to order the forty-eighth day of the One Hundred Seventh Legislature, First Session. Senators, please record your presence. Roll call. Mr. Clerk, please record.

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

**HILGERS:** Thank you, Mr. Clerk, are there any corrections for the Journal?

**ASSISTANT CLERK:** No corrections this morning.

**HILGERS:** Thank you. Any, any messages, reports or announcements?

**ASSISTANT CLERK:** None as of now, Mr. President.

**HILGERS:** Do you have any personal messages on the desk?

**ASSISTANT CLERK:** I do, Mr. President, one personal message from Senator Kolterman this morning.

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**HILGERS:** Senator Kolterman, you are recognized for a personal announcement.

**KOLTERMAN:** Thank you, Mr. President. Good morning, colleagues. Today's an interesting day. In 1775, Patrick Henry delivered his famous Give Me Liberty or Give Me Death speech. In 1857, Elisha Otis elevator was installed, which I am grateful for as I have an elevator just outside my office. In 1965, NASA launched Gemini 3, the United States' first two-manned space flight crewed by Gus Grissom and John Young. The Russian Mir station broke up in the atmosphere befall-- before falling into the Pacific Ocean. Born on this date was actress Joan Crawford, actress Keri Russell, basketball player Jason Kidd, football players Brandon Marshall, Maurice Jones Drew, and one of my favorite quarterbacks, Ron Jaworski. Happy birthday, Jaws. Wait, I almost forgot my second favorite quarterback. His birthday is today as well. Happy fortieth birthday, Senator Lindstrom. I thought-- you know, I thought about getting you a cake with candles, but the amount of candles wouldn't fit on the cake. So I'm giving you this WD-40 to commemorate, to commemorate your fortieth birthday. As we all know, our joints start to creak when we get to be your age. Thank you.

**HILGERS:** Thank you, Senator Kolterman. Senator Geist would like to recognize Dr. Rachel Blake of Lincoln, who is serving as our family physician of the day. Dr. Blake is seated under the north balcony. Please rise and be recognized by your Nebraska Legislature. Colleagues, we're-- we are going to turn to General File senator priority bills. One scheduling note, we did get LB40A, the appropriations bill for LB40 in yesterday. That is-- that was not neglect-- neglected to have on the agenda. We're going to have LB40A after LB40 today just to keep those two bills together. So we'll have LB40A after LB40. First item on the agenda, Mr. Clerk.

**ASSISTANT CLERK:** Thank you, Mr. President. LB40 introduced by Senator Groene is a bill for an act relating to economic development; adopts the Nebraska Rural Projects Act. The bill was read for the first time on January 7 of this year, referred to the Revenue Committee. That committee placed the bill on General File with committee amendments, Mr. President.

**HILGERS:** Thank you, Mr. Clerk. Senator Groene, you're recognized to open on LB40.

**GROENE:** Thank you, Mr. President. LB40, the Rural Development Act is at its core an infrastructure improvement bill. Rural Nebraska has a lot to offer to Nebraska if we are willing to help it grow. Rural Nebraska offers low-cost space to build. It has a tradition of

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hard-working, reliable blue-collar workers. It has an existing railway system designed to haul freight and a highway system to move the freight over land to its final destination. If you want to grow Nebraska, we need to look west. I have a handout, which you should have on your desk. It shows the population trends of rural Nebraska in my area, of all the counties that abut Lincoln County. As you can see, we've lost nearly 5 percent of our population since the last census. Dawson, Senator Williams' county lost over 4 percent. McPherson, you can-- you just see the numbers. It's not a good trend for the state of Nebraska if we want to be an expanding state. Down below that is counties that have rail yards, as you can see in the west. And if you're a community that has a rail spur and a rail-- major rail line going through it, I'm not-- I apologize for neglecting you. But there's a lot more communities that could grow with the passage of LB40. Due to the amazing growth in agriculture productivity and the trend over the last 50 years to move our blue-collar jobs overseas, rural America and our industrial cities have declined in population. I believe we have reached a point in time where America is looking back inside its borders for reliable manufacturing and economic growth. Nebraska needs to be prepared to address the needs of the manufacturing and transportation industries as we sit right in the middle of the country. These companies are going to be looking for new homes to grow their companies. LB40 can be a major tool in Nebraska's future growth. The Rural Development Act focuses on rail-- railroad yard infrastructure. When the west was settled, railroads laid out the routes of our highways and where our towns were built. They are still the roads we drive and the towns we visit. Rail is still the fastest and most economic way to, to freight across America and to our seaports. LB40 will allow nonprofit economic development corporations in Nebraska. Every community of size has an economic development corporation. There are regional economic development corporations also. That network and infrastructure is already in place. Excuse me. These nonprofit economic development corporations in LB40 can partner with communities and private industry to build, expand, and design rail parks to suit the man-- the manufacturer or transportation company. This is an expansion of private enterprise. These folks pay property taxes, their employees pay income taxes and, of course, also property taxes. The activities that, that the state can-- the state matching funds can be used for are very well-defined in LB40. I will read that section to you if I can find the bill. In Section 9 of the bill it says, "Project means expenses incurred or to be incurred at one qualified location for site acquisition and preparation, utility extensions, and rail spur construction for the development of a new industrial rail access business park, including any such expenses incurred to assist an initial tenant at such business park that

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conducts business in the manufacturing, processing, distribution, or transloading trades." This bill fits right into Blueprint Nebraska, what their goals are. It fits in right in with the Biden administration goal to spend-- improve our infrastructure nationwide. Fits right in to what this Legislature needs to do. Why did I bring the bill? Because just so happened during debate on LB1107, our Economic Development Corporation announced that they were working with our-- the UP, Union Pacific. We have the largest rail classification yard in the world, hauls freight, distributes freight. But I give the example of Chicago O'Hare International Airport, you cannot land a Piper Cub on that airport. What hindered Nebra-- North Platte and Lincoln County in western Nebraska was that, yes, a lot of good-paying jobs, but the freight came through and went on. Local freight was not able to blend into the freight yard. The UP has come around and is now working with us and we can have a spur off of that largest rail yard in the world, classification rail yard and build a rail park. You've heard a lot, you heard Walmart announce the other day they're finally going to go back to their roots and start buying more American. Manufacturing will come back. The reliability with this latest COVID crisis worldwide has scared a lot of companies. They are looking for places to build. We have the right place at the right time in western Nebraska and rural Nebraska. There's a rail yard down in Falls City or Nebraska City where we can bring back the blue-collar jobs for the average working guy. The ones that can work with their hands and their brain. We hear too much about brain drain. A welfare system is based on people who can-- we no longer have jobs for them, the skills that they have. LB40 can reach into that area and create jobs. You heard about the packing plant yesterday. Rural Nebraska needs help. Rural Nebraska senators have helped the east over and over again. We voted for the \$300 million for a project for the hospital at UNMC. That actually, if you read the language on the hospital bill in LB1107 and LB40, it's the same language, just different purpose. The Governor just put \$50 million in for a space command. It's time there are special projects for rural Nebraska. It's time, and the rail yards and the blue-collar jobs that this would bring fits rural Nebraska. I'll let Senator Linehan, when she does the committee amendment from Revenue, tell you about the matching funds. We're looking to invest up to \$50 million over the next 10 years. And let's hope it's all used. Because if that \$50 million is used, folks, Nebraska's growing. And rural counties are no longer declining in population because we have hit the right spot, sweet spot where we need to grow rural Nebraska, because agriculture is not growing. In production it is, but not in labor. So with that, I'll end my opening and any questions I will gladly answer and I would appreciate your support for LB40 and the underlying A bill.

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**HILGERS:** Thank you for your opening, Senator Groene. As the Clerk mentioned, there are committee amendments. Senator Linehan, as Chair of the Revenue Committee, you're recognized to open on AM575.

**LINEHAN:** Thank you, Mr. President. Good morning, colleagues. The committee amendment to LB40 is a friendly amendment that we discussed with Senator Groene following the hearing on the bill, and this was a committee effort. I want to thank all the committee members for helping move this forward. The amendment makes a few simple changes. If you have AM575 handy, you can follow along. On page 5, lines 28 and 30, we changed what was a dollar-for-dollar match. Now for investment up to \$2,500,000, an applicant may receive \$2 of matching funds for each dollar investment. For investment of an excess of \$2.5 million, the match increases to \$5 of matching funds for each dollar of investment. Then on page 7, the amendment, and line 11, we changed the cap on the program from \$10 million to \$50 million to allow for significant project should one arise. On line 13, the same page, we have the cap of \$30 million for any single project. We made these changes because we want substantial projects to be attracted to areas of greater Nebraska. We want to see significant investment and job creation in that part of the state. Colleagues, I would ask that you adopt the committee amendment and advance LB40. I would be happy to take any questions, but I know Senator Groene can certainly answer those questions. One more thing, and I'm going to relate back to what Senator Groene said. As you all know, last week, Dwite Pedersen passed away and he was a member in this body for several years and I was at his wake last night. And I remember one of the things he frequently said when he was trying to help people recover is that you are what you do and everybody needs a job. And in North Platte specifically, they've had a lot of layoffs. There's been several articles about it. People, when you meet people, you tell them who you are by saying what you do. People need jobs. That's the real way to grow greater Nebraska and all of Nebraska. So I really would greatly appreciate your support on this bill. Thank you.

**HILGERS:** Thank you for your opening Senator Linehan. Debate is now open on AM575. Senator Flood, you're recognized.

**FLOOD:** Thank you, Mr. President. Members, I am in strong support of AM575, which is a committee amendment in LB40. As a member of the Revenue Committee, when this bill came forward, I-- it was like a light bulb went off. Rural Nebraska has been a great partner to our urban areas on the big projects. And we do it because I think most all rural senators recognize the engine that Omaha is, the engine that Lincoln is for the state of Nebraska. This is big thinking from rural

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Nebraska. We essentially have the Chicago O'Hare of railroad classification yard in Lincoln County Nebraska. We have the kind of interconnections to the rest of the nation that communities off the rail would never dream would be a possibility. And we have an opportunity here to connect businesses into it because the people of North Platte through their senator have come forward and said, we see opportunity here and we think big. And I-- you know, I'm on a short line in Norfolk at the end of the Nebraska central railroad, Columbus is the main line. This probably doesn't make the biggest difference in communities like mine. But when you have the interconnections that North Platte has, I think this is something that deserves a, a yes vote and a long-term commitment. I compare it to the EPIC funds that were used in the early part of the 2000s to incentivize ethanol plants to start up around the state. Never before have we had a tax incentive program or a, a program that did so much for so many. I think that this project, this-- not just North Platte, but Scottsbluff, Gering, Seward, all the other communities that may be interested, this is a state program that's meaningful. It's about job creation and it thinks big. It takes advantage of something that we have that very few states have, our logistics. And the people in Lincoln County should be excited about the prospect of having the state of Nebraska as a full-on partner. Too often in rural Nebraska, there's a lot of whining and we don't ask for enough. We don't think big enough. We don't expect more from the state. We think that if we get a job or two or three over here, we are getting what we deserve. We deserve far more and we need to advocate for far more. And we need to come down here and present big ideas that are tested with data, tested with community support, tested with state support, and go to bat for places like North Platte. So I am definitely in support of this bill. I thank Senator Groene for bringing it. I thank the people of Lincoln County in North Platte for thinking big and taking advantage of something that most states would love to have. And that's the fact that we have the largest rail classification yard. I could be wrong and Senator Groene can correct me, I think it's in the world. In fact, somebody told me that from space you can see North Platte's classification yard. It's that big. It's that massive. And it has a thumbprint right there in the middle of the heartland in North Platte. So I hope this is successful and I will be supporting LB40. Thank you, Mr President.

**HILGERS:** Thank you, Senator Flood. Senator Kolterman, you are recognized.

**KOLTERMAN:** Thank you, Mr President. Good morning, colleagues again. I rise in strong support of this bill as well, and I'd like to dovetail a little bit off of what my colleague, Senator Flood, just talked

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about. You know, we're right in the center of the United States and logistics are everything. If we want to grow this state, we need to climb on board this train and help them get it done in North Platte. Five years ago, my community developed a rail campus. It's not on your sheet there that, that Senator Groene passed out. But we've, we've picked up a, a really nice business as a result of that. It's called Petsource. And I could see the same type of thing happening. There was an article in the World-Herald or the Lincoln paper this past week about Petsource, it's a Scoular company. We kept them here in Nebraska and they develop things, food for the, the pet industry. So as, as we look at growing our state, it's important that we bring all these different communities along in rural Nebraska. I think the idea that they're going to have a, a state-of-the-art processing plant for beef in North Platte dovetailed with, with this organization, Union Pacific, putting this spur in, will just continue to complement western Nebraska. And I'd like to thank Senator Groene for bringing this bill. We, we looked at it last year as we were developing LB1107. But as Senator Groene said, it was just being announced at the time that LB1107 was, was in the process of going through the system here. But I, I fully support it. I hope everybody will get on board and let's get this thing advanced and let's, let's pass it and give them the step up that they need to help continue to promote economic development in our state. With that, I'd yield the rest of my time to Senator Groene.

**HILGERS:** Senator Groene, 3:00.

**GROENE:** Thank you, Mr.-- Senator Kolterman. But as senator, you know, we all have our local interest, our local politics. But as we worked on this, originally it was pretty well, if you would have read the first version, it was-- version, it was for North Platte. But then we expanded and said, what about Fremont? What about Scottsbluff, Gering? What about Sidney? And now we're getting calls from mayors and development corporations. I think Senator Friesen, I might be wrong, got one that said, we heard about this bill in Grand Island, this is good. This is a good bill. It gives us another tool. Because quite frankly, in small-- in rural Nebraska, we're not big. Have a few big egos, but we're not big in communities or, or deep pockets. But you can't survive with little bitty small projects. You can't. You can't survive in making a microbrewery or have-- putting broadband, which this is another part of our infrastructure we need to work on and have somebody work from home. That's not growth. That's survival. We need to play in the big arena, the big projects, the manufacturing. In rural Nebraska, we have a lot of land. In the cities, in the cities like real estate sales by a square foot. We still sell it by the acre

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out there. Input costs, startup cost are less for the bigger projects, and they're looking at rural Nebraska because of our infrastructure. But they come by and they say, well, I need this, I need that, I need the land. In North Platte, I can tell you they've got the land lined up, local farmer around the area. And actually, let me, let me rephrase this, the actual project is in Hershey, Nebraska, a little town just 10, 12 miles west of--

**HILGERS:** One minute.

**GROENE:** --North Platte. Because it's, it's got the land and UP wanted it a little bit of distance so that they could time any freight coming into the, into the the yard a little better. But yes, it's, it's a Lincoln County project. It's a western Nebraska project. You know, people will drive for 100 miles to some of the jobs in North Platte so they can stay out in rural Nebraska. But it's good for all parts of the state. We can all be bidding against for the same projects. But we need to do it and we need to grow Nebraska, grow all of Nebraska. Thank you.

**HILGERS:** Thank you, Senator Groene and Senator Kolterman. Senator Williams, you are recognized.

**WILLIAMS:** Thank you, Mr. President. And good morning, colleagues. And I again stand in support of AM575 and the underlying bill brought by Senator Groene. I've said it many times, I believe it's our responsibility as a Legislature to create an environment for growth in our state. Yesterday, we spent the last several hours talking about our state's number one industry, agriculture, and we talked about those statistics of how Nebraska ranks number one and number two and number three in lots of the agricultural areas. The one downside to agriculture is the fact that we continue to innovate and employ fewer people. While we expand what we produce, while we expand the gross dollars, while we expand the income coming into our state, we still employ less people. So, again, it is our responsibility to find ways so that our rural areas can stay healthy with other things than just agriculture. When a community grows, your school benefits, you've got more people in those seats in the school and you grow with that. When a community has more jobs, your other businesses have an opportunity to thrive and provide benefits. You sell more groceries, you sell more supplies, you sell more paint. All of that is what happens when we have that kind of growth. One of the things that we are short of is the difference between dreamers and achievers in our state, and especially sometimes in rural areas. And the difference between dreamers and achievers is those that take action. The city of North Platte has stepped up and Senator Groene has stepped up to take action



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to create more opportunities. And I would tell you from a community that is 35 miles away from North Platte where I live in Gothenburg, there's a lot of people in our community that work in North Platte. We've got people that live in our community that teach in the school in North Platte and the surrounding Lincoln County schools. We've got people certainly working at the rail yard that is currently there. We've got people working in the finance industry that work in North Platte. All of those things are what we should be doing. Jobs mean growth and everybody benefits when that happens. I think it's the right opportunity for state matching funds. I also think we have a unique opportunity with federal money due to COVID and the CARES Act that can be used for some of these situations too. With that, and we continue and will have debate on property tax, I still would argue that the best way to achieve growth in our state and lower our property tax is to grow. And growing economically makes that happen. With that, I stand in full support of AM575 and the underlying bill LB40. Thank you, Mr. President.

**HILGERS:** Thank you, Senator Williams. Senator Pahls, you are recognized.

**PAHLS:** Thank you, Mr. President. I stand in front of you as a senator from Omaha endorsing this concept. As I watched this Legislature over the last few years, since once I left, I noticed a lot of times we talked about those guys and those guys. To me, this should be us or we. It's one of the intents that I came back is for things like this to be promoted and to help the rural as the urban. You must keep in mind, probably many of us in the urban area, we were born and raised in rural small town. So we get it, we understand and we see what's happening to some of our smaller communities. I agree with Senator Williams when he says we all look for economic development. That's where you grow the property tax base. That's what we need is something like this. In fact, when Senator Groene came in front of the committee, he was stating the numbers and I was a little bit surprised, it seemed like such a good concept that maybe we should try-- or not we, that he should look at maybe additional funds. And I think through all of the negotiations that did happen. This could be a game changer. We talked about how we are related, the rail yards from out west affect, of course, Omaha, because that is the center of the Union Pacific, their headquarters, plus other railroads. So you can see how this-- we're tied together on this. I only have one question. I fully support this. So any statement I made or will make it is in total support of Senator Groene on this. Senator, I just have one question for you. Just for clarification on my part.

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**HILGERS:** Senator Groene, would you yield?

**GROENE:** Yes.

**PAHLS:** Senator, I'm reading and it says the sunset is on, on this particular bill December 31, 2022. Is that true?

**GROENE:** I believe your amendment, you guys in the committee moved it to 2023. But yes, and the reason I believe we did that is so it's first come, first serve.

**PAHLS:** Yes.

**GROENE:** And then it's for the Appropriations Committee and the state to know where we're going with this. They get an ideal about how much they need to appropriate into the future. But it is first come, first serve.

**PAHLS:** OK.

**GROENE:** So whoever gets their proposal in first and then who, who chose the data and information and the factual backing that they've raised their funds and their plans to the Economic Development Corpora-- Economic-- State Economic Development Office, then they receive their funds. But 2023, we thought two years would be an adequate time period for people to, to get their plans in place. All you got to do is get your plan in place that you're there. Now you have to raise the funds, get your partnerships in line, and then claim your, your matching funds from the state. It was just a cleaner way to do it so it wasn't dragged out for--

**PAHLS:** OK. Thank you. I appreciate that.

**GROENE:** And you will be here when I'm gone and you can expand it if it works so great that we need to add it.

**PAHLS:** I, I am--

**HILGERS:** One minute.

**PAHLS:** --being very optimistic. Did you say time?

**HILGERS:** One minute, Senator.

**PAHLS:** OK, thank you. I'm very optimistic and hopeful-- hopefully that I will be at that advantage since you will be probably back home, maybe running this operation. Just, just for-- I'm assuming that we're

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talking about North Platte, that area, that you are pretty much along the line for this. You-- you're almost ready to go with it. Is that to be understood, Senator?

**GROENE:** Yes, they are very optimistic. And Gary Person, who's our economic development, we get this passed, he's going to be on a hot seat, but he's going to get it done, I believe. He's--

**PAHLS:** OK.

**GROENE:** --he said-- mentioned in committee, I believe you heard him say that they had, had five companies that he's talked to. None of them have a presence in Nebraska at this time.

**PAHLS:** OK, well, I thank you. And I hope that in the future we'll be able to congratulate him for all his hard work. Thank you.

**HILGERS:** Thank you, Senator Groene and Senator Pahls. Senator Friesen, you are recognized.

**FRIESEN:** Thank you, Mr. President. I, too, stand in strong support of AM575 and LB40. Numerous times, I've made the comment that if something happens in Omaha, it's good for Nebraska. But if something happens in rural Nebraska, it's good for Omaha. This is one of those things I think that may help a few communities turn around what's been happening in the rural areas of Nebraska. We've had, you know, over the last hundred years there's been a major population decline because of the consolidation in the ag industry. We've seen our kids move east or out of state, and we just haven't focused our economic development in the rural areas of the state. And I think with the, with the rail access that this might provide, we may be able to turn that around in a few communities out there and create another base of economic development that will help this state that might be a little bit diversified from the ag industry. It may or may not be, but whatever would come would be welcome. If it is value added to the ag industry, that for sure would help. But if we could diversify our economic base in the rural areas, it would help us through those down cycles in the ag industry. So I look at this as, as an opportunity only. Communities are still going to have to work hard to make this happen. It's not just we're, we're handing something out. This is an opportunity for those communities who want to lead, who want to take a part in this and want to grow their community, are going to take this and run with it. And again, if you don't have that community leadership to make it happen, this isn't something that's just being handed out. This is going to take a lot of work to get put in place and to take advantage of it. We look in rural areas and we have room in our schools. We have

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room in our facilities out there. We're running out of kids to send to the east. So we need to turn this around. We need to get rural Nebraska running again. And I think this might be just the thing that gets it started. And again, I think it gives an opportunity to numerous communities, it's not just North Platte, but if it happens out there and that's the only place, so be it. Great. Let's get something going so those neighboring counties, it all trickles down, it all helps their economic development also. And so this is just one piece maybe of the puzzle that we can put out there and see once if it works. And we talked a little bit about the sunset date. And again, if something is working and we see a need to extend it longer, we can do that. But having a sunset date doesn't hurt any. It gives communities a timeframe to get to work in. And down the road if it looks like it's working, we can always change that. I just think this is a, this is a great opportunity for everyone. Again, it's not a-- I wouldn't-- it's a hand up for those communities who want to take advantage of it. And I think there's communities out there right now with some good people in place that want to do things. They want to do big things. And so I'm strongly in support of this. I hope we can send this out and I hope it works. Thank you, Mr. President.

**HILGERS:** Thank you, Senator Friesen. Senator Erdman, you're recognized.

**ERDMAN:** Thank you, Mr. Speaker, and good morning. I appreciate that Senator Groene brought this bill and I was really pleased when he said it was going to be in Hershey because I like chocolate. That, that was a joke. But anyway, Senator Groene, I wonder if you'd yield to a question or two?

**HILGERS:** Senator Groene, would you yield?

**GROENE:** Yes.

**ERDMAN:** Senator Groene, I see in the news that a group of investors are going to build a, a packing plant, a beef slaughter plant there in North Platte. Can you briefly describe for us some advantages that they may have because of that rail that's going to be built?

**GROENE:** The plant is on a-- you know, I said a blighted and substandard area over an old cesspool, city cesspool on the east end of town. And there's advantage to the east. This is west of town. But where they can come into play is they plan to go for the international market. They want high-quality beef and they want-- which Japan and Korea. What they could do now is have a cold storage, build their cold storage at the park. After it comes out of the plant, it goes to cold

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storage. They load it on trains and it goes to the west coast to be shipped to Japan and Korea. So it all, it all-- now they would have to ship it by semi to another rail park or to all the way to California. It would help their freight, so it would all tie together.

**ERDMAN:** OK, I, I appreciate that. Thank you. I, I figured that'd be the case. But when I was-- one of my prior positions, I was on the Farmland Industries Board in Kansas City. We had several hog plants as well as two beef plants, and we exported a lot of our pork to Japan. And it was vital that we had rail access so that we could ship directly from a plant to the rail. It made a huge difference for us in our cost savings and our shipping costs. And, and I appreciate the fact that Senator Groene has brought this to give us an opportunity, when we expand the agricultural production in the state and the beef production, they have an opportunity to reach foreign markets easily. And so, Senator Groene, I appreciate your bill. And I'll be voting green on AM575 and LB40. Thank you.

**HILGERS:** Thank you, Senator Groene and Senator Erdman. Senator Moser, you're recognized.

**MOSER:** Thank you, Mr. Speaker. The idea of a transload facility in Platte County has been on the horizon for a long time. The economic development projects are usually headed up by Loup Power, our local retail electric utility. They had an employee of theirs that went out and tried to bring industry to Columbus. Columbus has been very successful at that. We have more industry per capita than any other area in Nebraska, and the cost of this transload facility that they had thought about is primarily been the, the roadblock in getting something done. Some of the bigger companies that ship a lot by rail and receive a lot of material by rail can afford to, to pay for the spur. And economically it'll work out. But a lot of the smaller shippers need a place to load and unload the railcars and this kind of transload facility system could be very helpful to them. So I stand in full support of it, even though the Union Pacific and the Burlington both come to Columbus and we've got bigger industries that have rail access. But for the smaller ones or midsized ones, I think it would be really helpful. So I stand in full support of LB40 and AM575. And I appreciate Senator Groene bringing this forward and, and making it available to counties all across the state. So thank you very much. Appreciate the opportunity.

**HILGERS:** Thank you, Senator Moser. Senator Aguilar, you're recognized.

**AGUILAR:** Thank you, Mr. President. I, too, rise in support of AM575 and LB40. Grand Island is very much a growing community, but we're not

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ready to quit growing by far. We have a very vibrant economic development corporation and they're quite anxious to sink their teeth into projects like this. It's been on our radar for quite a while now, so we're looking forward to it and to getting going on it as quick as we can get this passed. I do want to thank Senator Groene for including language in the bill that includes Grand Island and look forward to this moving forward. Thank you, Mr. President.

**HILGERS:** Thank you, Senator Aguilar. Senator Vargas, you're recognized.

**VARGAS:** Thank you very much, President. I'll keep this short. I, I do support this bill. And the reason I'm specifically rising is because I, I do want to recognize those that on the Legislative Planning Committee, one of our special committees is sort of a broad section of senators. And two years ago, we met to do some strategic planning. And that strategic planning led us to prioritize some really big areas of focus, many of which we have worked on, some of which we haven't done a good enough job. And these topics include rural development, retaining and attracting 18 to 34-year-olds, workforce training, and restoring a healthy balance to our rainy day fund and improving K-12 outcomes. So as Chair of this committee, this last two years and this year, I wanted to make sure to rise because rural development was one of the areas where we continue to lack strategic initiatives and legislation passing that was going to do more. Senator Williams had passed several years ago a rural workforce housing bill that was a, a bill that we supported. And it was one aspect of where we need to go and this is another aspect of where we need to go. We can't continue to grow as a state, and I'm speaking as an urban senator, unless we're developing rural Nebraska as well. And so as the Chair of this committee, and for those that have worked on this and those that have worked on the strategic planning initiative, I wanted to rise in support of this because it's important that we know that long-term health of our state is also contributed by long-term acts of economic development like this. I'm also fortunate we have other acts that we're going to be talking about later today that focus on these other areas of strategic priorities from the Planning Committee. I do want to thank Senator Groene for introducing this bill. And I ask that you support LB40 and the underlying amendment. Thank you very much.

**HILGERS:** Thank you, Senator Vargas. Senator Ben Hansen, you're recognized.

**B. HANSEN:** Thank you, Mr. Speaker. Man, I appreciate the kumbaya moment we're having on the floor here. It's kind of nice, so. Nice to hear everyone speak up about this bill and give their-- share their

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thoughts. And I appreciate Senator Groene bringing this bill and his unique approach to economic development in his area of the state, so. But I always have some kind of consternation when it comes to industry-specific economic development projects with this, which is some other bills we-- we've passed in the past, such as LB1107, which I voiced before on the floor. And so maybe just to elaborate a little bit on his difference in approach, I just wonder if Senator Groene would yield to a question?

**HILGERS:** Senator Groene, would you yield?

**GROENE:** Yes.

**B. HANSEN:** On that note, could you just briefly maybe elaborate a little bit on the difference between this bill and other forms of economic development we've incorporated in the past? Maybe when it comes to development and it comes to private--

**GROENE:** Well, it's, it's specific to try to build a certain industry and to attract-- to build infrastructure. Most of the other ones were just you come here, we give you a tax break, which is fine. I supported LB1107, not the tax-- property tax amendment. But anyway-- and something else about this one versus the direct payment, the direct matching funds, most of the other economic development is you, you build, we give you a tax credit. Not that-- I'm not negative on this, but the difference is here, \$300 million to a government-run hospital doesn't pay property taxes, doesn't pay corporate income taxes, doesn't pay sales tax on their purchases; \$50 million to a space command doesn't pay property taxes, doesn't pay corporate taxes, doesn't-- this is free enterprise growth. These companies that will come here will pay corporate income taxes, pay sales taxes on their purchases, and will pay property taxes, eventually. Depends if they get TIFed. But that's a big difference. That's how you grow our tax base. You can grow your tax base by bringing employees in who will pay taxes, but you can grow it a lot faster when you also have the company that comes here paying taxes also.

**B. HANSEN:** And I, I appreciate that. And actually, I think that expands on maybe why I support this bill. Some of my concerns a little bit, again, with economic development, using taxpayer money to fund projects. But I think-- I, I do appreciate the unique approach that Senator Groene has done here. This actually is a good bill and helps balance out some of the taxpayer spending we do with urban versus rural. So just want to let everybody know I do support the underlying amendment and I do support LB40 and I encourage everybody else to vote green on this bill. Thank you, Mr. Speaker.

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**HILGERS:** Thank you, Senator Groene and Senator Ben Hansen. Senator Bostelman, you're recognized.

**BOSTELMAN:** Thank you, Mr. Speaker. Good morning, Nebraska. Senator Groene mentioned broadband earlier, and I'm going to speak on broadband because, as you all know, that's a passion of mine right now obviously. I want to bring up a couple of points to you today. And we'll be speaking to this more and more as the days goes on. From the Rural Broadband Task Force it says broadband availability varies by incumbent carrier. Approximately 79 percent of those rural households, 79 percent of those rural households which do not have broadband available reside within Windstream, CenturyLink, Great Plains, or Frontier at citizens' exchanges. So I have a bill that's stuck in committee, it's LB398, and it's-- it's to bring us up to 100-100 across the state and provide-- actually to meet the requirements of our statutes, 86-323(3). It says: Consumers in all regions of the state, including low-income consumers and those in rural and high-cost areas, should have access to telecommunications and information services, including interexchange services and-- and advanced telecommunications and information services that are reasonably comparable to those services paid-- or provided in urban areas. Reasonably considerable to those services provided in urban areas and that are available at rates that are reasonably comparable to rates charged for similar services in urban areas. Let me make it clear on LB398, CenturyLink, Great Plains, Frontier, Windstream, and Consolidated are the ones who say, no, we won't-- we don't want to give-- we don't want to provide Nebraska a similar or reasonable comparable service. We don't want to do that. We won't do that. It's interesting when-- two things that's interesting. My daughter and son-in-law recently moved to Waverly. Guess what? They have legacy to their house, copper. They don't even have 25-3 barely at their house. That's Windstream. They can't, if you're on Netflix, if you-- if you stream anything, they can't do that anymore. And even more pointed, we had a friend from Namibia that's been with us the last few days. He lives in the north central part of Namibia, three hours from the nearest town, large town, three hours, in the middle of the bush. He has 80 down, 80 up at a minimum, at a minimum. Normally he's at 100 and 80 up and down at his property in the middle of Namibia in the bush. I'm 32 miles from here and I have a half up. People in Waverly don't even have that. What are we doing? I would gather to say that all these companies are standing here saying, nope, we're not going to come and talk to you. We're not going to negotiate with you. We're not going to improve those services at all. I bet you every one of those companies are making profits on us here in Nebraska. Look at your phone bill, NUSF tax that's on there, that's paying to them. Why is it



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if you live outside of a village, town or city in the state of Nebraska and even some within, I've got towns in my-- in my district that don't have high-speed broadband, nothing. Why is it we continue to allow this to go on? It needs to end. We need to have a path forward to where everyone in the state, if you want to have a business in the state, if you want to grow, further grow rural Nebraska, we need to have reasonable high-speed Internet, broadband.

**WILLIAMS:** One minute.

**BOSTELMAN:** And as long as this body stands here and refuses, we're the 40th worst state in the country. We're number 40 out of 50 on broadband development and-- for people, for the rural citizens and for everyone in the state, in the states. We're number 40. That needs to change. We have the opportunity to do that this year. I ask for you to come talk to me. Let's talk about this. Let's find a way forward. I hope that NTA comes to the table and starts discussing this so we have a real path forward for Nebraskans. So not only do we grow, as what Senator Groene's bill does, but we also give every small business, every major company-- my son lives in North Bend, works for a large company in Omaha. Guess what? He works from-- from the house. He can do that only because they happen to have fiber in that community. How much more can we grow our economy by providing--

**WILLIAMS:** Time, Senator.

**BOSTELMAN:** --minimum broadband? Thank you, Mr. President.

**WILLIAMS:** Thank you, Senator Bostelman. Senator Murman, you're recognized.

**MURMAN:** Thank you. I would like to just rise briefly in support of LB40. I think there's potential in my area also for development of this type of rail connections. There's Burlington and UP come together right there just west of Hastings and, and it's-- actually borders the old Navy Ammunition Depot. And that area, of course, was cleared out of farms and residents back in the 1940s. So there's a lot of open ground there that more sitings could be built. Right now, there's about seven sitings right in that area. And these, these sitings support an ethanol plant, fertilizer plants, grain elevators, and all kinds of industries that are out in the old Navy Ammunition Depot. There's many abandoned tracks out there also that are used to park a lot of railcars or, or even a whole train in, in some areas. There's good connections with the west coast and the gulf with these rail lines and, of course, not far from the interstate and just a lot of

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potential in that area. So I just wanted to mention that. So thanks a lot. And I'll yield my time back to the chair.

**WILLIAMS:** Thank you, Senator Murman. Senator Stinner, you're recognized.

**STINNER:** Thank you, Mr. President. First of all, I want to thank Senator Groene for bringing this bill. I am a cosigner on this. I think economic development-- and I've always been a big supporter of economic development, whether it be geared toward Omaha or, or the state at large. But I will say this, that this is a step in the right direction. I have two rail lines through Scotts Bluff County, one's UP and one's the Burlington. We have industrial parks in both Scottsbluff and Gering that are attached to those rail spurs. We have some development currently going on, certainly Kelley Bean ships dry edible beans all the way down to New Orleans and puts it on a ship and then sends it internationally to either the Middle East or to Europe or wherever. So it's an important aspect of our [INAUDIBLE], of our, of our economy out there. Twin Cities Development really kind of focuses in on the whole county at large and tries to develop different strategies for existing businesses so we can grow, and obviously then trying to attract new businesses. And rail spurs are a magnet for that. So very shortly, thank you, Senator Groene, for this. And you know, I'll vote green on all of those things. I, I get the fact that there's a \$10 million note on this, possibly American Recovery Act funds could possibly fund the whole thing. I think it's a stimulus package for rural Nebraska. So that might be another route that we can go on this. But thank you and please vote green.

**WILLIAMS:** Thank you, Senator Stinner. Seeing no one wanting to speak, Senator Linehan, you're recognized to close on AM575. Senator Linehan waives closing. Members, the question is shall the committee amendments to LB40 be adopted. All those in favor vote aye; those opposed vote nay. Have you all voted? Record, Mr. Clerk.

**ASSISTANT CLERK:** 40 ayes, 0 nays on the adoption of the committee amendments.

**WILLIAMS:** The amendment is adopted. Seeing no one wanting to speak, Senator Groene, you're recognized to close on LB40.

**GROENE:** Thank you. I'll be brief. I appreciate all the support. It's good for Nebraska. This is a Nebraska bill. This is a bipartisan bill. This helps. I would like to remind folks, we talk a lot about brain drain, but I travel the front range of Colorado and you can pull into any construction site, any, housing, commercial and start asking the

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people working there, where are you from? And I will guarantee you won't get past five people before somebody says Nebraska. We have a blue-collar working drain in this state also. And I think it's quite large, a lot larger than the brain drain. This is an effort to bring them folks back home. The ones who want to live in rural Nebraska, work with their hands, go hunting, fishing, and build Nebraska. So I appreciate all the support and, and all of those communities' rail yards, they're raring to, to go. Thank you.

**WILLIAMS:** Thank you, Senator Groene. Members, you've heard the debate. The question is the advancement of LB40 to E&R Initial. All those in favor vote aye; those opposed vote nay. Have all voted? Record, Mr. Clerk.

**ASSISTANT CLERK:** 42 ayes, 0 nays on the advancement of the bill.

**WILLIAMS:** The bill advances. Mr. Clerk.

**ASSISTANT CLERK:** Next item, Mr. President. LB40A introduced by Senator Groene. It's a bill for an act relating to appropriations; appropriates funds to aid in the carrying out of the provisions of LB40. The bill was introduced on March 22 of this year. That's all I have at this time.

**WILLIAMS:** Senator Groene, you're recognized to open on LB40A.

**GROENE:** Thank you, Mr. President. This appropriates to get this project going for the next biennium budget, \$5 million in the first year and \$5 million in the second year. I'll tell you a little story. When I first started talking to economic development, DEVCO, we call it in North Platte, they said, well, let's try for \$5 million because that's who we are. We think too small. We think dollars and cents. And then I told them, no, in politics you go for twice as much. And so I had originally put \$10 million in it. Then we went to the committee hearing and this is how it should work. A couple of senators said, you're way too low. Let's go for the home run. Let's-- Senator Pahls and Senator Flood both said, and I've been here seven years and I've never walked into a committee or been in a committee hearing where the members of the committee said, let's raise the A bill. Let's, let's get out of the minor leagues, basically, and let's play in the pro leagues on economic development. And this-- the amount of money we're appropriating here puts us in the ball game for bigger projects, to think bigger, to accomplish something for Nebraska. And I would appreciate a green vote on LB40A. Thank you.

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**WILLIAMS:** Thank you, Senator Groene. Seeing no one wanting to speak, Senator Groene, you're recognized to close. Senator Groene waives closing on LB40A. Members, the question is the advancement of LB40A to E&R Initial. All those in favor vote aye; those opposed vote nay. Have all voted? Record, Mr. Clerk.

**ASSISTANT CLERK:** 42 ayes, 0 nays on the advancement of the bill.

**WILLIAMS:** LB40A advances. Mr. Clerk.

**ASSISTANT CLERK:** Items, if I could, Mr. President? LB396A introduced by Senator Brandt. It's a bill for an act relating to appropriations; appropriates funds to carrying out provisions of LB396. LB324A introduced by Senator Brandt. It's a bill for an act relating to appropriations; appropriates funds to aid in the carrying out provisions of LB324. LR75 introduced by Senator Hilkemann. That will be laid over. It's all I have at this time, Mr. President.

**WILLIAMS:** Mr. Clerk, return to the agenda.

**ASSISTANT CLERK:** Returning to the agenda, Mr. President. LB544 introduced by Senator Wayne. It's a bill for an act relating to revenue and taxation; adopts the Urban Redevelopment Act; provides tax incentives as prescribed; changes provisions relating to refunds of local option sales and use taxes; harmonize provisions; provides an operative date; and repeals the original section. The bill was read for the first time on January 19 of this year and referred to the Revenue Committee. That committee placed the bill on General File with no committee amendments.

**WILLIAMS:** Senator Wayne, you're recognized to open on LB544.

**WAYNE:** Thank you, Mr. President. And colleagues, I appreciate the debate last round about what's good for Omaha is good for rural and what's good for rural is good for Omaha. And in this case, I sent an email out trying to outline exactly what this bill does and I sent a couple of studies. And several studies this year that came out, one was the Pew study, outlines what states can do to direct economic development to areas such as north and south Omaha or any impoverished area across the state. And the points that they made were, one, it has to create opportunities for low-income residents. Two, it has to be tailored to economic development that local-- that are localized and, and deal strategically with the local needs. They have to regularly update the set eligible locations, assess geographic targeting and target programs using quantitative measurements. LB544 does just that. It creates jobs through incentivizing small businesses to expand and

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grow in ERAs. And if you'll recall, we passed ERAs last year in LB1107, and it deals with those who are 150 percent the average poverty-- I mean, the average unemployment rate and 20 percent or more poverty rate in certain census tracts. This also tailors the local needs. It, it, it takes the large ImagiNE limits into industries to the state's targeted areas and opens it up for all jobs and industries and ERAs, which creates higher paying jobs in those areas. It also creates regular updates and locations because ERAs over time will change. Unlike blighted, they are constantly changing and moving and the DED department will help determine that. It assess geographic targeting. The state shouldn't be emphasizing wealthy areas with unintentional benefits. Here we are limiting it to ERAs and to their exact areas for a defined time. And these programs also target using qualitative-- quantitative measures. Here we are carefully setting the measures we have to invest in requirements and job requirements, knowing that it takes both jobs and investments to change many of these communities. This is not a complicated bill. It's a very targeted bill with a cap that I believe can fundamentally start changing north and south Omaha and parts of Lincoln. And I'm not going to keep going on and walk you through the whole bill because I did send out that information beforehand. So if there's any questions, I would love to answer questions on the mike. But this is just one way for us to invest in some of our most impoverished areas throughout Nebraska and create jobs and create economic development. Thank you, Mr. President.

**WILLIAMS:** Thank you, Senator Wayne. Senator Kolterman, you're recognized.

**KOLTERMAN:** Thank you, Mr. President. Good morning again, colleagues. I, I rise in strong support of LB544. And I appreciate the fact that Senator Wayne brought this bill. The great thing about this bill is it dovetails off with what we did with LB1107 last year. It expands the opportunity for smaller businesses to really take advantage of what's going on in this state. It gets some money to the business owner, the people that are willing to invest in the state much quicker. If you pull out the committee statement for LB544 and you read the summary of the purpose and changes, it's all outlined on the bottom and on the back side, page 2 of that outline. It is really just good for Nebraska. It can really help Senator Wayne, Senator McKinney, and Senator Vargas' especially, community grow in, in north and south Omaha and parts of Lincoln. So with that, I would encourage you to support this LB544 as an additional aspect of economic development. I'd like to thank our Speaker for putting these economic development bills together today. And as has been stated earlier, what's good for

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rural Nebraska is good for urban Nebraska and vice versa. So support LB544 and let's move on. Thank you.

**WILLIAMS:** Thank you, Senator Kolterman. Senator McKinney, you're recognized.

**McKINNEY:** Thank you. I rise in support of LB544. This is an opportunity to, you know, invest in all of Nebraska. I know we just had the discussion about rural projects, but we need to have the discussion about urban as well, especially in my district, Senator Wayne's district, and Senator Vargas' district. My district currently has the highest poverty rate, high unemployment, low investment and low median income. I believe it's time to start investing in people and small businesses and communities like mine to want prevent the need to have to even have a conversation about building a prison. Sometimes we leave that out of the conversation that if we invested in communities like north Omaha, there wouldn't be a need for a prison, there wouldn't be an overcrowding crisis. And that's why I love this bill. I think it's great that we're, we're looking at ways to invest in small business. Because until we start investing in small business and investing in people in these communities, we'll continue to have these issues that come up in the Legislature because we're not doing things on a front end to address the root issues of these problems. So I'll strongly support this bill and I'll yield rest of-- the rest of my time back to the chair.

**WILLIAMS:** Thank you, Senator McKinney. Senator Vargas, you're recognized.

**VARGAS:** Thank you very much. I want to thank Senator Wayne for introducing this bill and for continuing what was in LB1107 on this. I, I need to rise on this because this is, this is going to impact north Omaha, it's also going to impact south Omaha. For those of you-- we've had a lot of conversations on the mike here in the past about equity and making sure that we are taking care of economic development pockets that need support across our state. Obviously, we just talked about doing this with rural, rural Nebraska and rural development. There's also a need to do this in, in urban parts of Nebraska. And if you haven't been to our districts before and we've talked about this, you will see that there is a need. We've talked about it on the mike several times. And this continuation of this bill is the right thing that we need to do to spark continued investment, specifically with our small businesses in what are, are some of our highest need and highest growth opportunity areas where if we have more economic development, we can continue to see higher-- address some of the unemployment and underemployment and wages that we-- we're seeing not

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keep up. And so I stand in support of this bill and specifically also because it's helping south Omaha and north Omaha and the east corridor where we need to continue to focus and improve. Thank you very much.

**WILLIAMS:** Thank you, Senator Vargas. Senator Briese, you're recognized.

**BRIESE:** Thank you, Mr. President. Good morning, colleagues. I supported this bill in committee and I'm going to support it here today. And I think some have indicated this is patterned after last year's LB720. And as such, you know, much of the concept contained here in has been vetted numerous times. And it reflects much of the great work that Senator Kolterman and others put into the provisions of LB720. And it also contains some important guardrails that I won't go through here. But I, I do like the fact it's limited, I believe, at \$50,000 per taxpayer and helps the state's dollars go a little further in this regard. But what I particularly like is that it targets the economic redevelopment zones. Those areas, by definition, need our help. And I applaud Senator Wayne for targeting these areas with this bill. And with that said, I will wholeheartedly support the bill and I urge your support also. Thank you, Mr. President.

**WILLIAMS:** Thank you, Senator Briese. Senator Friesen, you're recognized.

**FRIESEN:** Thank you, Mr. President. I stand in support of LB544 and I think this is an opportunity that Senator Wayne has been working on for a couple of years. I do think this is-- I think it would be great if this worked. And I'm hoping that it is, it's, it's kind of designed for exactly what he's looking for. And I think if we can get those areas redeveloped, it really takes those parts of Omaha that haven't seen that economic development that other areas have. And I hope that it expands that and it creates those jobs. I think this is what we've been looking for all along when we target areas that need that help. And this is kind of like in rural Nebraska, when I talk about targeting areas for economic development, I think that's what this does. The fiscal note is not that large. I do think it's a good bill. He's spent a lot of time on it. And so with that, I do strongly support LB544. Thank you, Mr. President.

**WILLIAMS:** Thank you, Senator Friesen. Senator Linehan, you're recognized.

**LINEHAN:** I rise in support of LB544. Senator Wayne has worked on this for at least two, if not three years, and he brought it to the committee and the committee-- Revenue Committee unanimously supported

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it. It was the opinion of the committee that he had, and he has his maps that he can show all of you, this isn't just Omaha, there are other places across the state. And if Senator Wayne would, I didn't give him a heads up, but would he yield for a question?

**WILLIAMS:** Senator Wayne, would you yield?

**WAYNE:** Yes.

**LINEHAN:** Senator Wayne, is-- are the only places that would qualify for this in Omaha?

**WAYNE:** No, this bill is Omaha and Lincoln. And this would be a, a pilot program because LB547 applies to the whole state. So that's in the back burner to see how well this does this year in Omaha and Lincoln.

**LINEHAN:** And just again, can you tell me this is-- these are very specific areas, right?

**WAYNE:** Right. They are census tracts that are 150 percent the average unemployment rate and 20 percent or more of poverty rate. So they are the poorest of our poorest areas.

**LINEHAN:** So and isn't one of the reasons that you wanted to do this is to make sure that you can't-- it's very difficult for north Omaha to get a, a huge plant to come in. You need to--

**WAYNE:** Right. So, so the, the problem we have in north Omaha and, and south Omaha is land availability. So we have singular lots. So you might have a corner lot. And having a \$5 million investment to qualify for the big Imagine Act just is not likely. But to have a \$500,000 or a \$600,000 infrastructure investment on that corner is very likely. But they don't qualify for any additional tax breaks or tax credits. This would allow them to qualify for something.

**LINEHAN:** Thank you, Senator Wayne. So, again, I just want to say that the Revenue Committee heard this bill. We vetted the bill and we think it's an idea. We sent it out 8-0 and the committee was very involved and happy to support and hope this moves forward. Thank you.

**WILLIAMS:** Thank you, Senator Linehan and Senator Wayne. Senator Groene, you're recognized.

**GROENE:** Thank you, Mr. President. I stand in full support of LB544. Senator Wayne, I didn't give you a heads up, but it's a friendly question. Would you take a question?



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**WILLIAMS:** Senator Wayne, would you yield?

**WAYNE:** Yes.

**GROENE:** So most economic development like the past bill is for big jobs, manufacturing, transportation. Am I right to assume that if some individual wants to convert an old storefront into a restaurant and hires five people, they would be able to do that under this bill?

**WAYNE:** Correct. Yes, I think just like small town Nebraska, a, a job that pays well is a good job, doesn't matter on the industry.

**GROENE:** Thank you.

**WAYNE:** Thank you.

**GROENE:** I'm 100 percent with that. I mean, if you're going to do urban renewal, you're going to have to fix the main streets up in those areas. You're going to have to-- it's fine if you build a big project in Omaha and it's out on the west side or-- but the workers who work there, if they want to live in the old part of town, we ought to make sure that there's a, a retail area for them that's safe, modernized, and it's a good bill. And it all plays into Senator Wayne's constitutional amendment. He, he has a long-range plan of extremely blighted, which I appreciate. I'm going to pat myself on the back that we added that to his constitution amendment about average unemployment being high and, and poverty rate because it defines that area and it defines it well, well where this will be used where it's intended to be used and not leakage out into areas where it can do just fine without it. No, it's-- I applaud his efforts. I applaud his extremely blighted. And he and I have worked over the years trying to define tax increment financing to a more urban renewal, back to its roots of urban renewal. And this plays into that. So I fully support LB544.

**WILLIAMS:** Thank you, Senator Groene and Senator Wayne. Senator Lowe, you're recognized.

**LOWE:** Thank you, Mr. President. Would Senator Wayne yield to a couple of questions?

**WILLIAMS:** Senator Wayne, would you yield?

**WAYNE:** Yes.

**LOWE:** Thank you, Senator Wayne. Senator Wayne, how do I always vote?

**WAYNE:** No.

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**LOWE:** Thank you, Senator Wayne. Would it-- do I vote for your bills?

**WAYNE:** No.

**LOWE:** Would it surprise you if I voted for this bill?

**WAYNE:** Absolutely.

**LOWE:** Me too. I yield my time back to the chair.

**WILLIAMS:** Thank you, Senator Lowe and Senator Wayne. Senator Bostelman, you're recognized.

**BOSTELMAN:** Thank you, Mr. President. And again, I'm going to talk about broadband, obviously. Broadband is an important thing to me. There's recent, on March 17, there's expanding affordable, affordable broadband access and rare issue-- is a rare issue with bipartisan support on the hill during today's senate commerce-- Science and Transportation Committee hearing on federal efforts to expand broadband access. Senators from both parties joined together to express concerns over expanding access. And specifically, I want to talk of the testimony from Dr. Christopher Ali, who's associate professor of the Department of Media Studies at the University of Virginia. And we're talking about 25 megabits download speeds with 3 megabits in upload speeds. Dr. Ali called that the speed-- he called that the speed definition is woefully inadequate, woefully inadequate for the average family of four, where two adults are working from home and two children are attending K-12 online. In addition to it being unsuitable for families, he also pointed out that it prevents businesses, especially rural businesses, from embracing emergency-- emerging technologies. He specifically called the precision agriculture industry as a field that requires modern broadband speeds. Ali argued for establishing a goal of 100/100 megabit speeds or systemically upload-- for systemically upload and download speed. A little bit ago, when I was on the mike before, as I was talking about it, maybe you realized what country I was talking about and what continent I was talking about. I was talking about Africa, a small nation in Africa that, that became-- that came into existence in 1990, modern or developing country. In the middle of that country, in north central, where there's no towns around, in the mountains, in the mountains, they have 80 down, 80 up at a minimum, at a minimum. And we can't even get 25/3 in this state, in this country. Why is it as a modern nation that we have to be so inadequate in broadband development and our state being 40 out of 50 in broadband development, in high-speed broadband development in our state? Telemedicine, education, telehealth, businesses, small business development, if you

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want someone to move into small town-- I had an email just a few minutes ago from someone from a city said we desperately would love to move out to rural Nebraska. But you know what? We can't, because the business who we-- organization we work for, we have to have reliable high-speed Internet and you don't have it. So when are we going to take this policy up? When are we going to actively change Nebraska? Let's be the leaders. Let's not come in at the, at the back of the pack. Let's not come in at the end of the race. Let's be at the front. Let's show what Nebraska can do. We're talking about economic development in North Platte or in Lincoln or Omaha. I'm talking about economic development in Valparaiso, in Dwight, in Brainard, in Gordon and McCook, in Hardy, in Superior. That's where I'm talking about economic development. Everybody should have this opportunity to have high-speed broadband at a reasonable rate.

**WILLIAMS:** One minute.

**BOSTELMAN:** At a reasonable speed. If you have a gig in town, really, why do you need a gig? Why do I need 100/100? Because I needed that in order to develop a business to be-- have a presence on the website, on, on the Internet, in order to do conferencing, in order to stream, especially our younger generations understand that. How much do you stream instead of watching regular programming on TV? Think about it. As we looked at the growth of agriculture in this country, in this state, if we don't have the broadband availability, it will stagnate and we will continue to fall behind the rest of the country, the rest of the states. Thank you, Mr. President.

**WILLIAMS:** Thank you, Senator Bostelman. Seeing no one wanting to speak, Senator Wayne, you're recognized to close on LB544.

**WAYNE:** Thank you, Mr. President. I do want to thank Senator Erdman for pointing out a, a small definition change that I will make. It's not-- it doesn't impact the bill at all, but I'll bring it on Select. But I wanted to make sure he knew that I-- I'm saying that on the record so he can hold me to that on Select File. Again, it's not a, a major change, but it's just a small change that he caught and I thought it was a good catch. I appreciate a green vote on LB544. Thank you.

**WILLIAMS:** Thank you, Senator Wayne. Members, the question is the advancement of LB544 to E&R Initial. All those in favor vote aye; those opposed vote nay. Have all voted? Record, Mr. Clerk.

**ASSISTANT CLERK:** 45 ayes, 0 nays on the advancement of the bill.

**WILLIAMS:** The bill advances. Mr. Clerk.

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**ASSISTANT CLERK:** Next item, Mr. President. LB215 introduced by Senator Hughes. It's a bill for an act relating to telecommunications; changes 911 service surcharge provisions under the Emergency Telephone Communications Systems Act, the Enhanced Wireless 911 Services Act, and the Prepaid Wireless Surcharge Act as prescribed; and repeals the original section. The bill was read for the first time on January 11 of this year and referred to the Transportation and Telecommunications Committee, that committee placed the bill on General File. There are no committee amendments, Mr. President.

**WILLIAMS:** Senator Hughes, you're recognized to open on LB215.

**HUGHES:** Thank you, Mr. President. Good morning, colleagues. LB215 is a very simple bill that creates an opportunity to level the playing field across Nebraska. The installation, operation and maintenance of 911 services in Nebraska are partially funded by surcharges on landlines and wireless services. Current laws allow a monthly charge in all counties in Nebraska of up to \$1 on wired lines and up to 70 cents on wireless lines. That is all counties except Douglas County. Douglas County is limited to 50 cents per wire line and 50 cents per wireless line. LB215 is a bill that adds an element of fairness to the funding of those services across all of Nebraska, Nebraska counties by removing the singular limit imposed upon Douglas County. Regardless of where the citizens of Douglas County may go in Nebraska, they will have access to 911 services. Greater Nebraska residents should have the same level of service when they travel through Omaha. In 2006-2007 in Douglas County, the 911 communication center budget was just over \$4.5 million. Today, that amount has almost doubled to over 8-- about \$8.5 million. We are in the middle of a very extensive build-out of E911 that will allow first responders to triangulate and isolate cell signals in a building to a floor and to an apartment, which is critical, especially in larger cities with larger apartment buildings. When we had just wire lines, it was easy for first responders to locate individuals in an emergency. But with mobile phone technology, we have the ability to move around. Finding someone who has made an emergency 911 call from their cell phone, be it from an apartment or from a park or out in the country, it is imperative that we have the right technology in place for first responders to find that individual who is in distress. County commissioners have authority over the fee for wire lines. The Public Service Commission has authority for fees on wireless lines. The Public Service Commission has weighed in on this bill. In the hearing we had in committee, the Public Service Commission came in supporting this bill. I've passed out letters from the Douglas County commissioners. They support the bill. From the mayor of Omaha and the Omaha City Council, they endorse this plan. The

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upgrading and improvement of 911 equipment and service is imperative. It is time to make sure all Nebraska citizens have the same level of service and the burden is equally shared as well. LB215 advanced from committee on an 8-0 vote. And I urge your green vote on LB215. Thank you, Mr. President.

**WILLIAMS:** Thank you, Senator Hughes. Senator Machaela Cavanaugh, you're recognized.

**M. CAVANAUGH:** Thank you, Mr. President. Good morning, colleagues. I have a little bit of a complex view on this bill. I did vote for it out of committee, but I am not in support of LB215. I have concerns about increasing fees for the people of Douglas County. And, and also this is brought up for me an opportunity to look at how we are managing our 911 system in this state. Currently, it's handled county by county. We are working towards, and I, I just found this on the DHHS website that our Department of Health and Human Services was awarded the 988 state planning grant. So this is a, a line-- another line that's for suicide prevention. And in order for this to be an effective program, the Department of Health and Human Services is going to have to work to integrate 988 with 911 so that if somebody calls one of the numbers and they actually needed the other number, that they will be able to get them the services or the help that they need in those crisis situations. And since this is going to be a statewide program and it needs to be integrated with 911, I think it does beg the question if now is the time for us to reconsider how we are handling 911 in the state and move it to a statewide program instead of a county-by-county program. This would also alleviate budgets for all of our counties if they no longer had to levy fees to their citizens. So my proposal to this body is to not vote to increase fees for Douglas County and let's work towards cutting fees for the whole state. I think it's important for us to take opportunities like this to consider how we can do things better and not just do things the same way we've been doing them. I appreciate that Douglas County has lower fee caps than the rest of the state, but Douglas County is population-dense and that density affords them an easier implementation and execution of the 911 system than our less population-dense counties, which it's going to be more expensive, which is why some of your counties have higher fees. I'm also concerned, just in general, of ever increasing taxes or increasing fees. There is only a very rare occasion where I would support increasing taxes. And this to me is not that time. We have an infusion of federal dollars coming in for relief and stimulus, and it seems like this could be a great opportunity for us as a body to look to better planning, better infrastructure. How can we integrate the 988

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system and the 911 system together to be the most effective and impactful programs to serve the needs of the citizens of Nebraska? I would encourage everyone to take a closer look at the 988 system. It's a very exciting program that we are embarking on. It's the Nebraska Department of Health and Human Services of Behavioral Health and Public Health receiving a national grant for suicide prevention lifeline. This will become a three-digit national dialing code for the National Suicide Prevention Line, replacing the current number of 1-800-273-TALK or 8255. Anyone needing support should continue to call 1-800-273-8255 until July of 2022.

**WILLIAMS:** One minute.

**M. CAVANAUGH:** Thank you. The grant will help DHHS and other partners participate in the development of a strategic plan to address projected infrastructure needs, volume growth, and access to the lifeline's new 988 number in Nebraska. Vibrant has awarded grants to 49 states and territories. Access to mental health and crisis supports has never been more critical for Americans, said Kimberly Williams, president and chief executive officer of Vibrant Emotional Health. Vibrant is committed to providing states and territories with some of the resources they'll need to plan for the implementation of 988 and to support their local crisis systems by working together. We will increase access to care, reduce the stigma around mental health, and ultimately save lives. Alongside the Nebraska Public Service Commission, the University of Nebraska Public Policy Center, NAMI Nebraska, the Boy Town National Hotline, and numerous other system partners, DHHS will review coordination, capacity, funding, and communication surrounding the launch of 988. DHHS will collaborate with state leadership suicide prevention--

**WILLIAMS:** Time, Senator.

**M. CAVANAUGH:** Thank you.

**WILLIAMS:** Thank you, Senator Machaela Cavanaugh. In the queue, Senator Wayne, Vargas, McKinney, and McCollister. Senator Wayne, you're recognized.

**WAYNE:** Thank you, Mr President. Colleagues, what are we doing here with this bill? We have during a pandemic, during COVID, we are literally doubling the fees to Douglas County. And you can say that we're just authorizing them to double the fees, but I hear all my conservative colleagues want to put a 3 percent lid on property taxes because whatever authority we give government, they go to that authority. So why would this be any different here? What's interesting

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about this dynamic is Senator Briese has a bill that wants to lower rural tax rate for going forward on bonds and things like that because he feels that's best for rural Nebraska. Well, when this was introduced 20 years ago, this was best for Douglas County and it still is to this day. In the city of Omaha, we have some of the highest user fees for cell phones in the country. We are in the top five and we are now going to double that. And, and what's, what's more shocking in a time that we have extra funds in our revenue, at a time when a county is going to receive extra dollars from the federal government, we are going to impose a tax increase. We always hear that, you know, user fees aren't tax increases. But when we want to fight a bill, we say it's a tax increase, and that's exactly what we're doing here. This wasn't brought by a senator in Douglas County. That's why I don't bring things on branding, Senator Halloran, because I don't necessarily know all about it. I listen, I learn how to vote on it. I learn and listen to discussion. But there's a reason why in Douglas County this bill always gets shot down or not even brought and it was because of Senator Chambers. But that's how important this tax is when most people are going to cell phones, we are going to double their user fee for this particular fee during a pandemic, during a time when we have a surplus, during a time where the county has extra money and they're going to receive extra dollars to the tune of hundreds of millions from federal dollars over the last three, we're going to increase taxes. And the only reason why I'm not going to go the distance on eight hours is I have to leave this afternoon for an appointment. But I just don't get it. Would you want us to increase fees in rural Nebraska during this time? And if the idea is we want to level the playing field and treat everybody equally, then you have to be against Senator Briese's bill for treating rural schools different than urban schools. I actually support Senator Briese's bill. I'm just asking colleagues in this body to be consistent. That we are literally going to double from 50 cents to a dollar when government agencies and particularly Douglas County are receiving tons of federal dollars.

**WILLIAMS:** One minute.

**WAYNE:** I have an IPP motion filled out, but I'd just rather us not advance it, not right now. If in four or five years they need this, then we can have that conversation. But right now, with the economics we have going on in this state and the growth we're seeing and the extra dollars, not just Douglas County, but also this state has, we're going to raise taxes on individuals. That makes no sense to me, and I heard many of you say that over and over about user fees. So I stand in opposition to LB215, and I would ask you all to vote red on this bill. Thank you, Mr. President.

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**WILLIAMS:** Thank you, Senator Wayne. Senator Vargas, you're recognized.

**VARGAS:** Thank you very much, President. So I'm laughing because I, I, I was mentioning to Senator Hughes, you know, why I wanted to get up and talk about this. One of the reasons, I'm trying to be as consistent as I can. So some of you probably remember-- well, for those of you that are new won't remember this, I introduced a bill two years ago that would have lowered our cell phone occupation taxes, our cell phone taxes. And my large rationale behind this was not that we don't have infrastructure needs, not that we don't have things we need to do. I, I understand that. I get that. It's because already we have some of the highest cell phone taxes in the country. And I remember how that debate went, it was a bit of-- it was a hodgepodge of people that were on my side and then there was some people that were not on my side because of how it would affect municipalities, specifically. But the underlying reason I was for it was because, and this is similar to what Senator Wayne is saying, when I looked at how these taxes were really being applied and we're seeing it, and I'm, I'm, I'm quoting here, the World-Herald, in Omaha and Lincoln, the combined local and state tax on a cell phone service approaches 19 percent. And that doesn't even include the federal tax rate of 6.64. Now according to the Tax Foundation, which I don't always quote, but I'm quoting now, taxes on cell phone services rank high-- fourth highest in the country according to the Tax Foundation. Now I know we often talk about taxes here, and so I'm not trying to be, you know, not trying to apply my same rationale, but the reason why this concerned me the most and I brought the bill in the first place was because of how these taxes were more regressive on working families in lower-income communities. And when we look at Douglas County and we see the percent of poverty and certain areas and the un-- and underemployment that we're trying to solve through these other solutions, like the one that Senator Wayne brought earlier, earlier today that we just passed to the next stage, it concerns me that we're doing this at this moment and at this juncture. This would put us absolutely in the number one or two. The city of Omaha or the county would be in number one or two in the country if we're adding this on. This wasn't something I was planning on, on really debating and talking about. And the reason I'm rising is because I'm really trying to be as consistent as possible. I'm trying to take a page out of, I guess, some of the other senators that talk about consistency being applied. I have been against trying to raise our cell phone taxes and all those other taxes associated with it because it is hurting working families. And I'm seeing the impact of that through the data on an annual basis. A couple other things I want to make sure to share on here. One is if we're really looking at cell phone taxes as a way to improve infrastructure, we



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still need to address some of the other occupation taxes that are already put into this that are regressive on families. Now if we're able to address some of those other occupation taxes, then maybe we can increase some of these 911 taxes and then get to the needed outcome of improving our 911 infrastructure. But if we're doing it without that concern, we could be creating Douglas County having one of the highest cell phone taxes in the country of any other county amidst the pandemic at this time. I have real concern that we're doing this. I, I-- and, again, nobody has contacted me about this. I've had a few conversations with a couple other senators, but it just strikes me as we couldn't lower cell phone taxes and that didn't pass.

**WILLIAMS:** One minute.

**VARGAS:** And that's fine. But we shouldn't be raising them either. Not now, not at this time, and maybe we should try to figure out a way to curtail some of the other occupation taxes. And in this way we might be able to then create infrastructure-- create some revenue infrastructure and raise the fees after we've done that so that we're not increasing these taxes on working-class people. So, colleagues, I, I hope you'll stand with me on this on LB215. I'm a no on it. Trying to be as consistent as possible. I understand the intent. And I think there's something we can do. If we lower some of the other occupation taxes, then maybe we can lower-- we can increase this tax to pay for infrastructure. But as I said before, we're already number four or five in the country as a state. This would put the city of Omaha and Douglas County in number one or two easily. And I don't think that's the right thing to do right now. Thank you very much.

**WILLIAMS:** Thank you, Senator Vargas. Senator McKinney, you're recognized.

**McKINNEY:** Thank you, Mr. President. I rise in opposition of LB215, because I find it troubling that Douglas County and the city of Omaha would like to raise taxes on residents of, of, of the county and of the city, but instead, over the past few years, decided to invest in a youth prison, raise the police budget again, which has risen almost over 80 percent since 2007. We're in the middle of a pandemic and we're having a discussion about raising fees for residents. We're not even through with this pandemic yet, but we want to find ways to raise fees. There's resources coming from the feds, and I think the county and the city should focus on those resources to invest into emergency services. I, I, I just find it really troubling that the priorities of the county and the city have been building a youth prison that is going to hold primarily about 70 to 80 percent of African-American young boys and raise the police budget under so much turmoil,

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especially since last year after the, the protests and what has-- what transpired throughout the year. I really think the city and the county should focus on investing in people, investing in a city. And if they really cared about emergency services, they would do that instead of building prisons and raising police budgets. It really makes no sense. We should focus on smart investments and protect families that are dealing with a lot. We're still in the middle of a pandemic. I'll keep repeating this and it, it makes no sense to raise fees for residents right now. Maybe in the future when it's-- when we're out of this pandemic, maybe. I'll probably never agree with it, but I definitely can't agree with it when a county would like to build a youth prison or is building a youth prison instead of investing in emergency services. The, the city is increasing the police budget instead of investing in emergency services. It makes no sense. Their priorities are not aligned with the people. And that is my issue with the city, the mayor, the city council, and the county commissioners. I, I just can't agree with it. We're in the middle of a pandemic. Raising fees, what sense does that make? I encourage you all to vote against this bill because it's not going to work for residents of Douglas County and the city of Omaha and I yield the rest of my time back to the chair.

**WILLIAMS:** Thank you, Senator McKinney. Waiting to speak: McCollister, Friesen, Hilkemann, and Pahls. Senator McCollister, you're recognized.

**McCOLLISTER:** Thank you, Mr. President. Good morning, colleagues. You may not know this, but in 2008, I ran for the Public Service Commission and got well-acquainted with some of the statistics about the taxes related to cell phones. And Senator Wayne is absolutely correct. Nebraska is one of the higher tax states when it comes to cell phones and even landlines. To that end, I would like to ask Senator Friesen a few questions.

**WILLIAMS:** Senator Friesen, would you yield?

**FRIESEN:** Yes, I would.

**McCOLLISTER:** Senator Friesen, in Nebraska, we, we levy a charge called the Universal Service Fund. Can you tell us what, what that fund does?

**FRIESEN:** Well, right now, the Nebraska Universal Service Fund that you're referring to, I guess, that it, it does quite a few things. It helps, it helps fund broadband expansion in the state. It funds lifeline for elderly people. It helps with funding of cell phone towers all across the state. It helps lower the phone rate for people that can't afford it. Those kinds of things.

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**McCOLLISTER:** Thank you. Great. It also funds broadband expansion, does it not?

**FRIESEN:** Yes, it does.

**McCOLLISTER:** Well, I think in Nebraska, we've been a little disappointed in some areas of the state because the broadband with all expense of that many millions of dollars has not expanded. Senator Bostelman can testify of that. Would Senator Hughes yield to a few questions?

**WILLIAMS:** Senator Hughes, would you yield?

**HUGHES:** Of course.

**McCOLLISTER:** Senator Hughes, the money for Douglas County uses for 911 can be expanded. Is, is this a permissive kind of legislation where they can do it if they can justify the increase?

**HUGHES:** Yes, it, it is "shall" not-- or I mean-- excuse me, it is "may" not "shall."

**McCOLLISTER:** Currently, is Douglas County backfilling or city of Omaha backfilling to support 911?

**HUGHES:** Absolutely. Of the \$8.5 million budget, the Public Service Commission is giving \$450,000 and the wire lines is contributing \$1 million. So approximately \$7 million is being backfilled from General Funds out of the city of Omaha budget and the Douglas County budget.

**McCOLLISTER:** So this, this fee would be, if they choose to expand it, would be utilized to expand service or simply cover what they're currently spending. Is that correct?

**HUGHES:** It would just to be cover what they are currently spending, plus to pay for upgrades to the system.

**McCOLLISTER:** Thank you, Senator Hughes. Normally, I would be against a bill of this sort because Nebraska cell phone taxes are so high. But I think in this case it's justified given the fact that the city is being forced to backfill to cover their current expenses. And it also would enable 911 to better locate people in storms and things like that. So in essence, I support this bill, LB215, and I encourage your green vote on the bill. Thank you, Mr. President.

**WILLIAMS:** Thank you, Senator McCollister, Friesen, and Hughes. Senator Friesen, you're recognized.

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**FRIESEN:** Thank you, Mr. President. I stand in support of LB215. And I want to cover some of the, some of the issues we talked about a little bit. And I will agree with Senator Vargas and Senator Wayne that cell phone taxes are too high. And so if Omaha would reduce their occupation taxes, I think they're one of three or four communities in the state that levy an occupation tax on cell phones, their taxes could actually be lowered to where we'd be in the, in the-- in kind of the middle portion of all of the states around an average. And so if you look at the occupation taxes that they levy, that's what drives those high cell phone costs. As far as the 911 system, and I think Senator Hughes and Senator McCollister covered it real well, but right now, the city of Omaha is levying property taxes and backfilling their 911 budget with property tax dollars. In my area, on most of the rural counties and not all counties are a dollar. But in my area, I think all of them are currently charging a dollar for every cell phone or landline. Over the past few years, a lot of people have been dropping their landlines because they've been strictly using cell phones so that revenue in different areas has dropped in different places. But what-- the biggest picture of this is we've been working on Next Generation 911 for a number of years. Public Service Commission has been working on this and developing a, a network that is going to be a redundant network that allows 911 centers to seamlessly pass off these calls if something happens to another 911 center. And when they create these regional networks, those are set to be rolled out, I think, starting at the end of this year. And so with current funding in place, we know we can run for probably a year or so with the current funding model we have. But the Public Service Commission is going to run short of funding and in a short amount of time trying to roll out all these different regions. And so once they create these regions, different 911 centers might be the call center for that region. And we're looking at the possibility of consolidation. We've already had some of that consolidation happen in my area. We've had two counties get together. They-- one county closed their 911 center and merged it in with another county. And so there was a, there was a savings there. And then I think they upgraded equipment. So they have better equipment. So what Next Gen 911 will do is let you locate people better. And I think that's the issue that happened in Omaha. We haven't really run across too many situations in rural Nebraska, but it's also happened there. But there's a couple of cases, especially where if those cell phone calls could have been located better, they may have been able to save someone. We don't know that, but they did have trouble finding that address. As people switch away from those landlines, it does change how they can locate people. And so that has been a real issue. This Next Generation 911 system would allow people to send text messages. They could be able to send video to the 911

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dispatcher so that emergency personnel arriving on the scene would have a, a view of what's happening there and give them a little heads up while they're on their way. So this system, as it gets rolled into place, can do a lot more than our current 911 system. But it's going to cost a little bit more money. And so as Omaha, if they want to roll out-- if they want to be the regional dispatch center, they're going to have to have some funds to do that with. And so that's what I look at this project with, I think I'm bringing all of the counties and their ability to go to a dollar. They don't have to, but they can if they need to. It would remove the need for property taxes and actually be funding it with a tax on the implements that are causing the problem. And that's how do you locate people with a cell phone?

**WILLIAMS:** One minute.

**FRIESEN:** So I, I think if you have more questions and, and think about what Next Generation 911 can do and that the cost down the road, I think there could be savings as we consolidate 911 centers, we roll them into these regions where we can-- you know, we've heard of outages before where a 911 center goes down. Once this new system is in place, they'll be able to seamlessly just roll those 911 calls to another call center. There will not be a, a down time on 911. So I think this new system really will put a lot of things into perspective on how we're going to start doing 911 across the state over the next 20 years. I think it'll set a precedence. Thank you, Mr. President.

**WILLIAMS:** Thank you, Senator Friesen. Senator Hilkemann, you're recognized.

**HILKEMANN:** Thank you, Mr. President. I rise to support LB2-- I can't see it really well from here-- 216 [SIC]. This is a-- this is an important bill. In fact, Senator Wayne, you said it's interesting that this wasn't brought by a Douglas County senator. Well, in my seven years here, I have brought this bill three times and it never made it out of committee any of those three times. And I-- in fact, the other day, when I saw that this had been prioritized, I went over to Senator Hughes and I said, what was the magic? What was the deal? What-- how did you get this out of committee? And he said, well, you know, times sometimes change. And, and so it's a very important bill for Douglas County. It's a very important bill for the state. It's a very important bill for public safety. As you know, that's one of my biggest issues is, is, is public safety. I've brought bills before that committee. Most of the time, I'm not up here, ever, ever get a chance to speak about it. This is an important bill. I-- and I loved what Senator Friesen said just a moment ago. This does not raise the tax to a dollar, it says it "may" increase. Since the very beginning

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of the 911, the Douglas County has been at 50 cents. All the other counties have been at a dollar. And I think it's important that we get-- that, that we advance this bill. It's important. You know, the, the safety aspects were mentioned. When I carried this bill, one of the things that you have to realize it and, and, and I'd recommend this to all the Omaha senators, you realize that, that as we go down Interstate 80, you have this overlap of the 911 system, if you were to ever call it. That's one of our weak links because Omaha is not able to have the system because it is being subsidized by county taxes. And therefore, it's important that we-- that this be funded. Certainly as more and more people are no longer using the landlines, it, it does go onto those cell phones. When you think about the public safety aspect of having the 911 program, I don't think anybody is going to say it isn't worth 50 cents if that's what-- even if they did it to have that public safety that the 911 system provides. And Senator Cavanaugh, you suggested that we make this a statewide type of a system and that's a possibility that we can work for. But that-- but that's not the issue today. The issue today is to try to bring Douglas County back into a-- so that we can update the system so that we can have a state-of-the-art 911 system instead of just say we have a 911 system. And certainly the suicide prevention aspect is an important aspect and I would not disagree with that. And so therefore, I believe that this is good legislation that we should move now that, that, that this is-- who knows how this CARES, you know, we say that we're going to get all this CARES money and we'll get this other state-- how that's all going to be dispersed out, I don't know. But I do know that our 911 system needs to be modernized. This is the way to modernize it. And I think most people would be willing to pay even if they had to. They would pay for a slight increase if it's going to move 911 to where it needs to be--

**WILLIAMS:** One minute.

**HILKEMANN:** --in Douglas County. And with that, Mr. President, I'll yield the rest of my time to the chair.

**WILLIAMS:** Thank you, Senator Hilkemann. Waiting to speak: Pahls, Wayne, John Cavanaugh, and others. Senator Pahls, you're recognized.

**PAHLS:** Thank you, Mr. President. We've mentioned CARES money, and we are going to be receiving a pretty good chunk for the state of Nebraska and also in the Omaha area. To me, with an epidemic, 911, there would be some logic how that could help pay for that system. What I'm going to do right now is read from the letter from the Board of Commissioners, Douglas County. In 2006-2007, 911 budget was \$4,500,000-plus. In 2021, the budget is approximately \$8,500-- \$8

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million, I'm sorry. So there's been an increase basically of \$4 million over those years. Then I'm reading a sentence from the mayor of Omaha. The city of Omaha is responsible for 85 percent of 911's operational budget. There has been a significant decrease in revenue. And the city apparently has had to make it up. But I'm-- I was surprised when Senator Vargas shared his information about phone bill. To be honest with you, it comes out of my banking account. I pay no attention to it because it's done wireless. But I do get my water and gas bill. And just to show you how we sort of tax or fee people to death is just, and I'm saying just, for the sewer separation fees of my dwelling is 50-- this month was \$57. That is almost every month it goes up a dollar or two. That's, that's one of those fees that you have basically no control on. I think if we start looking at all these fees that we are, we are talking about, we would be surprised the amount of-- I call them basically tax dollars that we are utilizing. But we're so concerned about property tax, I think there are other taxes that we need to be more-- or as much concerned about. I do have some issues with raising the rate here because I believe, as a couple of senators have stated this is CARES money, truly to me would seem to be a logical avenue to cover the cost. Because you think of epidemic and you think of 911 as sort of a relationship there. Thank you.

**WILLIAMS:** Thank you, Senator Pahls. Speaker Hilgers, you're recognized for an announcement.

**HILGERS:** Thank you, Mr. President. Good morning, colleagues. I, I rise not to speak on the bill this morning. I have an update-- an announcement for tomorrow I think that's important to get in front of the body so that you-- we're going to do things slightly different tomorrow morning for a brief period of time. And I wanted to give everyone a heads up as to why. So tomorrow at 11:00, all-- there will be an agency-wide-- state agency-wide emergency drill, and it won't just be in this building, it will be a number of other buildings. And we have the opportunity to participate in that drill, both senators and staff. And I think over the last couple of years-- I don't think they've done it in six or seven years and I think it's important for, for the members, for staff to understand what to do in an emergency, whether it's a fire emergency or some other kind of emergency. And so tomorrow at 11:00, what will happen is we are going to stand at ease. We're not going to recess. Whatever we're doing at that point, we're just going to stand at ease for about 15 minutes. Any senator that would like to go down, there, there will be-- the troopers will be here. They'll be able to walk you down so that you know where to go in an emergency. We'll be able to do, we'll be able to do that. It's entirely voluntary. So no one has to do that. I will be doing it. I

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want to know-- I want to be sure that I know where to go in the, in the event of an emergency. In addition, staff, it will also be voluntary for staff. Particularly those staff in the tower, I think it will be important for them to understand their procedures. But certainly all of our staff should be aware. And my, my office-- it's voluntary for everyone, but in my office, I know we've got at least one representative who will be walking through the procedure so that we all know what's going on. So an email will be coming out from Senator Hughes's office this afternoon, primarily directed to staff so they know what to do depending on where they are in the building and what to look for. And then that will happen at 11:00 tomorrow. So when we're in debate tomorrow and we stop, you all know why. It's something we haven't done in probably seven years. But I did want to give everyone a heads-up beforehand. If you have any questions about it, of course, contact me or Senator Hughes, but just wanted to give the body a heads-up. I'll probably also remind you in the morning since this is a little atypical and I don't want anyone to be surprised. So thank you, Mr. President.

**WILLIAMS:** Thank you, Speaker Hilgers. Mr. Clerk, for an amendment.

**ASSISTANT CLERK:** I have a priority motion, Mr. President. Senator Wayne would move to indefinitely postpone LB215.

**WILLIAMS:** Senator Wayne, you are recognized to open on your IPP motion.

**WAYNE:** Thank you, Mr.-- thank you, Mr. President. I was next in the queue and that's why I waited to drop it so I didn't have to skip the line and jump the line. Colleagues, here's the, here's the issue with this bill. Besides everything that I said the first time, Senator McCollister pointed out a couple of things about the city of Omaha backfilling the budget regarding 911 in the county. That is their job as local government to make sure certain things are a priority. And 911 should be a priority. Here's what's interesting. A couple of years ago, about ten, maybe a little longer, the city of Omaha went to a vote of the people for a bond or for a new occupation tax. And that occupation tax was a restaurant tax. And they projected that it was only going to be about \$11 million. But actually, last year they brought in \$34 million. I just heard that the budget for 911 is seven. The city of Omaha could have prioritized extra dollars from a restaurant tax that was endorsed by the people of Omaha for our firefighters. That was the purpose of the restaurant tax, but it exceeded expectations because people eat out, I guess, a lot in Omaha and it's \$30 million. Rather than lower occupation tax, they roll \$11 million into what they were supposed to, which was the firefighters'



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pension. But the other \$20 million or \$19 million, they roll into their general fund. They could use those dollars to back 911. That is the fundamental problem with Senator McCollister's argument about they're using general funds. But yes, let's look at the general funds they're using. They're using the highest occupation tax around that we could find in, in Nebraska. It's, it's ridiculous. We already have the highest tax on cell phone. We have a restaurant tax of \$20 million extra, \$16 to \$20 million extra that can be used to back 911, but yet we're going to raise user fees on individuals during a pandemic, during the time that they're going to get millions of federal dollars. That doesn't make any sense to me. 911 is important. In parts of my area, when you call 911, you sometimes get a sheriff, sometimes you get city of Omaha. I have a district that goes outside. I have a volunteer firefighter department in my district along with Omaha Fire. I get the need for critical services, but raising user fees during this time does not make any sense. It would be different-- and what's ironic about all of this is there's going to be bills on the floor where the two main speakers on this bill are going to be against it for their county. They're not thinking about fairness across the entire state. They're going to, they're going to oppose those bills because their counties may or may not want it and some of them may want it and they just don't want-- they don't like the idea themselves. But I'm not seeing, except for one, senators out of Douglas County speaking in favor of this. And what's more ironic is the people who are impacted the most, every one of those senators have spoke out against this. This is the state telling what's best for Douglas County and, yes, Douglas County wants it and so does city of Omaha. And you're going to say that this is not a property-- or this is not a tax increase because it's a user fee and we're only giving them the authority, they may or may not. Well, I hope we stay consistent when we come talking about school funding. I hope we stay consistent with Senator Briese brings his bill and we need to start talking about all funding being treated the same. I hope we're being consistent when we look at putting money into the property tax credit fund, the old one in which agriculture and rural Nebraska is getting a windfall. Where you still get the actual value of your property as far as your property tax credit fund, even though you don't actually pay that because you're at a lower percentage. At some point, we got to call it for what it is, it's just we got to be consistent. So let me lay this out, and if people don't want to talk, we'll take a vote, we'll go to lunch, and then this bill will probably move if nobody wants to keep going, because I may or may not be here. This bill does a couple of things, it increases the ability for the local government to double their user fee. Which most of my colleagues have said local spending is out of control because they always hit their max, which is

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interesting that we're allowing them to double it. We're allowing them to double it during a time when they are getting federal dollars and additional state dollars and during a pandemic. And I want to remind people again of I think Senator McCollister raised a great point about the general fund backing it. Again, they have a restaurant tax of \$34 million, \$30 million of which \$11 to \$12 has to go to one directed area, which is our firefighter pension, but the other \$16 to \$20 is rolled into their General Fund. Why isn't 911 a priority to them? Why do we have to make it a priority for them? So this is your chance on an IPP motion to vote down a tax increase or vote for the underlying bill after the IPP fails and it's going to be interesting after this. This will definitely change how I have to view Senator Briese's bill and I'm supporting Senator Briese's bill. If that's the consistency we have to have is fairness across the board, then I can't wait for Senator Pansing Brooks's bill to come up. Got to treat all kids the same. Got to treat everybody across the state. And I've never been opposed to making sure per dollar every student across the state gets funding from state. I would love to have that bill finally pass. So we're going to be consistent one way or another and I would ask for you to vote green on the IPP and let's move forward. Thank you, Mr. President.

**HILGERS:** Thank you for your opening, Senator Wayne. Debate is now open on the motion to indefinitely postpone LB215. Senator John Cavanaugh, you are recognized.

**J. CAVANAUGH:** Thank you, Mr. Speaker. And I rise, I guess, neutral at this point. I wasn't going to speak on this. And then I heard some conversation that made me, I guess, ask some questions about the necessity for this bill. I've heard people talking about this as we have high taxes on our cell phones and we have an obligation to pay for these 911 calls. We have a letter here from both the city and the county talking about the costs of 911. And I-- the reason I rose was actually in response to what Senator McCollister said when he referred to if we don't do this, the city of Omaha is backfilling the budget for this. And my question is, why are we viewing 911 as not as an essential service of our government that has to be funded by a user fee. We're not talking about using this fee to pay for street maintenance, we're not talking about using this fee to pay for the police who are responding. And so my question is, why are we funding our 911 services in this fashion? So that's the-- ultimately the reason I decided to stand and say, why are we referring to this as backfilling when we're-- the money that's currently paying for it is the-- out of the budget of the city of Omaha and Douglas County who are responsible to provide this service? And so if they're responsible

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to provide the service, it may be fine that they, they, they get their funding from a different source and that that's how they want to budget. And that's who's here asking for this change to allow them to draw that money from somewhere else. But it's a fallacy to say that they're backfilling this funding out of another source. They are responsible to pay for this, whether it comes out of the restaurant tax that Senator Wayne just referenced, or whether it comes out of general funds, as I think Senator McKinney was talking about, or whether it comes out of the bonds that they've raised for the merger of the 911 system back-- and I think it was 2016. I also-- the highlighted portion of this letter says that the communication center budget went from \$4.5 million to \$8 million between 2006, 2007, and 2021. My question is, does that take into account the additional cost from when we combined 911 calls center in Douglas County when we were supposed to get increased efficiencies out of the combined services? So that's one question I'd like to hear answered. Two, when we're talking about the decrease in the, the reduction of approximately \$2 million annually to down to \$1 million annually due to the reduction in the number of active landlines. That's a reduction in landline use. This would increase the fee, not just to landline use, but also to cell phone use. And my guess is that the reduction of landline use is related to an increase in cell phone use. And so in actuality, if you had a one-to-one shift, wouldn't the difference between your, your decrease be smaller? Because we're asking to increase the cell phone fee from 50 cents to 70 cents, so you aren't going to make up that \$1 million. So I-- those questions I'd like to hear answered. And I don't know who specifically to ask them from, if you want to answer them on the mike or come talk to me individually. But I just wonder about the necessity for this. When we're talking about how to fund essential services and it becomes necessary to fund them through a fee-based structure, I, I wonder why we're doing that or if that's necessary. Additionally, just kind of one of the reasons we need to do this that people talked about is improvements in infrastructure. We need to do the triangulations services for cell phones, which as I think many people pointed out, this is an essential service. This is necessary. We need to do these things. We need to upgrade these. We will be able to save lives by making these upgrades. We should not be making major infrastructure upgrades through ongoing fee-based services.

**HILGERS:** One minute.

**J. CAVANAUGH:** Infrastructure should be paid through a one-time, like a bond, when we did the bond initiative to combine 911 in Douglas County. But if you increase the fee and you pay for the upgrade, the fee increase will remain in perpetuity after that. So my question is,

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why should we pay for this one-time cost through that increased fee? And kind of to, I think, several people's point, we do have economies of scale in Douglas County. There's a reason that fees can be less. We can service the same territory, more people with, with less infrastructure. And there is an argument for why the fee should be less in a, in a more densely populated place. So I have not made up my mind on this bill yet, so please feel free to talk to me about it, about where to be or what-- but I need to have those questions answered before I make a decision about which way I'm going to vote and so I'd ask-- invite anyone to answer those questions. Thank you.

**HILGERS:** Thank you, Senator Cavanaugh. Next in the queue are Senator McKinney, Matt Hansen, Friesen, and others. Senator McKinney, you're recognized.

**McKINNEY:** Thank you. So I heard a comment about this is good for public safety. What's good for public safety is creating more jobs, investing in small business and entrepreneurship, sustainability opportunities for youth in Douglas County and Omaha, ending systematic oppression. Public safety isn't building another youth prison in Douglas County. It's not going to solve the issue. It's not going to hit at the root causes of why youth in my community end up in the system, period. But the county wants to build a prison. Why can't they invest the resources from this prison into emergency services if they care about it so much? It makes no sense. If the county would like to update the system, they should have invested in it. They haven't. That's, that's not clear in their priorities over the last few years, their priorities have been to invest in a youth prison, increase a police budget that doesn't need to be increased, not stand with people. And even during the pandemic-- well, we're still in the pandemic, the commissioner has proposed to add another \$10 million of CARES funding to support a youth prison. Again, \$10 million of CARES funding, funding that should go to people, invest in people. If they, if they wanted to use the \$10 million for something else other than CARES and help for people, why not invest it in emergency services? It was there. They thought they could use it, but they didn't. Instead of being a leader in the fight against oppression, racism, poverty, white supremacy, Douglas County and Omaha would like to become the leaders in increasing fees for the public during a pandemic. It makes no sense. They don't care about the people. They don't care about public safety because it's not aligned with their, their priorities over the last few years. It doesn't make any sense, increasing fees during a pandemic. Again, it makes no sense. I urge you all to indefinitely postpone this bill because the county and the city priorities are not aligned with the intent of this bill. If they really cared about the

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people and public safety and all those other things, they would have invested in it. But instead, they would like to build a youth prison. They would like to increase the police budget, but not invest in emergency services. It makes no sense. I yield the rest of, the rest of my time back to the chair.

**HILGERS:** Thank you, Senator McKinney. Senator Matt Hansen, you're recognized.

**M. HANSEN:** Thank you, Mr. President. And good morning, colleagues. I didn't initially intend to rise on this bill. I am inclined to support and planning on supporting the indefinitely postpone motion and opposing the bill in part due to the consistent [INAUDIBLE] of dialogue on regressive taxes and cell phones. The thing that made me click my light on and I wanted to address it because it's come up in debate a couple of times, is we're kind of seeing from support of this bill two separate arguments that I believe are in direct contradiction. One, we're having people describe kind of the new and innovative 911 system that Omaha is planning to do with this money. And, and I have-- that system seems great and I would be full support of that funded by another mechanism. Included in that way of supporting, you know, there's letters passed out from the city of Omaha and the Douglas County Board in support of this bill. And at the other time, we've had several people argue that this bill is just permissive, it's not guaranteed increase. And to me, I know not one senator has necessarily made both arguments yet, but to me those are in direct conflict with each other. If this is just something we're going to maybe do to give Omaha some flexibility down the line. Sure. But then we also can't be told about the virtues of this new 911 system that they're just about to buy with this money. As I understand it, those, those are just butting heads directly. And in my mind, I have to-- seeing the letters, seeing some of the discussions, I have to assume that if this is approved, Omaha is going to seize the opportunity to raise this fee. And so, yes, us passing this bill won't raise the fee automatically. But there seems to be pretty broad consensus from Omaha and Douglas County on the desire for this fee to be increased pretty much immediately upon the passage of this bill. So that being said, as others have spoke about kind of the regressive nature and high tax we already place on cell phones in the state of Nebraska, how cell phones for a lot of families are both their only phone line and a lot of times their only Internet line, I think making sure that those stay as affordable as possible, kind of in our modern age, as more and more services are being provided and expected from those venues, I think is important. So with that, I'll end my remarks. Thank you, Mr. President.

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**HILGERS:** Thank you, Senator Hansen. Senator Friesen, you are recognized.

**FRIESEN:** Thank you, Mr. President. You know, there's, there's been a lot of discussion on this bill. I think we need to just narrow it down to actually what it is. I mean, I don't care what your elected officials in Omaha do with this bill. If it passes or if it dies, it doesn't matter to me. It's giving your elected officials the opportunity to fund things the way they see fit. If they wanted to totally eliminate this fee, they could. We're not making them do anything. We're elect-- letting your elected officials decide how to fund 911. That's what this whole thing is all about. If your officials don't want to put that tax on your phones, they don't have to. They can fund the whole thing through other revenues. There is nothing here that mandates that they do this. And if you don't like how your elected officials are doing things, replace them. That's what elections are for. I-- this bill really will not affect anyone in rural Nebraska. But again, our whole 911 system, that's all I care about. And it will get funded whether this bill gets passed or not. Douglas County is going to determine how to join Next Generation 911 when it rolls out. It will happen whether this bill passes or not, won't matter. But when we look at the whole system out there, I've been a volunteer firefighter. I've gone out on a lot of accidents on I-80. When we get called out, we send one crew east and one crew west because we don't know where the accident is. We can't track it down. And people driving along the interstate don't remember what mile marker they're at. So sometimes they're not even within ten miles of our fire department. So we have to get another district out there. Next Gen 911 will fix all of that, and it's going to take some time to get rolled out and it's going to cost some dollars. How Douglas County wants to fund it is going to be left totally up to them. This is an option that they're allowed to use or not. No one cares. So with that, I will talk a little bit about cell phone taxes. I know Omaha charges a 6.25 percent occupation tax on top of whatever your sales tax rate is. Lincoln is at 6 percent. So if you want to talk about high fees, those are high fees. I don't have to pay those. But your communities have chosen to levy those. Thank you, Mr. President.

**HILGERS:** Thank you, Senator Friesen. Senator Vargas, you're recognized.

**VARGAS:** Thank you very much, Speaker Hilgers. Just a couple of things that I wanted to make sure to bring back up here. Well, actually, a lot of this conversation has been, I think, informative for the public. It's informative for us. What I think we're fundamentally

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debating here is whether or not this is absolutely both necessary or if there's another mechanism with which we can actually solve this problem. There is a mechanism to try to solve this problem, it's just hard and, and I don't-- they don't want to, necessarily want to do it. I've been on the mike in the past two years ago saying that municipalities can be more nimble with some of these funds. Specifically in my bill that was two years ago was on occupation taxes that are essentially on the user and are not for a designated purpose. When I originally introduced my bill two years ago, it was on all cell phone taxes and creating basically a trigger to then lower them. But my amendment narrowed very specifically on occupation taxes. And the reason was, quite honestly, I support what I think Senator Hilkemann in the past has tried to do, which is try to better fund 911. But if we're not going to address the higher occupation taxes we have available, Senator McDonnell knows this. He's brought a bill on transparency for occupation taxes in the past that has passed the Legislature. These occupation taxes are revenue for municipalities. And instead of potentially lowering our occupation taxes to then fund projects like 911 like this just putting in the General Fund or for some other uses, raising taxes again through this mechanism doesn't sound right when there is a mechanism for us to then offset, take some of that revenue from municipalities to then cover the costs of this 911 fee or lower the occupation tax lower than the current limit. And then we can raise this and then we would see a net-- we would see no effect on cell phone taxes or on the cell phone bills of Nebraskans, specifically those in Douglas County. Now, just some statistics that I think are helpful here. Since 2008, average monthly wireless service bills have continued to drop per line. But in what we're seeing are hyper-focused areas of the country and states where they've actually increased per line. And that's led us to what we're currently seeing, which is nationally these impositions make up about 21.7 percent of an average consumer's bill, the highest rate ever. And this is from 2019, Illinois, Washington, and Nebraska having the three highest rates above 28 percent when you add in all the taxes is the reason why I introduced this bill two years ago to, to, to lower the occupation taxes because those seem to be the most elective. But if we're now going to be raising these taxes on 911, it doesn't seem like the right thing to do. So, colleagues, I'm asking you to support the IPP motion specifically so that we can work on lowering our occupation taxes in some way, shape, or form because those are really the largest culprits. And if we can do that, then we can find the revenue sources to be able to fund LB215 in a way that doesn't increase, increase taxes on these individuals, working families in Douglas County that, as Senator Hansen said, a cell phone is a lifeline now it's not a--

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**HILGERS:** One minute.

**VARGAS:** --nice to have, it's a must have. Thank you very much.

**HILGERS:** Thank you, Senator Vargas. Senator Hughes, you're recognized.

**HUGHES:** Thank you, Mr. President. Thank you, colleagues, for a very good discussion this morning. There are a couple of points that I do want to address. Yes, there are lots of money heading our way from the CARES money. But when that's gone, you know, what do we do? We need to make sure that the services that are being provided are being paid for and a lot of those services need to be paid for by the users. The city of Omaha and the county of Douglas are backfilling, are backfilling these-- the 911 fund, seven to one, seven and a half to one, actually. That's a lot of sales tax dollars, city sales tax dollars and county property tax dollars that are subsidizing an important service. And I do agree with Senator Cavanaugh, his point of an essential service, but somebody has to pay for it. And if you're the individual that's going to utilize that, shouldn't you be the one paying for it? To me, it's kind of like an insurance policy. That if you've got access to that, and we all hope we never use it, but at some point you need that in place. Another question came up that we were talking about is how are cell phones billed? Because when we were very mobile society, we move around the state, we move around the country. Cell phone taxes are based off of your billing address, so if you came from-- if you have a Washington, D.C. cell phone number that you want to keep when you move to Omaha or you move to Venango, your taxes are based of where your address is. So just a couple of things. And, you know, I would certainly encourage my colleagues to vote red on the indefinitely postpone. I think we're seeing some efforts to not level the field for these cell phone users in Douglas County and, quite frankly, for anybody else who travels to Douglas County. When I go to Lincoln and Omaha or when I-- excuse me, when I go to Omaha and Douglas County, I want to know that I have access to 911. The same thing happens when someone from Omaha or Douglas County would travel to my home county. We've got a very expensive build-out and we want to make sure that we have the opportunity to locate the individual in distress as closely as possible. Thank you. Please vote red on indefinitely postpone. Thank you, Mr. President.

**HILGERS:** Thank you, Senator Hughes. Senator McDonnell, you're recognized.

**McDONNELL:** Thank you, Mr. President. Good morning, colleagues. I rise in favor of LB215. I think one thing we all agree on is that if you're going to-- if you're having a, a, a medical emergency, possibly



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another emergency, and, and it's you or your family member or your neighbor, you want to make sure that when you dial 911, there's someone there that answers. There's someone there with the highest of technology that is going to relay that information to the proper first responder that's going to respond to your, your emergency. Now, we have a situation here with, with Senator Hughes's bill that gives an option to Douglas County like it has throughout the whole state. Every other county has this option. I believe this bill, this came out of committee 8-0 after they looked into this, this legislation. Now we have the members of the Douglas County Board, I think, contacting a number of us because they officially approved this. I know there's-- I don't know if the city council of Omaha has actually taken an official vote, but the response I've had is that they're, they're in favor of this option. Again, I want to emphasize this option. We are not telling them that they have to pay for the 911 system this way. We are giving them the option, but they are going to pay for the system. And I believe we all agree they should. Now how is that paid through, through property tax, through sales tax, through, as was mentioned earlier, a, a occupation tax or through the, the what we're discussing today, this option. Again, it's, it's the option. But I don't want to miss in this discussion what we're talking about. And that is when people have an emergency, the first thing they do or should do for themselves or family members or neighbors is call 911. And we want to make sure that that system is the highest of technology that is properly staffed and trained to relay that information to those first responders that are going to make that call and hopefully make a difference in a positive way in those, those people's lives. So I encourage you to vote for LB215. I'm not in favor of IPPing this. I thank Senator Hughes for bringing this. I believe it equals-- equalizes the playing field throughout the state for all of our counties, and it gives our county, county board and our city council and, and the mayor an option in Omaha, an option. We're not telling them that they have to go this route, but it does give them definitely another option to fund the 911 system. Thank you, Mr. President.

**HILGERS:** Thank you, Senator McDonnell. Senator Hilkemann, you're recognized.

**HILKEMANN:** Thank you, Mr. Speaker. I rise to oppose the indefinitely postponed motion that we have here today. This 911 was started in 1994. It's 26 years ago. And at that time, the amount was a dollar and Douglas County was carved out to the 50 cents at that time. I just looked back, in 1994 you could buy a gallon of gas for \$1.08. An average car cost \$9,437. An average income was \$14,770 and an average home was \$128,700. We have not increased the fees for the, for the,

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the 911 in Douglas County in 26 years. Think about that inflation. And we talk-- and then the other thing, we talk about, I don't have the statistic in front of me, I wouldn't be a bit surprised if we have fewer landlines today than we did in 1994. And the other thing I want to point out once again is that we have this on the cell phone. I am so pleased that most Americans and many people have cell phones and, and, and many of these are made available through government grants and so forth that we have them. That makes it even, even more important that we keep the 911 system at the, the best that we can make it. Your safety is in your pocket. If you need anything in distress, you don't have to run to have someone call 911. You've got it right there in your pocket. So, folks, this is not a-- this is not one of those things that we should take lightly. We need to fund this and we need to fund it adequately. And this, this bill, LB215, will give them an option if they need to increase that fee to keep things going. So as it was mentioned, this is somewhat like an insurance firm. You know, it's like everything else, I don't like paying it until I'm the one who needs it. And I want to have 911 available to anyone who comes and, and travels up and down Interstate 80, who comes into Douglas County. Let's have a system that works, that can save lives, that can, that can help you out in a form of an emergency. It's been too long that this has been, that this has been-- that's why it sounds like such a big increase. Well, as I said, we're living in a period of time when inflation is rather rampant and costs have gone up. We need to make our system the best that we can make it. And I-- so once again, I am opposing the indefinite postpone motion and I will be supporting LB215. Thank you, Mr. Speaker.

**HILGERS:** Thank you, Senator Hilkemann. Senator Pahls, you're recognized.

**PAHLS:** Thank you, Mr. President. I will make this short because I think we're probably getting ready for a vote. I am not afraid 911 will be downgraded because how we vote today. That will be there. This is not saying we're going to do away with it or we're going to create obstacles for it. It is the responsibility of the local government to make sure it happens. What encouraged me to one way of thinking is when Senator Cavanaugh made a comment that this is, he thought it was an essential service. I'm sort of leaning that way, too. So it is the responsibility of local government to pick up that tab. But the final thing that I need to do-- the information I need is how can federal dollars be used for a situation such as this? If I could-- if somebody could tell me it cannot be, I will sway the other way. But I think there's going to be plenty of dollars. I think it be really interest-- interesting if we would actually take a look at how all of the money

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from the federal government was spent at the different governmental levels. I think we might be surprised. I think we could find the money if it is at all possible to cure this issue. Thank you.

**HILGERS:** Thank you, Senator Pahls. Senator Hughes you're recognized.

**HUGHES:** Thank you, Mr. President. One last point I want to reiterate besides vote red on indefinitely postpone, I want to make it clear that Douglas County only has the authority on landlines or wired lines. The Public Service Commission has authority on wireless lines, so the Public Service Commission can go up to 45-- up to-- excuse me, up to 70 cents. They are currently at 45 across the state and Douglas County is at 50 cents and we're asking to give them the authority to go to the dollar. But I wanted to make it clear that Douglas County may have the ability to raise to a dollar and the Public Service Commission may have the ability to go above the 45 cents. So please vote red on indefinitely postpone. Thank you, Mr. President.

**HILGERS:** Thank you, Senator Hughes. Seeing no one else in the queue, Senator Wayne, you're recognized to close on your motion.

**WAYNE:** Call of the house.

**HILGERS:** There's been a request to place the house under call. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk.

**ASSISTANT CLERK:** 19 ayes, 5 nays to place the house under call.

**HILGERS:** The house is under call. All unexcused senators, please return to the floor. The house is under call. Senator Wayne, your time is running. Go ahead.

**WAYNE:** Thank you, Mr. President. Colleagues, as we get to the underlying bill, I just want to remind people that there is an influx of federal dollars. We are seeing an increase at the state level of dollars. And I don't think when we are seeing increases to our local government of federal dollars to our state that everybody around us is seeing increases, whether it's federal or just increase in revenue, it's a time to raise taxes. We have the highest-- we're fourth in the country for user fees when it comes to cell phone taxes and user fees. The Platte Institute actually wrote a letter in opposition to this bill. And they arguably are considered a conservative think tank. It just doesn't make sense in a time when we have so much uncertainty with so many people working and so much uncertainty with what federal dollars are going where, that we would raise this user fee at this

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time. But rather than take a vote on the IPP motion, I'd like to see the vote on this bill. I withdraw my IPP motion.

**HILGERS:** Without objection, the motion is withdrawn. Seeing no one else in the queue, Senator Hughes, you're-- Senator McCollister, please check in. We're still under call, members. Senator Hughes, you are recognized to close on LB215.

**HUGHES:** Thank you, Mr. President. I want to thank everybody for the conversation today on LB215. Just a couple of quick, quick points. If there-- there are a lot of federal dollars, it sounds like there are a lot of federal dollars headed our way. So why don't we use those to cut our taxes? You know, let's eliminate some taxes if we can use those dollars. No wait, we can't do that. The feds say, no, that's not possible. What I'm trying to do with LB215 is to make it fair for the users. You know, I don't like paying taxes any more than anybody else does. I really don't like paying property taxes. Income tax, I'll pay them. And I'm thankful that I do pay income tax. But sales tax is a user tax, it is the fairest tax. The people who are consuming are the ones who are paying. That's what this is with a cell phone and landline. You have an opportunity for a government service in an emergency when you really don't care what the cost is, you want the service. This bill is just giving the authority. It is a "may," it is not a "shall" to Douglas County to not use as much property tax dollars to fund their 911 system. And it is giving a "may" to the Public Service Commission so Omaha and Douglas County do not have to backfill the 911 services. I would appreciate a green vote on LB215. Thank you, Mr. President.

**HILGERS:** Thank you, thank you, Senator. A roll call vote has been requested.

**HUGHES:** No thank you.

**HILGERS:** Machine vote has been requested and, Senator Hughes, we are under call, but all unexcused members are now accounted for. The question before us is the advancement of LB215 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Have all those voted who wish to? Record, Mr. Clerk.

**ASSISTANT CLERK:** 20 ayes, 10 nays on the advancement of the bill.

**HILGERS:** LB215 does not advance. Mr. Clerk for items.

**ASSISTANT CLERK:** Thank you, Mr. President. Name adds: Senator Blood to LB40; Senator Vargas and Senator Aguilar and Senator Stinner to LB40

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as well; Senator Bostelman to LB281; Senator Wayne to LB360 [SIC--LB306]; and Senator Hunt to withdraw her name from LB567. The Urban Affairs Committee will hold an Executive Session at noon in Room 1510. Urban Affairs, noon, 1510. Transportation and Telecommunications--

**HILGERS:** I raise the call.

**ASSISTANT CLERK:** --will hold an Executive Session today at 1:00 in Room 1113. Transportation, Executive Session, 1:00, 1113. Finally, Mr. President, priority motion. Senator Halloran would move to recess the body until 1:30 p.m.

**HILGERS:** Thank you, Mr. Clerk. Colleagues, you heard the motion. All those in favor say aye. Opposed say nay. We are in recess.

[RECESS]

**HILGERS:** Good afternoon, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber. The afternoon session is about to reconvene. Senators, please record your presence. Roll call. Mr. Clerk, please record.

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

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

**ASSISTANT CLERK:** I do, Mr. President. LB650A, introduced by Senator Flood, is a bill for an act relating to appropriations; appropriates funds to carry-- to aid in the carrying out of provisions of LB650. Additionally, your Committee on Enrollment and Review reports LB14, LB387, and LB389 as correctly engrossed. Those will be placed on Final Reading. That's all I have at this time, Mr. President.

**HILGERS:** Thank you, Mr. Clerk. Turning now to senator priority bills. Mr. Clerk, next item on the agenda.

**ASSISTANT CLERK:** Mr. President, LB390, introduced by Senator Murman at the request of the Governor, is a bill for act relating to the Uniform Credentialing Act; changes requirements for credentials; harmonize provisions; and repeals the original section. The bill was read for the first time on January 14 of this year and referred to the Health and Human Services Committee. That committee placed the bill on General File. There are committee amendments, Mr. President.

**HILGERS:** Thank you, Mr. Clerk. Senator Murman, you are recognized to open on LB390.

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**MURMAN:** Thank you, Mr. Speaker, and good afternoon, fellow colleagues. I am pleased to do-- today to bring LB390, which was introduced at the request of Governor Ricketts. LB390 with AM447 was advanced out of Health and Human Services Committee on a 7-0 vote. The purpose of LB390 is to allow holders of medical licenses from other states to more easily receive a license to practice in Nebraska. The bill addresses the shortage of credentialed healthcare practitioners regulated, regulated by the Uniform Credentialing Act and is intended to supplement and not replace existing methods of issuing a credential based on reciprocity or an existing compact. The origins of this bill come from the Governor's Executive Order Number 20-10, issued on March 27, 2020, after the coronavirus emergency to address additional healthcare workforce capacity by suspending some credentialing, some credentialing requirements to make it easier for healthcare professionals to work in Nebraska. A number of other states implemented similar measures at the time and the experience to date has been very beneficial. It's my understanding that at this time that the community-- committee amendment would be presented by Senator Arch.

**HILGERS:** As the Clerk noted, there are committee amendments. Senator Arch, as Chair of the Health and Human Services Committee, you are recognized to open on those amendments.

**ARCH:** Thank you, Mr. Speaker. Good afternoon, colleagues. AM447 was voted out of committee unanimously and amends LB390. AM447 amends language to provide that the Department of Health and Human Services shall determine the credentialing level of the applicant for credentialing with the recommendation of the appropriate advisory board overseeing the profession. The credential holder applying, based on the supplemental avenue of credentialing found in LB390, would need to provide documentation that their credential is not or has not been subject to disciplinary action based on unprofessional conduct or conduct that would subject the credential holder to discipline under Nebraska law. Disciplinary action applies to all levels of credentialing and not simply licensure. If an applicant has been-- had-- has been subject to disciplinary action in any jurisdiction, the unprofessional con-- for unprofessional conduct, he or she would not be eligible for credentialing under LB390. The amendment also adds language that an applicant under this credential recognition must establish residency in Nebraska within 180 days. This prevents healthcare providers from simply getting a Nebraska license and solely providing telehealth within the state. This amendment also enumerates which professions would be subject to the act, including the following-- and please bear with me as I read these-- acupuncturists,

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advanced EMTs, APRNs, APRN-certified nurse midwives, APRN-certified registered nurse anesthetists, APRN clinical nurse specialists, dental hygienists, dentists, dialysis patient care technicians, EMS responders, EMS instructors, intermediate EMTs, licensed dental assistants, limited radiographers, medical nutrition therapists, medical radiographers, nurse practitioners, optometrists, paramedics, perfusionists, pharmacists, pharmacy interns, pharmacy technicians, physician assistants, podiatrists, psychologists, and surgical first assistants. Again, the bill and amendment is focused primarily on bringing physical healthcare providers into Nebraska. If an out-of-state healthcare provider applies for credentialing in Nebraska under LB390, the credential they receive is only good for practice in Nebraska. This license cannot be used as a basis for other Nebraska reciprocity laws, nor for compact privileges in other states. This means the healthcare provider is staying and practicing in Nebraska. Once more, I want to remind the body this bill was brought at the request of the Governor. This bill as amended came out of committee unanimously with a 7-0 vote. The Nebraska Medical Association was the sole opposition to this bill at the hearing and with this amendment, the Nebraska Medical Association is no longer opposed to the bill. I would urge your green vote on AM447 and on LB390. Thank you, Mr. Speaker.

**HILGERS:** Thank you for your opening, Senator Arch. Debate is now open on AM447. Senator Hilkemann, you are recognized.

**HILKEMANN:** Thank you, Mr. Speaker. I'm wondering if Senator Arch would yield to a question?

**HILGERS:** Senator Arch, would you yield?

**ARCH:** Yes, I would.

**HILKEMANN:** And, and, and Senator, you, you alluded-- your, your last 25 lines, probably, words-- I noted that the Medical Association opposed this bill initially on hearing. What was their reasoning for their, their opposition?

**ARCH:** My under-- my understanding is that the, the medical-- the, the compact that is currently in force for physicians-- and I want to, I want to grab that here just a second because the number of states that are within the compact for the medical compact-- right now, there's 25 states in this interstate compact. That's the prevailing rule that's being used right now and they felt as though that that should be the one that, that they, that they stick with because that's very

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prescriptive and for the practice of medicine, they-- that's, that was their, that was their desire.

**HILKEMANN:** So, so that's-- that, that 25-state compact, that's where they do their locums tenens, is that correct?

**ARCH:** The 25 states is the compact so that they can, they can get licensed in other states as long as they're party to that compact.

**HILKEMANN:** And then you said that the bill was amended. How was it amended specifically? I missed that.

**ARCH:** So, so the, the list that I read there, the original bill said "everybody except". And this, this amendment now says these are the, these are the professions that are included in the bill. So it went from kind of the exception to the statement of positive. These are the, these are the professions included.

**HILKEMANN:** OK, thank you, Senator. Just wanted to get that clarification and get that understanding, appreciate it.

**HILGERS:** Thank you, Senator Arch and Senator Hilkemann. Senator Bostelman, you're recognized.

**BOSTELMAN:** Thank you, Mr. Speaker. Would Senator Murman yield to a question?

**HILGERS:** Senator Murman, would you yield?

**MURMAN:** Yes.

**BOSTELMAN:** Thank you, Senator Murman. We, we spoke this morning about this a little bit and I just-- again, a little bit of clarification. My understanding-- when we have this reciprocity for someone coming into the state from another state, could you explain the, the qualifying matters, I guess I would say? As I explained earlier, so maybe Iowa, maybe Florida, maybe Georgia, Arizona may have different certifications, licensing, whatever they may have different from Nebraska. How is that addressed in your-- in the bill?

**MURMAN:** Thank you for the question. The person that would come in from the other state would apply through the Health and Human Services reciprocity and actually the professional board of that profession would advise Health and Human Services on what credential would be required in the state of Nebraska.



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**BOSTELMAN:** And so what I'm hearing from you-- what you're saying is, is that whatever certifications, licensing requirements that the state of Nebraska-- that board may have for that specific practice, that they have to meet the Nebraska requirements or standards. Is that correct?

**MURMAN:** Yes, they would have to meet the minimum standards of whatever that credentialing would be for Nebraska.

**BOSTELMAN:** OK, thank you, Senator Murman. I'm wondering if Senator Arch would yield to a question?

**HILGERS:** Senator Arch, would you yield?

**ARCH:** Yes.

**BOSTELMAN:** I would just ask you, Senator Arch, is there anything you'd like to add to our-- the questions I asked Senator Murman?

**ARCH:** No, I think that, I, I think that there is the desire, or I should say the intent of this bill is to expedite, but not to simply accept. In other words, simply because the person is licensed in another state, is-- it is not automatic that they will become licensed. And by the way, this is a separate, this is a separate type of license that is, that is offered. So it's not automatic. Those boards recommend to the department. The department oversees the credentialing. If our restrictions are more than the other state where that person is coming from, they will need to meet the restrictions that are set by the department.

**BOSTELMAN:** OK, thank you, Senator Arch. Thank you, Senator Murman. I do appreciate that. My concern is-- I think as what Senator Hilkemann had said is that we ensure that those that are going to apply for and being able to practice in the state are meeting those standards or requirements that we have in Nebraska already in place and ensuring proper healthcare and services are provided. With that, I'd yield my time back to the chair. Thank you.

**HILGERS:** Thank you, Senator Arch, Senator Murman, and Senator Bostelman. Senator Murman, you are recognized.

**MURMAN:** Thank you, Mr. Speaker, again. When I deferred to the community-- committee amendment, I actually didn't finish my opening, so I'll go ahead and finish my opening with this time. Section 3 of LB390 provides that a person who has a current and valid credential in another state for at least a year may apply for an equivalent

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credential after submitting the required documentation, fees, and passing a criminal background investigation if required. The, the relevant board will determine the appropriate credential and the department determines the documentation required. The applicant's current credential cannot have been subject to revocation, other disciplinary action, or other conducts which would have disqualified them in Nebraska. If they meet all of the requirements, healthcare professions may obtain a Nebraska license before moving here. However, in accordance with the amendment, an application-- applicant who, who obtains a credential pursuant to the provisions of this bill must establish residency in Nebraska within 180 days after issuance of the credential. If they fail to comply with this section, the department shall revoke the credential. This requirement was added to address the concerns from physicians in telemedicine practices would encroach on their business without such practitioners having to move to Nebraska. Please note that eight other states, including, including our neighbor states of Iowa and Missouri, have similar laws now. A number of other states, including our neighbors of South Dakota and Wyoming, are pursuing similar legislation this year. LB390 simply builds upon existing Executive Order Number 10-20. It does not replace the current requirements, but offers another alternative. In sum-- summary, LB390 simply builds upon the executive order that has been in place for nearly a year. It supplements and does not take away from existing reciprocity agreements and compacts. LB390 will make it easier for Nebraskans to access the healthcare they need when they need it. Hospitals, nursing homes, and other healthcare facilities will benefit because they will make it easier to increase our healthcare workforce by having an expanded pool of healthcare talent to draw from. Everyday Nebraskans will benefit because such facilities will better-- will be better able to provide healthcare services and reduce staff shortages. I respectfully ask that you vote to advance LB390. Thank you.

**HILGERS:** Thank you, Senator Erdman [SIC]. Senator Dorn, you're recognized.

**DORN:** Thank you, Mr. Speaker. Would Senator Murman yield to a question?

**HILGERS:** Senator Murman, would you yield?

**MURMAN:** Yes.

**DORN:** Part, part of the reason-- I understand part of the reason we did this through COVID was to, I call it, make a bigger pool of employees or certain healthcare individuals that we could have and that could help us through this pandemic. Do you happen to know, I

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guess, is there a separate thing for an individual like that? Because we have articles in the paper about some nurses that-- from Nebraska or whatever have gone to other states and worked there. Does this have any effect on that or do you happen to know if they automatically have a temporary license here or how, how that is affected?

**MURMAN:** No, this does not affect how healthcare providers in Nebraska can provide services in other states. This-- the, the whole intent of this bill is to provide an easier pathway for healthcare providers to move into Nebraska and stay here.

**DORN:** OK, so if somebody has a license in Iowa and they want to come here and then work, what-- how long will the process be for them to get this approved through the agency that they have to go through?

**MURMAN:** Well, the intent of this bill is to make it easier for someone from another state such as Iowa to come into Nebraska. Under the bill, they must have residency in Nebraska. It'll be checked after six months and after six months, if, if they aren't a resident of Nebraska, their credential would be removed under this bill.

**DORN:** OK, thank you. Thank you and I yield my time.

**HILGERS:** Thank you, Senator Murman and Senator Dorn.. Senator Pahls, you're recognized.

**PAHLS:** Thank you, Mr. President. A question for Senator Murman.

**HILGERS:** Senator Murman, would you yield?

**MURMAN:** Yes.

**PAHLS:** Just for my clarification, how do we know for sure that that person-- let's say-- well, you can pick any of them. Is-- how are we going to know for sure that they are licensed? What is the procedure that we plan to use?

**MURMAN:** Thank you. The procedure would be that they would apply through this reciprocity process and then the professional board in communication with the Department of Health and Human Services would check out their background if-- I think that was your question.

**PAHLS:** Yes, that is and I appreciate that. At least you're telling me there is a process to make sure we're getting a person who is trained. Because that made me think back on 2002, there was a movie called Catch Me If You Can, when a person played the role of a doctor, a pilot, and an attorney in the United States-- this was a true story--

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and he got away with lots of things, lots of-- well, different jobs just because he was astute on how to get around the system. But you've, you've enlightened me to say that can't happen because we have a process in place, but if you-- like I say, if you do have the time, it's an interesting movie. It is a true story. It's called Catch Me If You Can, 2002. Very creative individual. Thank you.

**HILGERS:** Thank you, Senator Murman and Senator Pahls. Senator Blood, you're recognized.

**BLOOD:** Thank you, Mr. Speaker. Fellow senators, friends all, I had not sincerely planned on speaking on this bill. I am a cosponsor, but I've heard some questions on the floor and I have some questions for Senator Murman as well, so if Senator Murman would please yield to a question?

**HILGERS:** Senator Murman, would you yield?

**MURMAN:** Yes.

**BLOOD:** Senator Murman, in 2008, we passed-- excuse me, 2017, we passed LB88, which was also a licensure bill-- actually very similar to yours, only for military spouses. Can you tell me what the difference is between your bill and LB88?

**MURMAN:** Thank you. I'm not sure specifically what LB88 is, but under LB390, there is a provision that spouses of the military can obtain a temporary license under LB390.

**BLOOD:** And that's what LB88 did. In fact, the one-liner is provide for temporary credentials under the Uniform Credentialing Act for military spouses, so I would be curious how these mesh together. I, I certainly don't want to, to rain on your parade. I just want to make sure we're not being redundant because we are already doing this for military spouses. That was actually my priority bill in 2017. And then with that, I don't have any other questions for you, so thank you very much, Senator. I would like to address Senator Pahls' hilarious statement about Catch Me If You Can. So in Nebraska, we have a long list of something called interstate compacts, Senator Pahls, and interstate compacts, unlike reciprocity or temporary credentialing, actually has a safety feature built in. That's why I carry so many interstate compacts. And so if you have a ne'er-do-well, who is a bad actor in another state, for example, then that shared database puts up a red flag. So say somebody was a pedophile and had had pending charges in another state and thought, well, I'll just, I'll just go to another state and start practicing. It's going to be in that database

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that there were charges pending against that particular individual who is licensed, whichever compact it is. In fact, we have one compact that's going to Final Reading this year and hopefully two that will get kicked out of HHS next year. So interstate compacts are the answer to your concerns about whether people are bad actors or not. Unfortunately, with reciprocity and with licensure issues where we're just removing hurdles, we don't get that benefit. That's why it's great when states can have both interstate compacts and reciprocity or expedited licensure processes. So with that, I would yield any more time I have to Senator Murman.

**HILGERS:** Senator Murman, 2:00.

**MURMAN:** Well, thank you. Of course, I'm a big supporter of the military, as I know, Senator Blood is and probably most all of us in here are. But under my understanding with LB390, it actually removes a residency, residency requirement which may have been still in place for military. So they do get a temporary license in Nebraska without having to establish residency. And I'm not sure exactly what LB88 is, but-- I apologize if this is exactly the same thing, but that's my understanding. Thank you.

**HILGERS:** Thank you, Senator Murman and Senator Blood. Senator Hilkemann, you're recognized.

**HILKEMANN:** Thank you, Mr. Speaker. I thank Senator Pahls for the Catch Me If You Can. That was a wonderful story. Frank Abagnale was the name of the, of the person that that was a true story of and it is a fun movie. I would like to ask Senator Murman a couple of questions if he would yield?

**HILGERS:** Senator Murman, would you yield?

**MURMAN:** Yes.

**HILKEMANN:** Senator, I'm, I'm looking at this bill and why-- what's the purpose of this bill? Give me a-- can you give me a bottom line? What's this bill--

**MURMAN:** Sure, thank you. The whole purpose of this bill is to make it easier for healthcare providers that are, you know, in shortage, as we all know, in Nebraska, to move into the state and establish a practice here.

**HILKEMANN:** So I under-- what, what we're dealing with here is reciprocity and, and in, in this bill, it says they shall establish

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residency-- residence within 180 days. So tell me, Senator, what about-- there are-- for example, one of the, one of the professions that's in here is-- the Podiatry Pract-- Practice Act is included in here. So are you saying that the only licenses that we're going to be granting is those that who are licensed-- who are actually a resident of the state of Nebraska?

**MURMAN:** No, this bill, LB390, just provides a-- another avenue so that healthcare providers can be licensed through that avenue. It doesn't eliminate any other possibilities or any other avenues for licensure in Nebraska or credentialing in Nebraska.

**HILKEMANN:** Well, according to AM447, it says the [INAUDIBLE] shall establish residency within 180 days. What I'm getting to-- getting at is that we have-- I know we have podiatrists who are licensed in both Nebraska and Iowa and work in both states. What I'm wondering is if we're creating a problem with this, that, that-- one of those unforeseen consequences. Am I, am I just reading something into this I shouldn't be?

**MURMAN:** Yes, there's no problem there with doctors. They-- doctors have their own compact that allows just what you said and actually, doctors are not a part of this bill. I'm looking at-- podiatrists are on here, actually, but this does not eliminate any other type of license-- licensing. It just provides another avenue that, that would make it easier and faster.

**HILKEMANN:** Well, Senator, what about podiatrists?

**MURMAN:** Podiatrists would still be able to license the same way they always have. This would not-- the six-month requirement for residency, if it is not a requirement now for podiatrists in Nebraska, it wouldn't be under LB390 either.

**HILKEMANN:** They're-- OK, OK. Well, it's not just podiatrists, it would be optometrists, perfusion therapists, and so forth. So I-- what I'm trying to get is some clarification here, particularly across-- we will have-- this just doesn't-- and I-- as a podiatrist, I know it could affect my profession--

**HILGERS:** One minute.

**HILKEMANN:** --but are other professions going to be involved with this as well? In other words, I'm just wondering why we-- why we're giving them 180 days-- they have to have a license to be a, a resident of the state of Nebraska?

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**MURMAN:** Is that a question?

**HILKEMANN:** That's a question to you, Senator.

**MURMAN:** Oh, thank you. This-- the reciprocity, LB390, only provides another avenue for credentialing or licensing to move into the state. It does not eliminate any other credentialing avenues for any of these professions that are affected by LB390.

**HILKEMANN:** Thank you, Mr. Speaker.

**HILGERS:** Thank you, Senator Murman and Senator Hilkemann. Senator Arch, you are recognized.

**ARCH:** Thank you, Mr. Speaker. I don't want to belabor the point here, but I, I want to, I want to make a couple of clarifying statements. As it is right now, if, if a, if a healthcare professional wants to practice in the state of Nebraska, meaning-- whether that be telehealth or whether that be in person, they need to go through and get a license. That's the process. That's how it works. You apply for a license, you provide all your credentials, and you obtain the license in the state of Nebraska if it's granted. The, the desire or the intention of this particular bill, as, as it was explained to our committee, is to encourage others to come and practice in the state of Nebraska by granting a reciprocity license with the intention of them coming here and practicing in the state of Nebraska and so that's the six-month requirement, not simply getting that reciprocity and then, and then, and then not coming because we want and desire for healthcare professionals to come here. So that's, that's, that's the intention of it. Just wanted to make clear on that. The other question that has been raised is what about bad actors? How do we, how do we know? In the case of physicians, there's a national practitioner data bank where you report-- all 50 states report in to this national practitioner data bank and that can be queried if there's been any disciplinary action. Not all professions have that, but there is within the Uniform Credentialing code, the Uniform-- or Credentialing Act that credential holders are required to report within 30 days of any discipline in another state, including loss of privilege to practice and so that would apply here as well and that there's-- professionals are subject to disciplinary action if they fail to report adverse actions in other states. And I just wanted to make a couple of clarifying statements along those lines. Thank you, Mr. Speaker.

**HILGERS:** Thank you, Senator Arch. Senator Hilkemann, you're recognized.

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**HILKEMANN:** Yes. Thank you, Mr. Speaker. Would Senator Arch take a couple questions for me?

**HILGERS:** Senator Arch, would you yield?

**ARCH:** Yes, I will.

**HILKEMANN:** OK. I want to try to get this straight in my mind because see I, I guess I'm already of the thought that we have reciprocity if you, if you want to come from one state and practice here or if you want to practice in both states. What I'm, what I'm not clear about is this establishing residency in 180 days. So let's say that we have Dr. Tooth in, in Des Moines, Iowa, who's going to come and-- we want him to come to Nebraska to set up a practice and so he's granted his dental license in the state of Nebraska. According to this, using this, he has to establish residency in Nebraska within 180 days, is that correct?

**ARCH:** That is correct if he receives this type of a license. So Dr. Tooth in Iowa, as you, as you say, if, if the dentist wants to come and, and treat patients in Iowa-- let's say that the dentist lives in Council Bluffs, but he has an office in Iowa and so he comes across the river and treats patients in Iowa. He would need a license to practice in the state of Nebraska, which is available if you apply currently-- get a license in the state of Nebraska. But these are for individuals that say I want to come to Nebraska. I want to move to Nebraska. I understand there's, there's a need for the type of skills that I have and particularly in the case of an emergency or something serious going on with health in the state of Nebraska, this is an expedited process where they can receive a different kind of a license, a reciprocity license, and they can come then and practice in the state of Nebraska quicker than going through the, than going through the other process of, of I have no intention of moving to the state of Nebraska. I'm going to stay here. I just want to occasionally treat patients in the state of Nebraska. So it's a different process. You can, you can still go and get the full license. You can still go make the full application and do exactly as they are doing right now. This simply expedites and provides reciprocity, but it doesn't simply grant reciprocity in lieu of what the present process is for getting that license, but rather the intention is we will accelerate this so that you can get here and move here and start practicing. So that's what, that's what the intention is.

**HILKEMANN:** So, Senator, as you're explaining that-- so we have sort of-- so as far as reciprocity, we have two levels of reciprocity, those who have reciprocity and then we have those who get reciprocity



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that have to have residency in order to-- a residence in Nebraska in order to get that reciprocity. Is that correct?

**ARCH:** It is a-- it's a different licensing process. So if you describe it that way-- and I would say those as well within compact states where the contract is clear between the states on how they receive a license and what are those, what are those requirements, they can, they can move both ways. Reciprocity is only coming into the state of Nebraska.

**HILKEMANN:** I totally understand that, Senator Arch, but the question I have is this 180 days where they have to establish residency. That's, that's a concern to me that that can be-- because there's, there's a number of professions here that, that this involves and so what we-- again, as I say, at the present time, when I practiced in Omaha, I had a, I had a license in Iowa. I had reciprocity with Iowa. I paid dues into Iowa as well as into Nebraska and there was no problem with that. I didn't have to be a resident of the state of Iowa. With this, what we're saying is that if you're, you're in Council Bluffs and you want to practice in Nebraska-- how does it--

**HILGERS:** One minute.

**HILKEMANN:** --how do we-- how are we going to make the exception that you don't have to-- that you've got the license, you don't have to be a resident within 180 days?

**ARCH:** Depends on how you apply. In other words, if the professional applies on the, on the path that currently exists right now, there is no residency requirement. If the professional says I want to expedite this process because I want to move to the state of Nebraska to help out with a, with a health shortage or whatever the motivation might be and apply through the reciprocity, then, then there would be-- you're-- you will be coming here in-- with a six-month, so there is an additional condition on this particular path to reciprocity licensure.

**HILKEMANN:** Then one more question, and so if we want these people to come in-- and I, and I understand what we're talking, but why do we have the residency requirement within 180 days? Why can't we-- couldn't this bill not have the residency requirement--

**HILGERS:** Time, Senator.

**HILKEMANN:** --within 180 days?

**HILGERS:** That's, that's time, Senator.

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**HILKEMANN:** Thank you.

**HILGERS:** Thank you, Senator Hilkemann. That was your third opportunity on this amendment. Thank you, Senator Arch and Senator Hilkemann. Senator Williams, you're recognized.

**WILLIAMS:** Thank you, Mr. President, and good afternoon and I appreciate the question, Senator Hilkemann, that you are asking and I do serve on HHS. Senator Arch, would you yield to a question?

**HILGERS:** Senator Arch, would you yield?

**ARCH:** I will.

**WILLIAMS:** Senator Arch, it's, it's my understanding from the testimony that one of the goals of this legislation is to attract more people to fill shortages that we have across the state. And there was the fear that with the advent of telemedicine that we could have people wanting to acquire this kind of licensing and not physically move to our state and still supply some of those things. Would you like to respond to that?

**ARCH:** That is correct and, and, and again, I go back to the normal process of licensure. If, if you want to practice in this state and, and-- wherever the patient is located is where you need to be licensed. If you want to treat a patient, whether in person or telemedicine, you need to be licensed in the state of Nebraska and so that process is in place. Licensure is available. You follow, you follow that, you follow that path and you get licensed in the state of Nebraska. So telemedicine, you don't necessarily have to live ever in the state of Nebraska. This particular bill, from my understanding of the testimony presented to the committee, is to make sure that if there is-- if, if we've got a specific need, if we have special needs and people identify those needs and we're in-- want to go to underserved areas and want to move and, and take care of those needs, we want to reduce the barriers and allow them, allow them to do that and so this is just a different path for licensure that, that would allow that in, in an expedited process.

**WILLIAMS:** Thank you for that explanation. I think, I think that is helpful and certainly I support this amendment and the underlying bill. If I have any additional time, I would yield it to Senator Arch.

**HILGERS:** Senator Arch, 2:55.

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**ARCH:** Yeah, I appreciate the questions. These are-- the, the field of healthcare licensure and the 407 process and all of that can be very complicated at times. We, we, we aren't stepping on, on each other in this process. We've got a regular process for licensure. Sometimes they'll fall under the compacts. Sometimes they are under the reciprocity process. Honestly, the-- I think the struggle is that we do not have national licensure that, that allows movement back and forth freely between states and so the, the complications rise as a result of that. But with this, I think that this is a, this is a good step to reducing those barriers. Thank you, Mr. Speaker.

**HILGERS:** Thank you, Senator Arch and Senator Williams. Senator Morfeld, you're recognized.

**MORFELD:** Thank you, Mr. President. And Senator Arch, I'm, I'm certainly not opposed to this amendment or the, or the bill. I do have a quick question, and if this was already answered because I was in a work meeting and just came back out here, I, I apologize, but I'll ask it anyway. Would Senator Arch yield to a question?

**HILGERS:** Senator Arch, would you yield?

**ARCH:** I will.

**MORFELD:** So the bill requires that applicants establish residency after 180 days, correct? I thought I heard that.

**ARCH:** That is correct.

**MORFELD:** OK, but my understanding when I did a cursory review of the language is that there's nothing in the language that says they can't reapply in six months or, or even a year. So the scenario that I'm wondering about is could a staffing company hire nurse practitioners or psychologists to do telehealth from out of state, having them serve in Nebraska through telehealth for 180 days, and then pull out for a while and then come back for another 180 days? Would that be a loophole that this would protect against? If so, I don't, I don't see it in the legislation.

**ARCH:** OK, so, so-- thank you, thank you, Senator Morfeld, for the question because this is an important question, that we don't want people gaming the system. The department, the department oversees the credentialing process and I know that-- I know for sure that the department would not allow something like that to go on. They, they receive recommendations from the various boards that oversee the profession and in those recommendations then, they identify the

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credentials necessary and so I would, I would say that if that behavior were to occur, that would be considered unprofessional, unprofessional conduct, maybe even licensed fraudulently with no intention of fulfilling that six-month residency requirement and that would not be renewed. I, I think the department would take a very strong-- they, they do not intend for that to happen. I think they would take a very strong position on that.

**MORFELD:** OK. Well, thank you very much, Senator Arch, and if I have any other concerns, I'll work with you between General and Select to resolve those. Thank you.

**HILGERS:** Thank you, Senator Arch and Senator Morfeld. Senator Pahls, you're recognized.

**PAHLS:** Thank you, Mr. President. Would Senator Hilkemann yield to a question?

**HILGERS:** Senator Hilkemann, would you yield?

**HILKEMANN:** Yes, I will.

**PAHLS:** I'm trying to figure out the direction you were going. Could you enlighten me?

**HILKEMANN:** Well, thank you, Senator Pahls. Number one, I think that this bill is discriminatory. It's discriminatory against every health practice that is listed here other than medical physicians or medical doctors because this is the only health-- these are the only health practitioners that have to come in within 180 days and establish residency. I actually question, as I'm looking at this, even the constitutionality of this particular bill and I have, I have-- I understand what they're trying to do. My, my argument is, is that they shall establish the residency within 180 days. That's my concern, Senator Pahls, that, that-- we've already got an ongoing set of reciprocity. It's been working quite well. So we're expediting a system, but we're expediting-- we have these particular practice-- practitioners, all of which-- I would think all of them could get reciprocity in the state of Nebraska if they're licensed in another state, maybe not. It may not happen overnight, what we're trying to talk about here, but it, it certainly doesn't take a long time to get reciprocity in this state. My concern is, is that why do we have to have this residency requirement within 180 days? That is my concern. And so thank you, Senator Pahls, for, for asking me that question. Those are my concerns. I hope that answers your question.

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**PAHLS:** Thank you, Senator.

**HILGERS:** Thank you, Senator Hilkemann and Senator Pahls. Seeing no one else in the queue, Senator Arch, you're recognized to close. Senator Arch waives closing. The question is the adoption of AM447. All those in favor vote aye; all those opposed vote nay. Have all those voted who wish to? Record, Mr. Clerk.

**ASSISTANT CLERK:** 35 ayes, 1 nay on the adoption of the committee amendments.

**HILGERS:** The committee amendments are adopted. Turning to debate on the underlying bill. Seeing no one in the queue, Senator Murman, you're recognized to close.

**MURMAN:** Thank you. The intention of this bill is to make it just another method for healthcare providers to come into the state of Nebraska and actually move into the state of Nebraska and establish a practice here. It is not a bill that would allow them to have a practice in more than one state through this bill. That cannot be done, but through other methods and other professions, that can be done-- or professions under this bill, but just-- the whole intention of this bill is to make it easier for licensed professionals to come into the state. So it's a, a economic development bill and also it's a bill that's good for hospitals, good for long-term care centers, good for Nebraskans to make healthcare more easily accessible, especially in rural Nebraska, to encourage more healthcare providers into the state. In the committee, we did have testimony from the State Medical Director, Gary Anthone, in, in-- as a proponent. Also Andy Hale with the Nebraska Hospital Association and Ashley Hendrickson with the Nebraska Health Care Association. Andy Hale is with the Nebraska Hospital Association. I'm not sure if I said that right. Also, Laura Ebke with the Platte Institute, so a lot of support from this bill, especially from Nebraskans who need medical care more widely provided in the state. So I would appreciate your green vote on LB390. Thank you.

**HILGERS:** Thank you, Senator Murman. The question is the advancement of LB390 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Have all those voted who wish to? Record, Mr. Clerk.

**ASSISTANT CLERK:** 37 ayes, 1 nay on the motion to advance the bill, Mr. President.

**HILGERS:** LB390 is advanced. Turning to 2021 Speaker priority bills. Mr. Clerk, next bill.

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**ASSISTANT CLERK:** Mr. President, the next bill, LB92, which was introduced by Senator Clements. It's a bill for an act relating to postsecondary education; to change residency and admission provisions with regard to students who are educated in a school that elects not to meet accreditation or approval requirements; and repeals the original sections. The bill was introduced on January 7 of this year, referred to the Education Committee. That committee placed the bill on General File with no committee amendments.

**HILGERS:** Thank you, Mr. Clerk. Senator Clements, you're recognized to open on LB92.

**CLEMENTS:** Thank you, Mr. President. LB92 was voted out of the Education Committee on February 16 with a 7-0-1 vote and no opposition testimony. This bill was brought to me by the Home Educators Association. I want to thank the Education Committee for advancing LB92 and the Speaker for making it a Speaker priority. The bill amends the statutes which establish residency requirements for state colleges and universities and that prohibit the denial of admission of homeschooled students into publicly funded colleges or universities if they meet the testing requirements. Currently, high school students who graduate from a Nebraska public or private high school are assumed to be residents of Nebraska for purposes of in-state tuition rates at our postsecondary educational institutions. Homeschool graduates are not currently assumed to be residents for tuition purposes and are required to separately apply for in-state tuition. This differential treatment has caused delays and confusion for Nebraska homeschool graduates during their admissions process. It also can affect resident scholarship eligibility. LB92 addresses this problem by including Nebraska homeschool graduates in Section 85-502, treating them the same as public and private school graduates in regards to residency. Additionally, this bill adds nondiscrimination language against disparate treatment of any student on the basis of being homeschool educated. There's no reason to treat Nebraska students educated in a homeschool in this state differently in regards to residency. Accreditation has nothing to do with being a resident of the state. The only enrollment action that Nebraska students should have to face at a postsecondary educational institution should be based on academic achievement, not on where they were educated. Thank you for your consideration. I ask for your green vote to advance LB92 to Select File. Thank you, Mr. President.

**HILGERS:** Thank you for your opening, Senator Clements. Debate is now open on LB92. Senator Blood, you're recognized.

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**BLOOD:** Thank you, Mr. Speaker. Fellow senators, friends all, at this time, I'm not sure I stand in support of Senator Clements' bills, but I, I may change my mind after I have some questions answered, so I'd ask that Senator Clements please yield.

**HILGERS:** Senator Clements, would you yield?

**CLEMENTS:** Yes.

**BLOOD:** Thank you, Senator Clements. Senator Clements, I looked into this bill when I, I read it several weeks ago and it was my understanding that the reason this happened is that there was a glitch basically in their computer system in the way they did data in the university and that has since been corrected. Is that true?

**CLEMENTS:** Well, I'm not sure it's been corrected, but I, I did have some examples of problems that had arisen and wanted to make sure that the statute was clear.

**BLOOD:** Have you reached out to the university to find out if this glitch has since been fixed from the original mistakes being made?

**CLEMENTS:** I have had no conversation from them, no opposition, no, no conversations, so I, I assumed that they were OK with the bill going through.

**BLOOD:** So, so here's my concern, Senator Clements. First of all, I, I agree with you that homeschool children should not be treated any differently. That I am clear on, but the concern that I have is that you're trying to fix a problem that I feel has probably already been fixed and I'm not sure we need to do this through statute. So would you be comfortable contacting the University of Nebraska to follow up on this, to see if indeed this is even needed?

**CLEMENTS:** Yes, I'd be glad to check with them.

**BLOOD:** OK, that would, that would be my concern. I'm-- today I'm going to be present not voting, not because I don't support what you're trying to do, but because I believe it's already fixed, Senator Clements. And we tend to do a lot of feel-good legislation, and I'm guilty of that too, but we need to make sure that whatever we put into legislation is something that's actually needed. And if they've fixed the computer glitch, it is not necessarily needed because it's not a matter of policy, it's a matter of technology. Would you think that that's fair?

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**CLEMENTS:** Yes. Thank you.

**BLOOD:** Thank you, Senator Clements and I would yield my time back to the Speaker.

**HILGERS:** Thank you, Senator Clements and Senator Blood. Senator Hunt, you're recognized.

**HUNT:** Thank you, Mr. President. Would Senator Clements yield to a question?

**HILGERS:** Senator Clements, would you yield?

**CLEMENTS:** Yes.

**HUNT:** Thank you, Senator Clements. I also had some questions about the bill. I also reached out to the university, as it sounds like Senator Blood did, to see if they could explain this problem to me and they also assured me that it was kind of a computer glitch that had been fixed. And I also agree that homeschooled children in Nebraska should be considered for admission to state colleges and universities as in-state residents and it's wrong if they are not. Is that what your bill seeks to fix?

**CLEMENTS:** Yes, it is.

**HUNT:** I have a question about page 4, lines 21 and 22 and this section of LB92 reads: no publicly funded college or university in this state shall prohibit the admission of or discriminate against-- or discriminate in any manner against any student on the basis that such student was educated in a school which elects to meet the requirements of subsections (2) through (6)-- da, da, da-- if the student is qualified for admission as shown by testing results. Why did you include language in lines 21 and 22, "or discriminate in any manner against?"

**CLEMENTS:** Well, I think there's already other nondiscrimination language for other students and it wasn't clear that-- whether this could be a problem in other areas, so I did add that language.

**HUNT:** What do you mean that it could be a problem in other areas? And what others students--

**CLEMENTS:** I don't have any specific-- there wasn't anything brought to me that was a real problem, but it was more of a catchall phrase.



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**HUNT:** To me, that phrase seems duplicative of language that comes right before it in lines 20 and 21. If we say no publicly funded college or university in the state shall prohibit the admission of any student on the basis that such a student was educated in any school, to me, that seems to encompass the idea of discrimination. When you talk about discrimination in terms of this bill, Senator Clements, are you talking about the discriminatory experience of perhaps a college university saying you cannot be admitted because you were homeschooled? Is that what this is seeking to stop?

**CLEMENTS:** Yeah, there is-- they already must accept them for admission if they meet the testing requirements. This bill was meant to also make sure that they get in-state tuition and that's where the problem has been.

**HUNT:** The language on that-- in that section was just interesting to me and I, and I wanted some clarity on why you chose it because the phrase "discriminate in any manner" is wide open to me and I, I hope we realize that "in any manner" could include all kinds of things that people experience discrimination for, which you have really consistently opposed in the past. So I was wondering if you could clarify why you chose that language. Perhaps you didn't choose it. I mean, maybe you chose it, but I would yield the rest of my time to Senator Clements if you can better explain why that language was selected because I'm still unclear.

**CLEMENTS:** Thank you, Senator Hunt. I didn't have any specific example with that. This bill was brought to me by the homeschool educators and I would have to reach out to them. Be glad to get back with you. I'm sorry that I don't have a--

**HILGERS:** One minute.

**CLEMENTS:** --specific example, but I'll check with that and sure let you know if there had been other-- another reason that this would be included and I would be glad to work with you about that. Thank you, Mr. President.

**HILGERS:** Thank you, Senator Clements and Senator Hunt. Senator Pahls, you're recognized.

**PAHLS:** Thank you, Mr. President. When I first heard about the bill or the moving parts within the bill, I said my goodness. I was really surprised that there-- this type of hurdle that somebody going to homeschool would have to overcome. It does appear there are some other issues involved that I think probably will be resolved if this goes

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from here-- from General to Select that will probably need to be answered. This also brought back a little bit of a nightmare. Most of you probably aren't aware that-- I shouldn't say not aware of it. That probably is not in your brain cells right now because about 40, 50 years ago, homeschool and the public educators, they were at war. And then finally, people sort of-- what I say-- got smart and decided, hey, homeschool, there's a place for that in our system. And so I automatically thought over the years that this was sort of a, a done deal until I read that they may have trouble on their tuition or in school or being a student or a resident of the state of Nebraska. I just-- I've always been-- to be honest with you, I have been impressed with some of the homeschool individuals I've met with because last time I was down here, a number of homeschoolers would come and talk to the senators and there's always-- like I said, I was impressed in how they approached us and just made you feel good that good things are happening. And also, the interesting thing-- bring it more up to date-- when I was running for this position, I had a number of homeschoolers working for me, volunteering, and I had to smile here. I'm in the public-- you know, a public educator. They were trying to help me win, so that made me feel good. In fact, one person was my-- actually made her my field director and she was a young person just having graduated from high school. I forgot, after all, I was talking to her and I, I had her maybe, like, being 40, 45 because of her knowledge and her understanding how people and life worked. She really, she really impressed me. I, I-- like I say, I, I had to think every once in awhile, I'm still dealing with somebody who's just out of high school, but she was more than that. So I, I do see, see the value of those individuals who can do quite well at homeschool. And I'm assuming that some of the questions that have been posed, that between now and Select File we'll get those straightened out because there is a computer glitch. That's great because no-- we know it wasn't intended to be. Thank you.

**HILGERS:** Thank you, Senator Pahls. Senator John Cavanaugh, you're recognized.

**J. CAVANAUGH:** Thank you, Mr. Speaker. Would Senator Clements yield for a question?

**HILGERS:** Senator Clements, would you yield?

**CLEMENTS:** Yes.

**J. CAVANAUGH:** Well, thank you, Senator Clements, and I apologize, I didn't also contact the University of Nebraska to talk about this like Senator Blood and Senator Hunt did. I just had a few questions that

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leapt out at me. So for in-state tuition, there's a presumption if you graduate from an accredited high school in the state of Nebraska, that you qualify for in-state tuition, is that correct?

**CLEMENTS:** Yes--

**J. CAVANAUGH:** And--

**CLEMENTS:** --because your transcripts are really automatically sent to the Department of Education.

**J. CAVANAUGH:** And the problem is that if someone is homeschooled, they don't get that automatic qualification?

**CLEMENTS:** Correct.

**J. CAVANAUGH:** But there currently is a process by which they could apply for in-state tuition?

**CLEMENTS:** Yes. They send in their transcripts, they are asked some of the residency questions, maybe a, a utility bill or some things like that, and it has just caused a little extra work for them. But they do send-- they do submit to the Department of Education their transcripts and their homeschool diploma.

**J. CAVANAUGH:** And so under this bill, they will be automatically qualified for the in-state tuition?

**CLEMENTS:** If they have-- yeah, met the admission requirements of testing.

**J. CAVANAUGH:** OK. So my question is how are they-- how is it going to differentiate? They, they still have to substantiate their residency, correct?

**CLEMENTS:** Correct.

**J. CAVANAUGH:** So my understanding is the reason that in-state tuition would be automatic for an accredited school is because that school is keeping records that you actually did reside here for the last three years. But if you're going-- homeschooled, that-- there's not necessarily that attachment to geography associated with an accredited school, right?

**CLEMENTS:** Right.

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**J. CAVANAUGH:** So I guess my question is specific to pertaining to how, how are these individuals going to demonstrate that they actually meet the residency requirement?

**CLEMENTS:** I'm going to have to ask my LA for clarification. I'll be-- I've got my light on. I'll get back with you in just a minute.

**J. CAVANAUGH:** I appreciate that. I had one follow-up question onto Senator Hunt's question, if you don't mind. I share her concern about the-- I guess the expansiveness of the language of "or discriminate in any manner against" and I guess-- I understand what you're getting at there because the current section just says it can't discriminate based off of admissions, but you're looking for in-state tuition, which would be more expansive than under admissions, correct?

**CLEMENTS:** Yes. Actually, we sent this up as just residency instead of any manner and Bill Drafting changed it to any manner. They-- and they wanted to just put it more broadly.

**J. CAVANAUGH:** And so that was going to be my follow-up question is would you be amenable to a change that would constrain that discrimination to just the, the, the portion about tuition?

**CLEMENTS:** Yes, I really wasn't asking for that broad of a language. It came back from Bill Drafting that way.

**J. CAVANAUGH:** Thank you. I yield the remainder of my time.

**HILGERS:** Thank you, Senator Clements and Senator Cavanaugh. Senator Erdman, you're recognized.

**ERDMAN:** Thank you, Mr. Speaker, and thank you, Senator Clements, for bringing this bill. Listening to the conversation between Senator John Cavanaugh and Senator Clements, I don't have any problem with being nondiscriminatory towards anyone. I don't know that we should water down the bill to be-- so are we saying that we should be discriminant in some way by making it only residents-- the requirement for residents that we can't discriminate against? I think that's probably inappropriate. But not only will this bill help those students that are going to go to the UNL system, but will also help students that want to go to any other publicly funded secondary school, which would be the community college system or Doane or Chadron or Pardue-- Peru. Those schools also are publicly funded, so that would not only just encompass the university, but all of those schools that would receive tax dollars from the state. I think this makes sense and I would assume that part of the application to qualify for residency is when

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you made your application that you would send in your address and where you have lived and you would be automatically qualified because they see what your residence is. So I don't know that that's a big hurdle to get over either and I do appreciate the fact that Senator Clements brought this bill. Maybe he can speak about those issues that I just talked about, but this is a, a very good bill. I will support LB92 because I think it will help us understand that we need to honor the education that these young people got, even though it is not in a public school. And so I would be encouraging each one to vote green on LB92. Thank you.

**HILGERS:** Thank you, Senator Erdman. Senator Clements, you're recognized.

**CLEMENTS:** Thank you, Mr. President. Just to clarify something regarding residency, the homeschool parents file with the Department of Education that their student has completed a certain number of subjects and curriculum that form this-- their home address, where they, where they reside and that their student has completed requirements that have been prescribed for homeschool people. And so on that form is going to be where they live and that is how they are able to establish residency, whereas if it's a school that's-- the public and private schools are located in the state. They're assumed that way, but it does take the extra reporting from the homeschool student-- parents. Both parents sign on that and establish their location. And I believe that's all I had, and I'm certainly willing to work on the one section on page 4. That wording was made more broad by the Bill Drafters and it wasn't something that was critical to the bill, in my opinion. Thank you, Mr. President.

**HILGERS:** Thank you, Senator Clements. Senator Hunt, you're recognized.

**HUNT:** Thank you, Mr. President. To expand a little more on my concern with the language on page 4, my concern is that the anti-discrimination piece here, which is so broad, could potentially allow a loophole where religious homeschool students or people coming from a certain faith or belief or background could, could not be held by this-- to the same standard in some way to the other students who attend the college or university, the public college or university, because "discriminate in any way" is, is just very broad and open. Protected classes and nondiscrimination clauses that are already in place at the state and federal level would, of course, still apply to anybody applying for a public college or university and schools certainly already have the latitude to recognize students who excel or who do not excel or who get this type of grade or that kind of score, have this kind of experience when they're considering their admissions

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and that should never be considered discrimination. And of course, prior educational experience, no matter if you're getting that from private school or a public school or from a homeschool, should always be considered. So I, I understand and agree with that intention of the bill, but I want to make sure that we aren't giving-- that we aren't holding students and applicants to different standards. I spoke to Senator Clements off the mike about potentially bringing an amendment on Select File to do that. That would get me on board as a supporter of the bill. Also, for me to support the bill, I would like for Senator Clements to clarify what the current practice of the University of Nebraska-Lincoln is because I think that that was kind of the-- the origin of the bill is that some homeschooled students were sent letters from UNL saying that they were accepted as nonresidents, but there was always a process in place for those students to fill out some paperwork and contact admissions and, and have that decision changed. And so, A, this problem has already been fixed by UNL, which is the reason we have the bill; and B, there was always a method for homeschooled applicants to appeal that decision. So I want to be conservative, actually, and a little bit wary of putting things into statute where they are so hard to change later. And if we must put it into statute, to get the language as specific and clear as possible, to me, that would be an amendment to change lines 21 and 22 on page 4. I would ask Senator Clements to yield to a question.

**HILGERS:** Senator Clements, would you yield?

**CLEMENTS:** Yes.

**HUNT:** Senator Clements, does this apply to private colleges as well?

**CLEMENTS:** No, this is public colleges and universities only.

**HUNT:** How come?

**CLEMENTS:** Because of state support, I believe.

**HUNT:** OK. Are you, are you open to removing the "or discriminate in any manner" language on page 4?

**CLEMENTS:** Yes, I am.

**HUNT:** OK, OK. I appreciate that. How-- Senator Clements, do you think that we're going to have a problem with this bill setting policy for the university in light of the Supreme Court Exon decision?

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**CLEMENTS:** Regarding which decision?

**HUNT:** The, the decision that said that the Legislature can't make policy for the university?

**CLEMENTS:** Oh, well, we all-- I'd have to look into that, but I don't think so. I think we do already--

**HUNT:** OK, thank--

**CLEMENTS:** --prescribe other things.

**HUNT:** OK, thank you, Senator Clements. I would have questions too about whether this bill would create a right of action against someone who felt that they had been discriminated against or had been--

**HILGERS:** One minute.

**HUNT:** --denied admission because of their homeschooled status and then that would create a question of OK, so who enforces that? Does the Equal Employment Commission enforce that? Does the NEOC enforce it? Does the Board of Regents? Do the courts? You know, where does the solution for any kind of cause of action or, or conflict brought up by the provisions of this bill get adjudicated? Where does it get settled out? I will reserve judgment on this bill. Love the homeschooled kids of Nebraska. You guys are doing great. I know many of you are watching and I want to make sure that we pass some good policy that actually helps you. Thank you, Mr. President.

**HILGERS:** Thank you, Senator Clements and Senator Hunt. Senator Morfeld, you are recognized.

**MORFELD:** Thank you, Mr. Speaker. Colleagues, I was the lone not voting member of the committee on this legislation, not because I do not support homeschool students that are residents of the state of Nebraska receiving in-state tuition. I absolutely believe that they should. I've had to deal with my own residency issues because my father joined the Marine Corps in Nebraska, moved to another state, and because of some technicalities, lost residency for all of his children after serving in the Marine Corps. That's something that the state of Nebraska and this Legislature took care of in 2014 right before I was elected to the Legislature. So a person in my situation now whose father served in the military and then their kids came back to live here in their home, they wouldn't have that same problem. So that's all for me to say I'm very sympathetic to people not getting in-state residency who should get in-state residency, so that's why I

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didn't vote against the bill. The reason why I had concerns on the initial legislation was because I felt as though this was an issue that was taken care of by the university. Now to Senator Clements' point-- and we talked about this, I think, a little bit off the mike several weeks ago or months ago-- you know, it never hurts to just make sure that it's in statute so it doesn't become a problem again, so I appreciate that. That being said, I really do-- and, and I think Senator Clements has already said he'll work with Senator Hunt on this. I'd like to be included on that-- I really do want to tighten up the discrimination language so that it's not so broad. If we tighten that up, I'm perfectly fine. If we don't tighten that up, I may have a lot more to say about this on Select File because I do think that there is unintended consequences with that language being so broad and so ill-defined. I don't have the same concerns about the Exon issues simply because the instance that I talked about with military family and coming back, we solved that with statute. So I hope there's not an Exon problem there because then there's a lot of other military kids like me that are going to have a lot more problems, assuming that the university obviously just wouldn't give them in-state tuition without a statute, which I think they probably would moving forward if that became an issue. But in any case, that's all for me to say I'm not going to ask Senator Clements again on the mike and say the same exact thing he, he, he said to Senator Hunt. I believe that he's operating in good faith here and that he'll work with us on the discrimination language and tightening that up between now and Select. And I just wanted to make my concerns known on the floor and that I am not opposed to in-state homeschool students going to the University of Nebraska with in-state tuition. I just had questions as to the need for statute. Thank you, Mr. President.

**HILGERS:** Thank you, Senator Morfeld. Senator Matt Hansen, you're recognized.

**M. HANSEN:** Thank you, Mr. President, and good afternoon, colleagues. I'll kind of echo some similar points. It seems like Senator Clements is working in good faith and has had a number of people volunteer to work on an amendment. I did want to raise one issue and I would be happy to contribute as well, but for those who end up working on the amendment, as it's written, we're providing the anti-discrimination protections only to those people going to nonaccredited high schools, so we're actually giving them stronger protections than people who do go to accredited high schools. And if we are-- or other K-12. I'm sure there's other categories that fall into that. So if we are protecting students for-- against discrimination based upon their prior education pre-college, we might want to make sure that's expansive and make sure



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that we're protecting all students with the same anti-discrimination procedure, kind of regardless of what educational institution they went to. I think that would capture Senator Clements', I think that would capture Senator Clements' goal of protecting homeschoolers and others who go to these nonaccredited programs. And I think we could expand it and broaden it to make sure that we, you know, capture people in parochial high schools, others that are accredited, in-state high schools, out-of-state high schools, what have you, to make sure that they're provided for the same protections. And I do want to flag-- I think Senator Hunt made a good point of it-- normally, when we create a cause of action for discrimination or an anti-discrimination provision, we task a certain organization or entity with being the overseer or the enforcer, the investigator, and so on. That may be something we can refer internally to the universities, but whatever we choose to move forward with, I think that would make some sense. With that, again, rise to stand with others in that I think we're on the right track and there seems to be consensus on where to move forward next and certainly would offer to help Senator Clements as well. Thank you, Mr. President.

**HILGERS:** Thank you, Senator Hansen. Seeing no one else in the queue, Senator Clements, you're recognized to close on LB92.

**CLEMENTS:** Thank you, Mr. President. I appreciate the comments and concerns and questions and definitely am willing to amend the page 4 discrimination language. It doesn't-- it wasn't a crucial thing for me to have those wordings in there. And I'll check with the University of Nebraska, especially on what language might be acceptable to them and what their current procedure is. And then regarding the cause of action, that's a new question and definitely we'll investigate that, especially ask the University of Nebraska if they have a concern in that regard. And so thank you for the discussion. I ask for your green vote on LB92. Thank you, Mr. President.

**HILGERS:** Thank you for your closing, Senator Clements. The question before the body is the advancement of LB92 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Have all those voted who wish to? Record, Mr. Clerk.

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

**HILGERS:** LB92 is advanced. Mr. Clerk for items.

**ASSISTANT CLERK:** I do, Mr. President. New A bills: LB132A by Senator DeBoer. It's a bill for an act relating to appropriations; to carry out the provisions of LB132. In addition, LB498A, also by Senator

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DeBoer, would appropriate funds to carry out the provisions of LB498. In addition to that, your Committee on Enrollment and Review reports LB22, LB368, and LB369 as placed on Final Reading. That's all I have at this time.

**HILGERS:** Thank you, Mr. Clerk. Next bill on the agenda.

**ASSISTANT CLERK:** Mr. President, the next bill, LB197 by Senator Vargas. Its bill for an act relating to postsecondary education; change residency requirements for participants in the National and Community Service State Grant program as prescribed; and repeal the original section. The bill was introduced on January 8 of this year. It was referred to the Education Committee. That committee placed the bill on General File with committee amendments.

**HILGERS:** Thank you, Mr. Clerk. Senator Vargas, you're recognized to open on LB197.

**VARGAS:** Thank you very much, Speaker Hilgers. Good afternoon, colleagues. First, I'd like to thank Speaker Hilgers for giving LB197 a Speaker priority designation. And second, I would like to thank Chairwoman Walz and all the members of the Education Committee for their hard work and effort this year and their support for this bill. I'd also like to thank ServeNebraska and the University of Nebraska for coming out and supporting and being proponents of this bill. LB197 is a very simple bill that would allow AmeriCorps to be eligible to receive in-state tuition rates from Nebraska's postsecondary public institutions. LB197 was advanced out of Education Committee on an 8-0 vote with no no votes and no opposition testimony or written opposition testimony. Currently, in-state tuition is granted to nonresidents in a few circumstances, including to members of the military, their spouses and dependents, and members of the National Guard. Now AmeriCorps members serve our communities in many ways, most recently and notably in Nebraska, they were critical in volunteering and offering to help individuals who were impacted by the flood in 2019. AmeriCorps members in Nebraska completed their volunteer service in communities across the state in programs that educate students in their schools through nonprofit organizations and even in partnership with Probation. Nationally, AmeriCorps serves 40,000 communities across the country with 270,000 current volunteers. Now some of you may or may not know this. I'm an alumni of AmeriCorps and through my service through Teach for America, as is my wife. It was a very formative and meaningful experience for me. It's something I'll never forget. It's one of the reasons why I continue to serve. Now when AmeriCorps members complete their term of service, we receive a Segal Education Award, which is equal to the amount of a Pell Grant. This

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year, the award is \$6,345. Segal Education Awards can be used to pay educational expenses at eligible postsecondary institutions, including many technical schools and GI Bill approved programs. By granting AmeriCorps volunteers in-state tuition, we should be bringing those dollars to our local colleges and universities and would make our state a destination spot for volunteers after their service is completed. Now at this time, Arizona and Maryland are the only two other states who have some version of in-state tuition for AmeriCorps members and this amendment, AM197-- AM51 allows any person who has served in an AmeriCorps program in the country to be eligible to receive in-state tuition in Nebraska. And this is a very simple bill that is going to provide economic opportunity and try to retain and attract individuals specifically to our state. Remember, this has had no opponent testimony during the hearing, passed out of the committee unanimously, and with that, I urge you to support LB197 and move on to Select File. I'd be happy to answer any questions. Thank you very much.

**HILGERS:** Thank you, Senator Vargas. As the Clerk noted, there are committee amendments. Senator Walz, as Chair of the Education Committee, you are recognized to open on AM51.

**WALZ:** Thank you, Mr. President. AM51 strikes the original language of the Section 10 of the bill and replaces it with new language that would allow for an individual who is eligible for a National Service Educational Award from the National Service Trust, a.k.a. AmeriCorps under 42 USC, to be eligible for in-state tuition. In addition, this amendment removes the requirement AmeriCorps members would have had to serve their term in Nebraska. This bill was advanced from the committee unanimously and had no opposition in the committee. I would encourage your green vote on AM51 and your support on the underlying bill. Thank you, Mr. President.

**HILGERS:** Thank you for opening, Senator Walz. Debate is now open on AM51. Senator Kolterman, you're recognized.

**KOLTERMAN:** Good afternoon, colleagues. Thank you, Mr. President. I was wondering if Senator Vargas would answer a couple of questions?

**HILGERS:** Senator Vargas, would you yield?

**VARGAS:** Yes, I would.

**KOLTERMAN:** Senator Vargas, thank you for bringing this bill. I, I look at it as a very helpful way to recruit people to our state and those that are here, keep them here. My question deals with the, the

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in-state tuition that you're proposing here. You say that the University of Nebraska is supportive of this bill. Do you know where the other colleges in the state stand in regards to that, like, our community colleges, our, our three state colleges, and then if any of the independent colleges are willing to do the same thing?

**VARGAS:** So that's a great question. University of Nebraska tends to be the largest sort of institution across the state. The state colleges and the community colleges had not expressed opposition to this bill in any way, shape, or form. The independent state colleges, we did not receive any correspondence or engagement with them, but the other institutions expressed no opposition to this. University of Nebraska was the main one that came in support, largely because I think they, they retract some of the individuals from out of state and we usually get a lot more in-state people to our other state college system and community college system.

**KOLTERMAN:** And, and you came here and worked as an AmeriCorps volunteer?

**VARGAS:** I was an AmeriCorps volunteer in another state and the reason I came here is so my wife can go to law school. And I was really fortunate that my wife chose to go to law school here because of the affordability of our institutions, but this is my home and this is where I want to live my-- rest of my life. I got two Nebraskans, my daughter and my son, and I think we can attract more individuals by passing a bill like this.

**KOLTERMAN:** So there you have it, colleagues, a perfect example of why we need to make this bill a priority and get it advanced. With that, thank you for your answers.

**HILGERS:** Thank you, Senator Vargas and Senator Kolterman. Senator Groene, you're recognized.

**GROENE:** Thank you, Mr. Speaker. I just have-- I'll support the bill. I just have a question for Senator Vargas out of curiosity, if he'd take one.

**HILGERS:** Senator Vargas, would you yield?

**VARGAS:** Yes, I would.

**GROENE:** Did you ask the University of Nebraska how many students are enrolled at UNL now or UNO or the whole system that are AmeriCorps scholarship?

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**VARGAS:** I did not, but I do know that in 2019, across the entire state, we had 429 AmeriCorps alumni that used their AmeriCorps award across the entire set of postsecondary systems.

**GROENE:** So that-- they could have been-- how long has AmeriCorps been in existence?

**VARGAS:** Oh, it's been 20-plus years now.

**GROENE:** So it's 20 years' worth of-- was 400 and some--

**VARGAS:** This is just in 2019.

**GROENE:** All right, thank you.

**HILGERS:** Thank you, Senator Vargas and Senator Groene. Senator Erdman, you're recognized.

**ERDMAN:** Thank you, Mr. Speaker. Listened to the discussion there and listened to the amendment by Senator Walz. I wonder if Senator Walz would yield to a question. I have a-- I'm a little confused by her amendment.

**HILGERS:** Senator Walz, would you yield?

**WALZ:** Yes.

**ERDMAN:** OK. Senator Walz, in your, in your statement about the amendment, you said that that person would have to be-- do their service for a year in Nebraska, is that correct?

**WALZ:** They would-- it removes that requirement to have to serve in Nebraska.

**ERDMAN:** OK, so they don't-- they-- according to the amendment, they would not have to serve in Nebraska?

**WALZ:** Correct.

**ERDMAN:** OK, that, that's the part I misunderstood because I see the original intent says such student completed a full term of service at least one year in the state of Nebraska. So you've stricken that part and the rest of it is if they qualified as a AmeriCorps volunteer anywhere, they'd be eligible for in-state tuition?

**WALZ:** Oh, sorry. Yes.

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**ERDMAN:** OK. So why did you change it? What was, what was the reason for changing and eliminating the one year of service in Nebraska?

**WALZ:** I'm going to let Senator Vargas answer that question.

**ERDMAN:** OK. Senator Vargas, would you yield to a question?

**HILGERS:** Senator Vargas, would you yield?

**VARGAS:** Yes, I would.

**ERDMAN:** Can you answer what I just asked Senator Walz or do I need to restate it?

**VARGAS:** No, no, no. I, I got your question. So the reason why we changed this is quite simply when we were talking with AmeriCorps leaders across the country and even our own ServeNebraska Commission, which is appointed commission by the Governor, they all wanted to make sure that we are being more of an attractive hub for individuals to come to Nebraska and utilize that Pell Grant-- sorry, that AmeriCorps Segal Grant and so opening it up to people that have served in this capacity to come here was a worthwhile way of attracting people. And the goal is to retain them and we know we can and we will if we get them good jobs and they maybe find love in Nebraska, but I-- that's the reason why we expanded it.

**ERDMAN:** OK. So I'm about to ask a peculiar question. I think it is always asked. What do other states do? Do you know? Do other states do the same thing?

**VARGAS:** So some other states do a similar version of this bill. It sort of depends on their state laws. The ones that are the most similar to this right now are Maryland and Arizona, but many other states are looking at some, some version of this because they want to expand it. And what we typically see is regions of schools will sort of work on providing in-state tuition, but in our state, it's clearly designated in state law who gets in-state tuition, so that's the reason why we're changing it this way.

**ERDMAN:** OK, maybe you could, you could answer this if you know, in a state such as Arizona that has adopted this, do you know how many students may be app-- may app-- may apply for that grant or scholarship?

**VARGAS:** I do not know off the top of my head, but I'd be happy to get that information for you.

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**ERDMAN:** OK. If you could research that, I'd be interested. And the reason I say that was peculiar to ask about other states because we get that all the time, but one of the things we need to keep in mind, there's only one state that has a Unicameral so we can afford to be different. Thank you.

**HILGERS:** Thank you, Senator Walz, Senator Vargas, and Senator Erdman. Senator Groene, you're recognized.

**GROENE:** Thank you. More questions, I guess. Senator Erdman brought something to mind. Senator Vargas, would you answer another question?

**HILGERS:** Senator Vargas, would you yield?

**VARGAS:** Yes, I would.

**GROENE:** Is this graduate school too, law school or just a bachelor's degree?

**VARGAS:** This is any postsecondary degree, so a good example is I had a Segal Education Award. I could have come to the state of Nebraska and I could have pursued my master's in education or my law degree using that Segal Education Award, so yes.

**GROENE:** It's, it's a total of \$6,000, right? Period.

**VARGAS:** Yes.

**GROENE:** Not \$6,000 a year.

**VARGAS:** Yes.

**GROENE:** All right. Another question. Did your wife come to Nebraska because she could get home state tuition?

**VARGAS:** No.

**GROENE:** She's, she's from Nebraska, is that correct?

**VARGAS:** Yeah, her family and-- her whole family is from Nebraska, mostly in Senator Moser's district.

**GROENE:** All right. Thank you. I just was going to make the point that we bring people-- we got you here because your wife could-- got home state tuition and it was economical, but I don't want to make that judgment. But anyway, no, I, I, I approve the bill. I mean, it's not that many people and these are volunteers and, and people of good

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character in order to be in that program. So if they want to come to Nebraska, I guess they can come and stay and help Nebraska grow.

**HILGERS:** Thank you, Senator Vargas and Senator Groene. Senator Kolterman, you're recognized.

**KOLTERMAN:** Thank you again, Mr. President. I'd like to again thank Senator Vargas for bringing this. Again to me, this is a no-brainer. This is an economic development bill that brings people to our state, young people that we're trying to attract so we can pay them good jobs. Just as a precursor, tomorrow, we're going to get, we're going to get to talk about LB529, LB529, which is focused on Pell Grants and, and things of that nature. We have 13,000 students in this state that are on Pell Grants or get Pell Grants from the federal government, very similar to what we're talking about here. It's going to be important that we continue that program as well. So it really dovetails right into this and I guess I'd like to thank again, Mr. Speaker, for putting both these bills up almost simultaneously. Tomorrow, we get to talk about LB529, so thank you.

**HILGERS:** Thank you, Senator Kolterman. Seeing no one else in the queue, Senator Walz, you're recognized to close on AM51. Senator Walz waives closing. The question before the body is the adoption of AM51. All those in favor vote aye; all those opposed vote nay. Have all those voted who wish to? Record, Mr. Clerk.

**ASSISTANT CLERK:** 33 ayes, 0 nays on the adoption of committee amendments.

**HILGERS:** The committee amendments are adopted. Turning to debate on LB197. Seeing no one in the queue, Senator Vargas, you're recognized to close.

**VARGAS:** Thank you very much, Speaker. I just want to thank, again, Speaker Hilgers for making this a Speaker priority, Chairwoman Walz and the members of Education Committee for making sure that this was a bill that's-- moves forward, and thanking everybody else for listening to the dialogue. And for other AmeriCorps members that are thinking about coming to a place that is going to invest in them, Nebraska is one of those places. We want you. We want you to come here. We want you to start a life and contribute to our, to our state and I think that's an important message that we're sending with this bill. And I want to thank all those members for supporting this bill. I urge your vote for LB197, a green vote. Thank you very much.



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**HILGERS:** Thank you for your closing, Senator Vargas. The question before the body is the advancement of LB197 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Have all those voted who wish to? Record, Mr. Clerk.

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

**HILGERS:** LB197 is advanced. Turning to 2021 priority resolutions, Mr. Clerk.

**ASSISTANT CLERK:** Mr. President, the first resolution this afternoon is LR25, introduced by the Health and Human Services Committee, is a resolution regarding the Youth Rehabilitation and Treatment Center Special Oversight Committee of the Legislature to study the quality of care and related issues at the youth rehabilitation and treatment centers. The resolution was referred to the Executive Board. The Executive Board reported the resolution to the Legislature for further consideration.

**HILGERS:** Thank you, Mr. Clerk. Senator Arch, you are recognized to open on LR25.

**ARCH:** Thank you, Mr. Speaker. Good afternoon, colleagues. Today, I'm presenting LR25, a resolution introduced by the Health and Human Services Committee and prioritized by the Executive Board. LR25 would require the Executive Board to appoint a Youth Rehabilitation and Treatment Center Special Oversight Committee. In effect, this would simply extend the special committee created by LB1144 last year, which terminated on December 31, 2020. I won't give a lengthy history of the events that brought the YRTCs into sharper focus in the summer of 2019 because I think that is all very well-documented, but as most of us are very aware, in August 2019, the conditions at YRTC Geneva reached a crisis point. In the weeks and months that followed the crisis at Geneva, it became apparent that the breakdown within the YRTCs had been many months in the making and that long-term planning and oversight were lacking. In October 2019, DHHS released a draft YRTC business plan. Among other things, this new plan proposed to create a new YRTC in Lincoln at the Lancaster County Youth Services Center and to make Kearney the hub of the YRTC system. Within days after the release of the draft business plan, the Legislature heard from the juvenile court judges who expressed concerns with these changes, as well as frustration that the plan was developed without input from the courts. Additionally, many of us in the Legislature were concerned the DHHS plan to reorganize the YRTC model on a condensed timeline-- on a condensed timeline without consultation or input from the Legislature

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or other key stakeholders with experience and expertise in youth rehabilitation and treatment. In response to the crisis at Geneva and the department's proposed changes to the YRTC's, the Legislature enacted a series of measures during the 2020 session. Among other measures, we required DH-- DHHS to develop a five-year operations plans for the YRTC's. The need for a special oversight committee really arose from the fact that the YRTC's involved the subject matter of a number of different committees. The Judiciary Committee, the Education Committee, the Appropriations Committee, and the HHS Committee all have important roles to play with respect to the YRTC's and the programming, education, and future of the youth who are sent to these facilities. Last session, the Executive Board and the body agreed that the combination of expertise and oversight was needed and so the YRTC Special Oversight Committee was created. However, because of our prolonged recess period last year due to COVID, the YRTC bills were not signed into law until August, which meant the oversight committee had only a brief window of time to carry out its duties. Despite this tight timeline, the committee engaged in a very deliberate fact-finding process, which included a series of briefings, tours, and a public hearing. Our fact-finding culminated in the YRTC Special Oversight Committee's December 15, 2020 report to the Legislature, which included a number of thoughtful recommendations for the Legislature and the Department of Health and Human Services. One of the oversight committee's recommendations for the Legislature is to extend the YRTC Special Oversight Committee. I will tell you, I'm excited about some of the opportunities that we've identified for future positive change at the YRTC's, which highlight the need for continued involvement of the oversight committee. First, DHHS and the Department of Education have been collaborating to develop a plan for the future of the schools at the YRTC's. The oversight committee has seen some of the challenges with educating youth in these settings, including funding and special education issues, and I think this is likely to be a big part of the special committee's work over the interim. Second, DHHS presented their five-year operations plan for the YRTC's to the Health and Human Services Committee on March 9. Several elements of that plan call for the continued engagement of the oversight committee. We know that facilities are an issue and the department has expressed a desire to work with the oversight committee to address those facility problems, as well as challenges related to staffing and programming. There are a couple of other bills introduced by the HHS Committee which will facilitate the oversight committee's work. LB425, which will be part of the HHS Committee's priority package, will fund a needs assessment and cost analysis for an inpatient adolescent psychiatric unit or a psychiatric residential treatment facility at Lincoln Regional Center, which will address the

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programmatically continuum of care needs, and LB426 in the Appropriations Committee, which will fund a cost analysis for capital improvements at YRTC Kearney. Nebraska has made some significant strides toward improving our YRTC system in the last couple of years. However, we know from the events in August 2019 that a lack of oversight can undo a lot of progress in a short amount of time. Extending the YRTC Special Oversight Committee through the end of this year will ensure continued involvement and oversight by the Legislature as the state works to rehabilitate the youth in our juvenile justice system. And with that, I would urge the adoption of LR26 [SIC-- LR25]. Thank you, Mr. Speaker.

**HILGERS:** Thank you for your opening, Senator Arch. Debate is now open on LR25. Seeing no one in the queue, Senator Arch, you're welcome to close. Senator Arch waives closing. The question before the body is the adoption of LR25. All those in favor vote aye; all those opposed vote nay. Have all those voted who wish to? Record, Mr. Clerk.

**ASSISTANT CLERK:** 32 ayes, 0 nays on the adoption of the resolution.

**HILGERS:** The resolution is adopted. Next resolution.

**ASSISTANT CLERK:** Mr. President, LR29, introduced by Senator Machaela Cavanaugh, calls for the Executive Board of the Legislative Council to meet and appoint a special committee of the Legislature to be known as the Eastern Service Area Child Welfare Contract Special Investigative and Oversight Committee of the Legislature. It was referred to the Executive Board. The Executive Board reported to the Legislature for further consideration with amendments.

**HILGERS:** Thank you, Mr. Clerk. Senator Machaela Cavanaugh, you are welcome to-- recognized to open on LR29.

**M. CAVANAUGH:** Thank you, Mr. Speaker. Good afternoon, colleagues. I rise today to ask for your support of LR29, which enacted-- which, which, if enacted, would create a special investigative oversight committee to look into the procurement process that ultimately resulted in the Eastern Service Area contract for child welfare with Saint Francis Ministries and the Department of Health and Human Services. I'd like to share a brief background on how we came to have an Eastern Service Area in child welfare. It started back in 2002 when Nebraska was found by the federal Child and Family Services Review to be out of compliance with all seven child well-being, safety, and permanency standards. From there, the state went on an endeavor to improve our child welfare system, resulting in 2008, under the Heineman administration, beginning to privatize our child welfare.

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DHHS in, in 2008 began planning to give private agencies greater authority over the delivery of servants-- services. In July of 2009, DHHS issued \$7 million in contracts to six private agencies to help them plan and train for privatization. By November 1, they were providing \$110 million to six lead agencies. On November 2, one of those agencies withdrew from the Central Service Area, citing limited funding. By April of next year, additional agencies were no longer providing services and another agency filed for bankruptcy five days after that. By July of 2010, one-third of the service area was relinquishing control. In 2010, it was in the span of about ten months that we deprivatized our very short-term privatization of child welfare for the whole state. And because of the large portion of the Eastern Service Area being Douglas and Sarpy County, it was not feasible at that time to deprivatize and so we moved forward with a contract that ultimately-- it was under a different name, but ultimately came to be known as PromiseShip. Skipping forward to 2019, in February of 2019 after a previous bid had failed to elicit enough support and they had-- I'm sorry, I'll back up. In 2017, there was a bidding, bidding process that failed, so there was an emergency contract extended to PromiseShip for two years. In 2019, they endeavored a new bidding process. In February of 2019, PromiseShip and Saint Francis Ministries applied for the Eastern Service Area contract. In June of 2019, it was awarded to Saint Francis Ministries at 60 percent less than what it was currently under PromiseShip. As you can imagine, that set off quite a few alarm bells for a lot of people across the state, including many in this body. So that endeavored us on a very long journey and I will try to give you the truncated version of it because it is extensive. We had the bid. We accepted the bid. There was a lawsuit from PromiseShip. They withdrew the lawsuit because the department moved up the contract deadline-- the initiation of the contract from January to October and we've been dealing with the repercussions ever since: lost finances, financial malfeasance in the state of Kansas, paying \$10 million to backfill what Saint Francis Ministries owes to the state of Kansas. And that brings us here today. We still have so many unanswered questions about how we got here and how we can move forward. Former head of Department of Health and Human Services Kerry Winterer came and testified in support of this resolution. He was the one that was in charge of the transition to deprivatize a segment of the state back in 2010-2011 under Governor, Governor Heineman. It's time for us to do something different by the children of Nebraska, but we shouldn't act rashly. We should know what's happened, how we got here, and how to appropriately move forward. So I will ask that you all support this resolution moving forward to create a special investigative oversight committee so that we as a Legislature can do our jobs and ensure the safety and

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well-being of the children of Nebraska moving forward. I will be happy to take any questions anyone has and I yield back to the chair.

**HILGERS:** Thank you for your opening, Senator Cavanaugh. As the Clerk noted, there are committee amendments. Senator Hughes, as Chair of the Executive Board, you are recognized to open on AM595.

**HUGHES:** Thank you, Mr. President. Good afternoon, colleagues. Committee AM595. The committee amendment strikes some of the "whereas" provisions so that the study focuses primarily on the Department of Administrative Services and the Department of Health and Human Services with respect to the award implementation and oversight of a child welfare contract and the bid process. The amendment also makes changes to the membership of the special committee, including removing representatives from the Education Committee and adding members from the Government Committee. The membership would then include two members from Health and Human Services Committee, two members from the Appropriations Committee, two members from the Government Committee, two members from the Judiciary Committee, and one member at large of the Legislature who is a resident in the Eastern Service Area. The committee amendment further strikes references to studying quality of care and related staffing issues of the contractor, the contractor's interaction with families and children, and permanent-- and placement decisions. I urge your adoption of LB595. Thank you, Mr. President.

**HILGERS:** Thank you for your opening, Senator Hughes. Debate is now open on AM595. Seeing no one in the queue, Senator Hughes, you're recognized to close. Senator Hughes waives closing. The question before the body is the adoption of AM595. All those in favor vote aye; all those opposed vote nay. Have all those voted who wish to? Record, Mr. Clerk.

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

**HILGERS:** The amendment is adopted. Turning the debate on LR29. Senator Flood, you're recognized.

**FLOOD:** Thank you, Mr. President and members. As I understand it, we're creating a special committee of the Legislature today and I was interested to get some more information. Senator Cavanaugh, Senator Machaela Cavanaugh, would you yield to a question?

**HILGERS:** Senator Machaela Cavanaugh, would you yield?

**M. CAVANAUGH:** Yes.

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**FLOOD:** So, Senator Cavanaugh, you have brought this forward. Does this-- and I might have missed this-- does this special committee of the Legislature have subpoena powers?

**M. CAVANAUGH:** Yes, it does.

**FLOOD:** And what types of-- do you imagine this committee using these subpoena powers?

**M. CAVANAUGH:** I do, yes.

**FLOOD:** What-- do you think that there's a way to interact with the executive branch here in a way that you can get voluntary compliance before we go down the road of using subpoenas?

**M. CAVANAUGH:** I believe that that avenue has been exhausted at this point.

**FLOOD:** Tell me more.

**M. CAVANAUGH:** Well, if you-- I can direct your eyes to-- under there, there are three large binders of materials that I have requested through records requests and gotten as far as I can with that information. We have had numerous briefings with the agency and members of the Saint Francis Ministries in which we have not always had the most forthright responses to our inquiries and I think that the only way to get to the heart of the questions and getting them answered is to have that subpoena power. We also in December had a briefing with both-- and-- both Saint Francis Ministries and the director of HHS and staff and they declined to come to the briefing. It turned out during that time, that they had been negotiating a new contract because they had been informed about the financial insolvency of Saint Francis Ministries. Now they never informed us of this. This is just what I've discovered through the timeline of the materials that I have requested.

**FLOOD:** OK, the reason I ask that question is that if this body is going to empower this special committee of the Legislature, we have to know that these powers are included within the authority of the special committee and everybody here has to know that granting a special committee the power to use these subpoenas is a big deal. And we have to know when you vote on this, that if the committee, however it's comprised and appointed by the Legislature's Executive Committee, are granting these powers-- and my personal opinion on a subpoena is that if you're going to give the power and they're going to issue the subpoena-- and we're in this together as a Legislature, whether you

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are for it or against it. If the Legislature issues a subpoena, our branch of government's authority, reputation, our credibility is on the line. And I will tell you, I'm going into this knowing that we've given them that authority. I didn't advocate for it. It's in the bill. But if we send out a subpoena and then people in this body work to undermine it, that is taking a step backward as a branch of government. Because if we're going to speak with one voice and then-- and in this case, we are speaking with one voice-- and I'm not even weighing in on the subject matter. I'm just saying that if we issue a subpoena, we better be willing to back it up. We better be willing to follow up and we better be willing to demand that we get what we want if the membership of this committee sees fit. And I know that hasn't always been the case in the last couple of years and I know that's somewhat controversial, but I am somebody that believes that if you're going to issue a subpoena, then we're all in this together. You don't get to blink because if you blink when we send it out because you don't agree with the politics, the next time you need it, somebody else is going to blink and we're going to be an uncredible branch of government. And so I feel very strongly about this--

**HILGERS:** One minute.

**FLOOD:** --and I am ultimately going to vote for this. I hope that you don't have to use subpoenas. In fact, I hope that you do everything you can to avoid it and I hope that just the very fact that you have it, you get the information. I also hope that you use it wisely and only on the things that you absolutely need, not on a fishing expedition because this is serious business when you start compelling these kind of documents and this kind of testimony and if we abuse it, we also hurt our credibility. Thank you, Mr. President.

**HILGERS:** Thank you, Senator Cavanaugh and Senator Flood. Senator Groene, you're recognized.

**GROENE:** Thank you, Speaker, I, I fully understand there's a problem and we need, as a Legislature, the oversight, but I-- the problem I have is the makeup of the committee. There's 49 of us here. I can understand the Chairman of the Human-- Health and Human Services Committee being on it maybe for sure because the bill-- any bills concerning it would come through that committee and maybe the Vice Chair. I don't understand the Appropriations Committee, what they would have-- why they are special. I understand we do fund HHS-- I don't understand why the Judiciary Committee is special and why they're on-- two members of those, we're not talking about legal matters here, and I surely don't understand two members of the Government, Military and Veterans Affairs Committee and only one

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at-large. There are members of this Legislature that are not on committees that have expertise in certain areas that would-- would fit well into some of these special committees. Senator Cavanaugh, would you-- could you answer a question, explain to me how you came up with the makeup? I know that the committee changed it some and went-- you had three of one and three of another, but how did you come up with these that members of these committees are the ones who should speak for the entire 49 Senators?

**HILGERS:** Senator Cavanaugh, would you yield?

**M. CAVANAUGH:** Yes. Yes, Senator Groene, I did initially have a different makeup of the committee. It was through conversations with members of the Exec Board that I realized and agreed that members of the Government Committee should be part-- participating because we're talking about procurement, which is also similarly as to why members of the Appropriations Committee should be participating, because, again, of the procurement issues. Judiciary, because we are dealing with children that are system-involved and wanting to make sure that we have the oversight of people who-- who are more familiar with the, the judicial system. And, of course, HHS, because we have oversight over child welfare generally. Then additionally, one at-large member so that we could have-- ensure that we had an adequate representation of the Eastern Service Area on the board.

**GROENE:** OK.

**M. CAVANAUGH:** We wanted to keep the committee to nine. And so the only way to do that and accommodate all of those categories was to eliminate the Education Committee from the group.

**GROENE:** So this Saint Francis only covers eastern Nebraska?

**M. CAVANAUGH:** Yes, the Saint Francis Ministries Eastern Service Area contract is only for Sarpy and Douglas County.

**GROENE:** Give me a little lesson here. I know you're on HHS Committee, who handles the rest of the state?

**M. CAVANAUGH:** The state does.

**GROENE:** The state does through the HHS?

**M. CAVANAUGH:** Yes. So we attempted in 2009, 2010 to privatize the entire state of child welfare. It failed in the course of nine months and we brought back two-thirds of it into the state by the end of



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2011, I believe. And then-- but the Eastern Service Area remained because it was too large to bring back in at that time. And it's been sort of cobbled-together situation since then, one that we continue to grapple with.

**GROENE:** All right. Well, thank you.

**M. CAVANAUGH:** You're welcome.

**GROENE:** I just wish there was a broader representation from the entire body in a situation like this. Thank you.

**HILGERS:** Thank you, Senator Cavanaugh and Senator Groene. Senator Erdman, you're recognized.

**ERDMAN:** Thank you, Mr. Speaker. I was listening to the conversation that, the information that Senator Flood was sharing with us. I was wondering if the Senator Flood would yield to a question.

**HILGERS:** Senator Flood, would you yield?

**FLOOD:** Yes.

**ERDMAN:** Senator Flood, having served eight years prior, did you have this situation happen where you formed special committees?

**FLOOD:** Yes.

**ERDMAN:** And was it a common occurrence, a couple of times, or do you know?

**FLOOD:** I believe it occurred twice, once for the Beatrice State Developmental Center and I can't recall the second.

**ERDMAN:** OK.

**FLOOD:** Maybe it was the beginnings of Corrections, maybe not.

**ERDMAN:** All right. Thank you. So when-- when those were created, was it just for a short period of time or was it an ongoing committee or how-- do you remember how that happened?

**FLOOD:** Well, I think that the Supreme Court would say that you can't-- and I shouldn't even say. My sense is that either there's a termination date in the resolution or it doesn't outlive the legislative, you know, what are we the One Hundred Seventh Legislature?

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**ERDMAN:** Correct.

**FLOOD:** So it'd be for two years.

**ERDMAN:** OK, thank you. I appreciate that. You know, it's good sometimes to have some institutional knowledge and history of what happened before. Senator Cavanaugh, Machaela Cavanaugh, will you yield to a question?

**HILGERS:** Senator Cavanaugh, would you yield?

**M. CAVANAUGH:** Yes.

**ERDMAN:** Senator Cavanaugh, and this may be a difficult question to answer, but what information do you think that you may discover? What are you looking for when you have this special committee formed that you can't get now?

**M. CAVANAUGH:** Well, to Senator Flood's point, it is not a fishing expedition. I think any fishing has been done up to this point. It's getting clear, concrete, direct answers to the unanswered questions, which I have many and I am happy to share them with you. I thought it might be tedious if I read them.

**ERDMAN:** OK. Can you give me an example of one question you may try to get answers to?

**M. CAVANAUGH:** Sure. Why was Saint Francis Ministries not obligated to provide DHHS with its audited financials for 2018 as part of the bid?

**ERDMAN:** OK. Have you asked that question to the department?

**M. CAVANAUGH:** Yes.

**ERDMAN:** And their answer was?

**M. CAVANAUGH:** It wasn't necessary.

**ERDMAN:** It was unnecessary?

**M. CAVANAUGH:** Yes.

**ERDMAN:** OK. I've seen that in the hearing-- I read the transcript of the hearing and Director Smith was there and had answered several questions. In her testimony in answering her questions, did she give any indication or shed any light on any of the questions you may have had?

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**M. CAVANAUGH:** Any of the questions that I may have had?

**ERDMAN:** Yeah, things you were looking for with a special committee, were they not answered in the committee hearing when your resolution came before the Executive Board?

**M. CAVANAUGH:** Oh, the the hearing for this resolution--

**ERDMAN:** Correct.

**M. CAVANAUGH:** --did she answer any questions. No, no, she did not.

**ERDMAN:** OK. So-- so evidently you're thinking that the information as given to the Health and Human Services Committee, which I believe you're a member, correct--

**M. CAVANAUGH:** Yes.

**ERDMAN:** --have been insufficient to answer the questions that you need to have answered?

**M. CAVANAUGH:** Yes.

**ERDMAN:** And you also may have heard Senator Flood and his comments about this is a very serious issue and if you do subpoenas, it puts us all in a different light. Would you agree with that?

**M. CAVANAUGH:** Yes.

**ERDMAN:** OK. I just want to make sure I-- I'm still yet trying to figure out whether this is necessary or not, but I appreciate you answering the questions. Thank you.

**M. CAVANAUGH:** Yes. I'm happy to share additional questions with you if you'd like off the mike.

**ERDMAN:** Thank you.

**HILGERS:** Thank you, Senator Cavanaugh, Senator Flood, and Senator Erdman. Senator Kolterman, you're recognized.

**KOLTERMAN:** Thank you, Mr. President. I rise in support of LR29, and I've got a whole bunch of information put together that I could read and comment on, but the reality is, this is-- this is long past due. For three years now, I've carried a bill that deals with the procurement process in the state of Nebraska. And I've had the administrative aspect of our government thumb their nose at us. I

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brought it to the Government Committee this year. It won't come out of committee. Prior to me carrying a bill about procurement, Senator Schumacher carried a bill and nothing's been done. If the bill that I had brought last year had been advanced to the floor and talked about, we might not be in the situation we're in today. Ladies and gentlemen, Senator Flood is absolutely correct, this is serious, serious business. We have millions and millions of dollars of bids coming up in the future. We've got managed care coming up in the next couple of years. That's a billion dollar proposal. Billion spelled with a B. We can't afford not to have some sort of an appeals process if we don't get the bid. If somebody-- and if we don't have something in place that we can-- that we can appeal a procurement bid, we're going to pretty soon have bidders that aren't going to come to the table and say, I want to bid on that. So not only do we need to get to the bottom of this situation where PromiseShip didn't win this bid, but Saint Francis won the bid, but we need to figure out how we're going to set up a procurement process that's going to benefit the state. The bill that I brought, LB61, was patterned after Iowa. It gives judiciary-- a judiciary appeal process. And it was-- and it's modeled after the Bar Associations program. And so I think that this is very serious stuff. We need to make sure that this bill advances. We need to come together as a body and understand that if we're going to continue to be players in this-- in large contracts, mine said 10 million or more. You could say 100 million, and we'd still have plenty of bids over 100 million. But we've got to have a process in place where a bidder knows that they're going to get a fair shake in the event that they don't get the bid and they're going to have an appeals process that they can use. So with that, I would encourage us to support LR29, get behind it and let's find out where we went wrong, correct the problems and move forward. Thank you very much.

**HILGERS:** Thank you, Senator Kolterman. Senator Moser, you're recognized.

**MOSER:** Thank you, Mr. Speaker. I was wondering if I could ask Senator Arch some questions.

**HILGERS:** Senator Arch, would you yield?

**ARCH:** Yes.

**MOSER:** OK, Senator Arch, you're Chairman of HHS Committee, is that correct?

**ARCH:** That is correct.

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**MOSER:** OK, and do you have concerns about how this contract was fulfilled?

**ARCH:** Absolutely, I do, yes.

**MOSER:** And you feel the majority of the members of the committee feel like you?

**ARCH:** I do. I think we had a-- we had a very full briefing from CEO Smith and-- and, yes, there-- there were a number of issues that were raised and-- and yes, it was-- it-- it did not end well.

**MOSER:** OK. So what happens if we don't go ahead with this resolution? Would it fall back then to your committee to investigate this and move forward?

**ARCH:** Yes, it probably would. The advantage of a special committee is-- is the ability to pull in other expertise, as Senator Kolterman was talking about. Procurement, Department of Administrative Services, I think were-- were-- were aware on how things are organized. The Department of Administrative Services handles-- handles the purchasing, the procurement and the-- the other service side depart-- DHHS is-- is providing those services. And so, yeah, there were-- there were a number of issues in procurement. So the-- the benefit of having appropriations that handles some of that would be very beneficial as well as the other members that are identified here.

**MOSER:** But why not have HHS do the majority of the work when they have the most feel-- familiarity with the project at hand and how it would-- how the contract was fulfilled? I mean, you already have members of your committee who are very immersed in all this information, why start with another committee and create, you know-- and you're going to put people on there who are not on HHS and they're going to have to get up to speed. I mean, do you think there's an advantage to having people on this committee that are not on HHS?

**ARCH:** I do. I think that, yes, certainly the HHS committee holds the content knowledge of-- of the contracts and what services are being provided and all of that. And that's-- that's a big piece of what we're dealing with here. But there-- but there are other pieces that HHS does not hold. The committee does not hold. And we saw the benefit of that with the YRTC Oversight Committee. And we would-- we would see that with this committee as well.

**MOSER:** Your committee could ask the Executive Board for a subpoena if they-- if people were not responsive to your questions, is that true?

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**ARCH:** That is my understanding, yes, the committee.

**MOSER:** So what if you create a new committee that the Executive Board nominates them and they come up with a committee of people who don't have the burning desire to investigate this and try to fix it, what if you get a bunch of people on there that are interested in other things rather than this and then nothing happens? That's my question.

**ARCH:** Well, I think the Executive Board would seek those individuals that have that interest and have-- and have the willingness and the time to commit to something like this. This is not a small commitment to be made and so I'm sure that that would be one of the questions the Executive Board would be asking.

**MOSER:** Yeah. I just think that the HHS committee is-- has the most knowledge in this area, has the most passion for it and, you know, it may be the best place for it, I don't know. I could be wrong. Thank you very much.

**HILGERS:** Thank you, Senator Arch and Senator Moser. Mr. Clerk, for an amendment.

**ASSISTANT CLERK:** Mr. President, Senator Hughes would move to amend with FA6.

**HILGERS:** Senator Hughes, you're recognized to open on FA6.

**HUGHES:** Thank you, Mr.-- Thank you, Mr. President. As with all good legislation, when we get into the serious debate of an issue, it does spark interest and different thoughts of people who are outside the committee who look at an issue, especially when it comes to wording of a bill. And the question came up to the way the resolution is worded to make sure that we did follow our statutes that if there is a subpoena to be issued by any standing or special committee, it does have to have the approval of the Executive Board. So I need to get that on the record so we're very clear that that is the case with this legislative resolution. Also, it was pointed out there-- there-- there is not an end date to this. It does state that there has to be a report issued by December 1, 2021. It does-- my amendment also includes an end date of December 31, 2021. Thank you, Mr. President.

**HILGERS:** Thank you for your opening, Senator Hughes. Debate is now open on FA6. Senator Vargas, you're recognized.

**VARGAS:** Thank you much, everybody. Thank you very much, Speaker. I just wanted to add a few things here. I served as Vice Chair of the

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YRTC Oversight Committee. I wanted to just react to this-- at least one of the lines of thought that we're fishing. You know, when I-- when I view the difference between an oversight committee and investigate committee, I think some of the feedback we received on the oversight side that we were sort of micromanaging. Now there's still debate on whether or not we were. Sometimes micromanaging is needed when something is not getting done and I think both under the leadership of Senator Howard and Senator Arch, we've tried to balance that. So I do appreciate Senator Arch's leadership on that. But at the end of the day, we're not trying to micromanage them under this-- under this resolution. We are trying to investigate how something like this never happens again. And the main reason why that matters to a member on Appropriations like me is when I see that there's a bid that for all intents and purposes from PromiseShip that is largely the same as the one from Saint Francis, and the only fundamental difference is cost, but PromiseShip met all the standards and had higher marks across the board on every other metric that we would be evaluating a bid and we go with the lower bid, that is a concern to me because now we're actually paying more money to Saint Francis and the difference is no longer about the cost, really. And so we're paying for a product and a set of services that is less than on every other metric and that's because of a whole set of circumstances that we are unclear as to why. So I stand in support of LR29 very simply because I don't think we're trying to find sort of a fact-finding in its own. In order for us to develop and make sure this never happens again, it is incumbent that we have a broad committee that can do just that, because when these things come back up to us on Appropriations, it is not a fun conversation for us to have about where we're going to take that money from. So, colleagues, I urge your support of LR29. It is a reasonable ask for us to make sure we're investigating this and finding out how we do things differently, and I appreciate your time. Thank you.

**LINDSTROM:** Thank you, Senator Vargas. Senator Arch.

**ARCH:** Thank you. I want to-- I want to point out some of the language in LR29 and draw your attention to some of the language, because I think it's very instructive. There's three things as I see this LR focusing on. One is studying the Department of DAS and the Department of HHS with respect-- with respect to that contract process itself. Now, in that process, while-- while we've had some discussions about DHHS and responsiveness and so forth to questions, that-- that-- those questions have been presented by an individual senator, we have those-- we have those responses going back and forth all the time. The briefing that we received by CEO Smith was very thorough. I-- I'm not

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sure, I don't-- I don't necessarily hold to the same perspective that Senator Cavanaugh, Machaela Cavanaugh holds on that subpoenas will be absolutely necessary. I think that we-- I think we'll see cooperation, but DHHS was one part of the equation. The other part of the equation was Saint Francis. And-- and what exactly-- what exactly did they do when they proposed a bid that was 40 percent lower than the PromiseShip bid? Did they know that they were-- that they were not going to be able to achieve those dollars, that-- that they knew that they were not going to be able to achieve those numbers? And how did that contracting occur from the Saint Francis side? So this is not just DHHS that we're talking about, but we want to-- we want to see both sides of that equation. And I agree, it is with Senator Vargas who-- who served with me on the YRTC Oversight. This is about-- this is about making sure that this doesn't happen again. This-- this is just-- we have gone through too many rounds of disruption of our child welfare program. We have gone through several of these where things just didn't work out and we need to stop that. We need to understand how we prevent that from going forward. So DAS is one of those. The second is-- is studying the-- the circumstances and creation submission-- and surrounding the submission of the bid, and the third is the investigating the placement and quality of care. I have another-- I have another bill that I introduced this year, and that is for-- and that is to complete a study by the end of the year on really the history of the last 10 years or so of our child welfare case management system and the privatization effort that we put into Douglas and Sarpy County. Is this something that we want to continue? So these are big issues. These are-- these are large questions. We-- we, I say collectively, we as a body, I'm sure, are determined to not continue to repeat the cycles that we've had with our child welfare contract. And I think that this is a step in that direction. But that-- that was-- that was a question that was raised. The other-- the other to Senator Hughes and the-- the-- the floor amendment that's here right now putting a termination date on the end of this year, I-- I feel strongly that we need to move quickly, that this is not something that we just-- that we just prolong and drag out and keep asking more questions. We get to the point. We answer the questions. We produce the report. And-- and with that, I do support termination of the-- of the-- of this oversight committee at the end of this year. That's exactly what we did with the YRTC committee last year. We-- we-- we termed it at the end of '21. Now we have come back, or at the end of '20, we have come back and asked for an extension for another year. We may come back and ask for an extension of this particular committee, if this is-- if this bill passes, if this resolution passes. But I think that we need to stay laser focused. We need to get the report done. We need to get our questions answered and-- and-- and



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make sure that we have the systems in place so that this does not happen again. Thank you very much.

**LINDSTROM:** Thank you, Senator Arch. Senator Williams, you're recognized.

**WILLIAMS:** Thank you, Mr. President, and good afternoon again, colleagues. And I have the pleasure of serving on the Health and Human Services Committee also. I really appreciate the last number of statements that Chairman Arch has made in bringing that to light. As a member that's been there through this whole process, I will tell you, there's a lot of words that I could use to describe what has happened with Saint Francis and those words you wouldn't like to hear. The one that is probably most important to me is just the word disappointment. And disappointment in a lot of things and I think that's what we are looking at with this special investigative committee. But the disappointment starts with the fact that we have clearly failed some of the most vulnerable citizens of our state by the actions taken by our state and the responsibility of our state in this issue. And Senator Arch outlined what we would like to see accomplished with all of the discussions that have happened around the special investigative committee all the way from the procurement issues, the ongoing management of this contract, but for some of us, the most important thing will be looking to the future, recognizing the mistakes that have been made and being sure that those are-- are not repeated and doing our best to get this right for the future. And that's why I think it is important that someone other than just the HHS committee be involved with the special investigative committee. I would tell you, I'm proud of the committee members on HHS, but I do not believe our seven-person committee is equipped with the expertise to handle the issues that will be faced by this investigative committee. There are issues that we do have expertise in. We do sit there and have heard many hearings, many goods, bads and uglies about the whole thing, but we don't always deal with the money issues. And I think it's necessary that people with expertise in the appropriations process, the procurement process, are there. I was around the juvenile justice issues that we had a number of years ago, and I saw the the need on that to have people that have specific expertise with our Judiciary Committee and being lawyers, asking the tough questions, analyzing the situation, being able to make recommendations to the other committee members on how to handle these things. So I fully support that we have a diverse committee that has members of HHS, members of Judiciary, members of Government, and then, of course, the at-large member. I think that is what really makes sense for us long-term, so I will be supporting that. I hope that helps people in

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understanding why the HHS committee themselves is not the best equipped to get us the right answers for the long term and assure that these vulnerable citizens of our state have the best service and the best quality service that they deserve. Thank you, Mr. President.

**LINDSTROM:** Thank you, Senator Williams. Senator Matt Hansen, you're recognized.

**M. HANSEN:** Thank you, Mr. President, and good afternoon, colleagues. Colleagues, I do rise in support of LR29. I think the surface level of information that we have about this contract and about the Eastern Service area is well-above the threshold for me personally in terms of what we should trigger and what should trigger a special oversight and some sort of special focus and attention of the Legislature. I have the pleasure of serving on the Government, Military and Veterans Affairs Committee, and we did hear the hearing that Senator Kolterman discussed in his remarks earlier. And I do think, in addition to the specific contract, the overall procurement process for the state of Nebraska probably deserves some scrutiny and I think it's a worthy addition to include members of the Government, Military and Veterans Affairs Committee. What I wanted to address, though, in my time, in my few minutes up here is why a special committee? And I think the blending of knowledge and the blending of expertise and-- and things from across the board is important, and I think that's worthy on its own when the Legislature has identified an issue that is this egregious and this stands out as needing some oversight or needing some correction. And I think the selections that the Executive Board made in that earlier amendment that we adopted, the committee amendment, are well-thought-out to blend the different committees that touch on procurement, on criminal justice, on health and human services and so on and so forth as they all intersect with this contract. What specifically I wanted to talk about and this is echoing Senator Flood's remarks from earlier is-- is the importance and context on a legislative subpoena. I will remind colleagues that a few years ago, when I was on the Judiciary Committee, the Judiciary Committee sought permission from the Executive Board under then Chair, Senator Watermeier, to subpoena the Department of Correctional Services. And we did that as our own standing committee under our own investigative power, under news we had gotten towards the end of session. That was tied up in a lawsuit for multiple years, and ultimately, we never got the opportunity to actually enforce the subpoena because the Supreme Court ruled it was moot because they ran out the clock in that legislative session. And we had ultimately had new [INAUDIBLE] to the Legislature and a new Judiciary Committee, including myself, who was no longer on the Judiciary Committee. And I

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bring that up to say that when we're discussing an issue of this heightened and this importance, we've tried allowing it for just a standing committee before and did not have as clear of success as I believe we've had on some of these special oversight or special investigative committees, whatever term you would like to use. So I bring that up. And I think that is something that when there's an issue that I think we have broad consensus in the body is of heightened importance. I think we definitely know it's of broad importance to senators to use their personal priority just on the sheer act of oversight. I think knowing that we're kind of approaching an impasse, that as we heard Senator Arch, Chairman Arch say that, you know, the current discussions and briefings in front of the HHS has left a number of committee members wanting still more information. I think we are really at an appropriate point to consider moving forward with a special, dedicated committee in order to look into this. And I think we've had a wide variety of success in the past in terms of when an issue pops up using committees like this to examine the issues. Senator Flood earlier mentioned the special committee on the Beatrice State Developmental Center. That was prior to my time. Certainly there was-- been a number of special committees related to Corrections issues.

**LINDSTROM:** One minute.

**M. HANSEN:** Thank you, Mr. President. And I'd also note that we had a special committee that I got to serve on briefly for Access Nebraska, where our Access Nebraska system was over, of course, of a few years, went from being an outlier and one of the worst in the country to meeting goals and benchmarks, in part due to the increased legislative oversight helping the department figure out what they needed to do to resolve the issue. For all of these reasons, I think it's very appropriate for the Legislature to support Senator Cavanaugh's resolution to adopt and to pass LR29 today. With that, thank you, Mr. President.

**LINDSTROM:** Thank you, Senator Hansen. Senator McCollister, you're recognized.

**McCOLLISTER:** Thank you, Mr. President. Good afternoon, colleagues. This has been a particularly useful debate. I want to thank Senators Arch, Kolterman, Flood and Matt Hansen. As Senator Flood indicated, preparing a resolution of this sort is serious business, particularly if you're going to issue a subpoena power to the committee. And as a Senator, I participated in one of those events when I participated on the Executive Committee. So it is serious business and it's something we should not undertake without due consideration. Secondly, Senator

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Kolterman brought up the procurement bill that came before the Government Committee. That bill needs to move out of committee, definitely needs to move out of committee. We need to reform how we enter in some of these important contracts. And we spent needless millions of dollars because we didn't do that properly. Third, I'm a little concerned about the floor amendment under this-- this LR which I endorse. I think we should underpromise and overperform. Yes, we should undergo this process and do it expeditiously, but it should occur or give us having the authority to go clear through the One Hundred Seventh legislative session, which would give us a year and a half. I'm not sure we can do it in six months that we would have remaining in this year. So I really think we should reconsider-- or consider defeating the Hughes floor amendment. This is an important consideration for this body to undertake. And I would hope that, that we can-- you'll give a green vote to the LR29. Thank you, Mr. President.

**LINDSTROM:** Thank you, Senator McCollister. Senator Erdman, you're now recognized.

**ERDMAN:** Thank you, Mr. President. Happy birthday. So as I listen to the conversation here today, it leads one to believe that Director Smith hasn't shown up to answer questions or to present the case from the HHS. I don't think that's the case. I think last September they had a hearing that they didn't attend, but I think that was because of the other things that they were dealing with. And so maybe I could ask Senator Arch a question about that.

**LINDSTROM:** Senator Arch, would you yield?

**ARCH:** Yes, I will.

**ERDMAN:** Senator Arch, share with me, if you would, off of the mike-- when we were-- talked off the mike about the issue. Senator, or Director Smith didn't come one time like in September, is that correct?

**ARCH:** Yeah, it was-- I was-- I was trying to recall the dates. I should have had them at my disposal, but-- but there was a request early. CEO Smith sent back a response that said COVID is totally consuming them and they do not have the ability to-- to provide a briefing at that time.

**ERDMAN:** OK.

**ARCH:** That was when Senator Howard was Chairing.

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**ERDMAN:** But other than that, do you find her receptive and responsive to your requests?

**ARCH:** She-- she brought in a very thick binder in a-- in a subsequent briefing after the first of the year and provided us with a tremendous amount of-- of detail. I myself have-- have-- have great relationship with CEO Smith and found her to be transparent with me.

**ERDMAN:** OK, very good. So the hearing date on this resolution, I believe if I looked it up, was like February the 10th and that was a day or a week when it was real nice and warm. Do you remember when that was-- remember that?

**ARCH:** I do.

**ERDMAN:** Yeah. And I think that's one of the issues also why SFM wasn't there. They probably were under COVID restrictions as far as traveling, but I would think with what I've seen and read in the description of the questions and the transcript about the hearing on this LR, that Director Smith was there to answer questions in any way she possibly could and tried to share honestly about what she knew about the contract. And I think also in the discussion, I read that when this contract was put in place, I don't believe she was part of that. I think she was part of it when it was implemented, but I don't think she was part of the instigation of this contract-- so implementation. So I think, you know, she's maybe getting some credit for something that she didn't do. So as we move forward with this vote, all of those things that I've said, you must feel like you're not getting the information you need to get or you need this committee to be formed, is that correct?

**ARCH:** Yes. And I want to clarify one thing, because St Francis did-- did appear at the briefing as well. We actually had a delay with a storm. It was to happen the week before. We delayed it for a week so Francis-- Saint Francis could come. They came and they were also very, very transparent in their presentation.

**ERDMAN:** OK.

**ARCH:** So, yes.

**ERDMAN:** All right, thank you. So in light of those two things, you still think that the special committee should be formed?

**ARCH:** I do. And as I said-- I said previously that-- that while DHHS there may be some out-- there may be some remaining questions. I think

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that-- that there's considerable questions with Saint Francis as well and that process that occurred.

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

**LINDSTROM:** Thank you, Senators Erdman and Arch. Senator Flood, you're recognized.

**FLOOD:** Thank you, Mr. President, and members. I am having the pages pass out a copy of the statute that would, by all accounts, I think, control in what we're doing here, it's Section 5406, and you can read through, but you really have to read the entire statute because it's pretty instructive. This is the statute that this body passed. As you can see, its effective date with the revisions was November 14, 2020. And I need to read it again myself, but what I think is that if we don't adopt FA6, Senator Machaela Cavanaugh's Legislative Resolution would give the committee the ability to issue a subpoena. What Senator Hughes is doing in the first part of his amendment, in my opinion, is basically saying that we're going to treat this like we have prior committees and we're going to make the Executive Board sign off. And then the second part of his-- his committee amend-- or his amendment FA6 would end and terminate this at the end of this calendar year. At the end of the day, for me, it's not about the underlying issue of what's happening or what's happened with Saint Francis, it's how do we want to operate with the special investigative committee? There's times you want the committee to have that authority, and then there's times that you want the Executive Board to have kind of a second check on whether or not the subpoena is appropriate. If I'm Senator Machaela Cavanaugh, and this is important to her, which it obviously is, I think it's fair to her to ask members of the Executive Board how they're going to treat a subpoena if this amendment is adopted, because that's a fair question, because you don't want her intent or the intent of the Legislature thwarted. I don't see the Executive Board as a barrier because at the end of the day, a subpoena is us as a Legislature standing up and saying this is important enough that we need this. And the Executive Board in and of itself is an expression of all of us, and they speak on behalf of us when the Legislature is not in session. Now, that's a question I think that if left unamended in this situation, you'd have a-- you'd have the authority to send out a subpoena as part of the legislative investigative committee. I'll tell you something that-- that is the bigger picture for me and it took me seven and a half years to figure this out when I was here before. But when we get together as a Legislature and we decide something's going to happen, I'm not talking about the Republicans or the Democrats, the urban and the rural, when we get to that point

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where we decide we want something as a Legislature, it's realizing our full, unfettered potential. It is using this power granted to us split 49 different ways, the most effective and reasonable and awesome way possible because it is a lot of power granted to us through the citizens of 49 separate Legislative Districts. And it took me seven and a half years to figure it out, and when I was termed out, I could see the Legislature's wheels turning and there's times I see it turn well and there's times you're like, oh, I made the same mistakes when I was there before. Now that I'm back, we're better off if we're on the same page. And it's better-- we're better off having this conversation now than waiting two months and having there be indecision about what you can and can't do with a subpoena. Senator Hughes's amendment isn't the end of the world. It's a-- it's a choice to make and if you are interested and want to go down this path--

**LINDSTROM:** One minute.

**FLOOD:** --and Senator Arch has said there's value to that, then let's talk about how we're going to do the subpoenas if they arise and what people's objections might be and whether or not this is warranted. I don't think it's a bad deal at all to spend a lot of time on an issue like this if we're at the sunrise of a process that's-- that's meant to get answers for the people we represent and to get truth and to find solutions. I almost think, and I'm going to ask the Chair to divide the question on FA6, because there's really two questions here. The first question is, do we want them to have the executive branch check, and two, should it terminate at the end of 2021? And I think given the importance of this question to the Legislature as an institution, breaking it into two separate questions allows us to narrow in on the question about subpoenas and then deal with the question of the end date. I'm not necessarily opposed to having the Executive Committee of the Legislature--

**LINDSTROM:** Time, Senator.

**FLOOD:** Thank you. I would ask that the question be divided.

**LINDSTROM:** Senator Flood, would you approach the President's desk, please? Senator Machaela Cavanaugh, you're recognized.

**M. CAVANAUGH:** Thank you, Mr. President. Well, I was going to speak to the amendment, but we are currently dividing the question on the amendment, and the Clerk is working on that. So I will still speak to it a little bit. I, I just-- I think that this is quite possibly the most important thing that this body could do this year. And I think that it speaks to the-- the importance of it, the significance, the

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breadth of it, that it's something that is supported by so many members across this body to endeavor to-- to seek answers for the children that have been involved in our foster care system in Douglas and Sarpy County. There are a lot of questions, as I said to Senator Erdman earlier. One of the issues is that we have in statute the case ratios. It's 17 to 1. That is in our state statute, and Saint Francis Ministries has never been in compliance with that to the point where they weren't even in compliance in their bid. On page 93 of their bid from April 4, 2019, they specifically state that their casework ratios will be 25 to 1. In their bid, clear as day, we knew that they couldn't handle this appropriately. After the bid was awarded in June of 2019, there is email correspondence negotiating additional terms of the contract where Saint Francis Ministries was informed that, in fact, they were not in compliance with their casework ratios of 25 to 1 and that they needed to adjust their bid to be 17 to 1. After their bid was awarded, they were told to adjust their bid to 17 to 1. And do you know what their response was? We need \$15 million more. We need \$15 million more. That was in July before the contract was signed. There are red flags riddled throughout Saint Francis Ministries. A Google search would have told anyone who cared to look that Saint Francis Ministries had significant financial problems spanning years, that they had lost children, that they were forging casework visits. Let me reiterate that. That they had lost children. Lost them. Poof, gone. There were so many red flags as to why this was never a good idea, and I'm not saying that PromiseShip was perfect. PromiseShip wouldn't say that PromiseShip was perfect. PromiseShip had gone through a lot of rough times to get to where it was, but they were improving and they are-- they were working towards sustainability and security for the youth. And now we have judges in Douglas County removing Saint Francis Ministries from doing the casework for youth in the Eastern Service Area. This is happening today in Douglas County. We are currently paying Saint Francis Ministries the newly negotiated contract, which is more than the PromiseShip bid with--

**LINDSTROM:** One minute.

**M. CAVANAUGH:** --worse results. We're paying more for worse outcomes, worse results, more children lost, children sleeping in office buildings. Can you imagine if your child had to sleep in an office building, was taken from your home, from their bed, and asked to sleep on a couple of chairs pushed together? How does that make any sense? So as we work to divide the question, which I think we are possibly getting close to doing, I just ask that you all consider supporting LR29. I'm not currently in support of the FA6. I think that Senator



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Flood has talked about that and explained some of the details of that.  
I just--

**LINDSTROM:** Time, Senator.

**M. CAVANAUGH:** Thank you.

**LINDSTROM:** Thank you, Senator Cavanaugh. Senators-- Senator Flood divided the question. The Chair rules that the amendment is divisible. Mr. Clerk, will you please explain to the-- the division to the members of the body, please.

**CLERK:** I will certainly try, Mr. President. So the Chair has ruled the amendment divisible. Senator Hughes, I understand you want to take up what I'm going to characterize as sunset provision first, which if I may read to the members, on page 2, line 31, of the committee amendment that's been adopted after the period add: "The committee shall terminate on December 31, 2021."

**HUGHES:** That is correct.

**CLERK:** So that's the amendment we're on, Mr. President.

**LINDSTROM:** Thank you, Mr. Clerk. Senator Hughes, you're recognized to open on the first division.

**HUGHES:** Thank you, Mr. President. Colleagues, my apologies for opening a can of worms, but there were some issues that came up that I felt we need to have clarified and I think both of these issues need further clarification. The termination date of December 24-- or December 31, 2021, is fairly straightforward. We need to put a termination date on an investigative committee. I would urge your green vote on FA8. Thank you, Mr. President.

**LINDSTROM:** Thank you, Senator Hughes. Senators we'll return to the queue. Senator Hilgers, Senator Hughes, Senator Wishart, Senator Matt Hansen and others. Senator Hilgers-- Speaker Hilgers, you're recognized.

**HILGERS:** Thank you, Mr. President. Good eve-- good afternoon, colleagues. I rise in support of FA8, which as Senator Hughes mentioned, is just the terminal date of the particular committee. I think this is a really important conversation to have and I appreciate Senator Flood's comments. And I want to give everyone a little bit of history, because this is very important. This goes to an inherent power of this body. We have to get this right. And this history is

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very recent history and it's one that I'm very familiar with because as Chair of the Exec Board, I dealt with the outcome of this. And this relates to the Supreme Court decision relating to a subpoena that this body issued a couple of years ago in which the Supreme Court did-- went a very far way in gutting our inherent authority and to submit-- I'm sorry, issue subpoenas. Now, we addressed much of that authority that was taken away from us and I believe it's LB605, if I recall, from last year, through I think, unanimous consent of this body. But one of the lessons from that decision is that process matters a great deal to subpoenas. The Supreme Court, based on arguments from the other parties, went into depth into the process that this institution went through in order to issue that subpoena, which ultimately the Supreme Court found-- mooted but had significant concerns as to the validity of that subpoena. Now, everyone in this body, no matter where you are on any particular issue or where you are on, on this issue, ought to be very concerned and protective of our institutional ability to go seek out facts through the subpoena power. We ought to all start from that premise and process is going to matter a great deal here. And I'm going to focus on one process point, which I think is at the core of this issue, and I think it's a little bit confusing so I want to unpack it here for a second. So the process is whether or not the Exec Board should approve of a specific subpoena before it becomes validly issued. Now, there's two approvals that we're talking about. The first approval, which I believe is what is in LR29, is the approval for someone-- for a body, a committee to actually create a subpoena-- subpoena and then subsequently go to the second approval which is to go to the Exec Board. Now, standing committees, colleagues, standing committees, both in our rules and in statute, have the inherent authority to issue subpoenas, but standing committees have to go to the Exec Board. Now, there are a lot of different policy reasons you may argue. You might be-- there might be policy reasons that you would-- that would support the idea of going to the Exec Board for a standing committee. So the Judiciary Committee, the HHS committee, committees that are built into our rules, not a committee that might end at the end of the year, they have to go to the Exec Board for prior approval. So the question is here, is not whether we are giving that committee the authority to go ask to issue a subpoena, the question is whether or not we're making clear that when a subpoena gets created and that committee wants to issue that subpoena, whether that committee then has to go to the Exec Board for approval. That's the question. Now, I'll tell you in my mind, and when Senator Hughes first brought me this amendment just on the floor, I had no doubt, no doubt that I didn't think that was necessary at all, because in my opinion and when I worked on the amendment to LR29 with Senator Cavanaugh, I didn't think that was a

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question. There is no reason, in my view, why a special committee ought to have greater power than a standing committee. Now, obviously, now the question has been raised. There's no doubt it's been raised, it's on the floor, we ought to deal with it. In my opinion, a special committee ought not to have more power than a standing committee. Whether you agree with a standing committee or a special committee having to go and get subsequent authority for an individual subpoena or not, it is absolutely true that a standing committee has to have that, go through that subsequent step. And in my view, if a standing committee has to, a special committee ought to as well.

**LINDSTROM:** One minute.

**HILGERS:** Thank you, Mr. President. And when we went through the significant redraft of that particular statute that's in our books, and by the way, the statutes apply, so do our rules, rules in my view don't-- don't explicitly allow for a special committee to go outside that process and just issue any subpoena they want, in my view. There is no doubt in my mind when we were doing that statute that we were in any way explicitly deviating from what I view was the good policy and in any way broadening powers of special committees beyond the standing committee. It's a very important question to get right, colleagues, because if we-- if subpoenas-- we want these subpoenas if they get issued, to be followed and not challenged. And the recent history of subpoenas from this body being issued is that they have been challenged and they've been drug out in court. So I-- my opinion both on good policy, to not treat those two differently, but also good process to make sure whatever subpoenas get issued, get enforced and are complied with. I think FA-- the next FA should get a green light and should get on this particular amendment.

**LINDSTROM:** Time, Mr. Speaker.

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

**LINDSTROM:** Thank you, Mr. Speaker. Mr. Clerk, for an amendment.

**ASSISTANT CLERK:** Mr. President, Senator Matt Hansen would move to amend FA8 with FA9. Mr. President, it would strike "2021" and insert "2022".

**LINDSTROM:** Thank you, Mr. Clerk. Senator Matt Hansen, you're recognized to open on FA9.

**M. HANSEN:** Thank you, Mr. President, and good afternoon, colleagues. I did give Senator Hughes and Senator Cavanaugh a heads-up of this

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amendment. Didn't have a chance to talk to Speaker Hilgers because he was talking himself. But as the Clerk just read, my amendment takes the deadline proposed in floor amendment from Senator Hughes, FA8, and extends it by a year to December 31, 2022, which is functionally the end of our biennium session. And I think this is very important, given the speech that Speaker Hilgers just gave. For those of you-- we're kind of dancing around a past issue and especially within the context of the subpoena, but I was one of those on the Judiciary Committee that voted to ask the Exec Board for a subpoena and so I was one of the named parties in the case filed by the Attorney General against the Legislature. And I think that case did, in fact, do a disservice to the Legislature. I think we advocated our case well, but ultimately what hampered us is we had the clock run out on us. The Supreme Court dismissed the issue without us ever able to get the information from the-- from the subpoena because of mootness. For any of you who are unaware, mootness is when the court case no longer has an active controversy of the facts at hands. And in this particular case, it was that we had exceeded the legislative bounds. We had exceeded the time limit of that Legislature. So Senator Ebke was no longer Chair of Judiciary Committee because she did not win reelection. The members of the Judiciary Committee were no longer the same members because of both elections and the committee and committee process. And the Supreme Court ultimately said that there was-- didn't have to get to the final result and didn't give us the ability to do our subpoena. And I bring all that up to say that if we are concerned about making sure that this legislative subpoena, if we use it, happens well, we need to give ourselves as long of a runway as possible. Supreme Court cases are hopefully not necessary. Hopefully, we won't need a subpoena. Hopefully, the mere presence of it is there will work, but if the subpoena is fought like it was at least one time in the past, we're going to need as much time as possible to make sure that our new statute that-- that Senator Hilgers, Speaker Hilgers, then Senator as Chair of the Exec Board worked on to provide this new process. And to me, if we're envisioning a timeline in which we form the committee now or in the next few months, maybe we decide in April or May or June that a subpoena is necessary, we only would have five, six, seven months to defend it and potentially we could drag ourselves out beyond this arbitrary 2021 deadline that we don't need to have. I think putting the deadline in makes some clarity and probably helps, but I think that deadline should be as long as feasibly possible for us in this Legislature to make sure that we have the proper way to defend against an appeal if necessary. And I think extending it another year to 2022 is very appropriate. So with that, that's the one-- it's not even a word, one number change, one digit change in my floor amendment

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extending it to 2022. With that, I would end my remarks there and ask you to support FA9. Thank you, Mr. President.

**LINDSTROM:** Thank you, Senator Hansen. Those in the queue are Senators Wishart, Matt Hansen, Kolterman, McCollister, Flood and others. Senator Wishart, you're recognized.

**WISHART:** Thank you, Mr. President. I rise today in support of LR29 and FA9. I think that's a good compromise in terms of the due date. I am a foster parent and as a Senator, I have seen both the successes of our child welfare system and the failures. And I would consider Saint Francis in what we've seen over the past year, especially as a member of the Appropriations Committee, to be a failure in terms of protecting children in our child welfare system. I do have some questions just about the mechanics of how all of this will work. So, first of all, I wanted to ask Senator Hughes if he would yield to a question.

**LINDSTROM:** Senator Hughes, would you yield?

**HUGHES:** Of course.

**WISHART:** First of all, Senator Hughes, are you in support of FA9 introduced by Senator Hansen?

**HUGHES:** I do view it as a friendly amendment, yes.

**WISHART:** OK, thank you. Now, getting to the mechanics of how this investigative committee would work, say we go along with the second part of your amendment and required that if this committee determines they need to subpoena the Department of Health and Human Services or DAS, they would need another step to go through the Executive Committee, what would be the timeline between when that special committee would meet and make this decision and when the Executive Committee would either approve or not approve of that subpoena?

**HUGHES:** As-- as Chairman of the Executive Board, it's my duty to call meetings of the committee when we are not in session. And if it's something as serious as a subpoena, I would call and get the Executive Board together as quickly as possible.

**WISHART:** OK, so Senator, what I'm hearing from you is that if that investigative committee determines the subpoena is necessary, that your Executive Committee will meet as quickly as possible to make a decision on that and continue the process quickly.

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**HUGHES:** That is correct.

**WISHART:** OK, thank you. In terms of the timing, the committees would be able to meet if a subpoena is necessary out of session. I think I heard you say that, but I just want to confirm for the record that that is correct.

**HUGHES:** I apologize, I was engaged. Could you repeat the question?

**WISHART:** Sorry, Senator. I just want to be very clear on the record. If the executive-- if we decide to go with your amendment and the Executive Committee needs to give final sign-off on a subpoena, that can happen during the interim, is that correct?

**HUGHES:** Yes, absolutely.

**WISHART:** OK, thank you. I think that's all the questions I have. I will be supporting, again, FA9 and I still want to listen to the debate in terms of the second part of this discussion. Thank you.

**LINDSTROM:** Thank you, Senators Wishart and Hughes. Senator Matt Hansen, you're recognized.

**M. HANSEN:** Thank you, Mr. President. I'm just going to speak for a moment and yield my time here in a second, but I did want to make sure that I'm in full support of us as a body doing the due diligence we need to on this bill, on this LR to make sure we've dotted the I's and crossed the T's to make sure that we as a Legislature can exert our influence as an equal branch of government. And with that, I would yield the rest of my time to Speaker Hilgers.

**LINDSTROM:** Mr. Speaker, 4:33.

**HILGERS:** Thank you, Mr. President. Thank you, Senator Hansen. I appreciate that. I fully support FA9 and I-- and I'm very appreciative of the point that Senator Hansen made. And this is an opportunity to sort of give you a little bit of sense of what happened in the Ebke decision, why it's so important that we get this right. And FA9 is an outstanding jumping-off point. The argument that was made, and by the way, accepted by the-- by the Nebraska Supreme Court, was that a subpoena dies when this-- when the-- the legislative session in which it was issued is over. So in that case, Supreme Court, it was issued in the Hundred and Fifth Legislature and eventually it was-- it was mooted by the Nebraska Supreme Court determined because it was-- had not been complied with and it was still-- there was still a fight in court. Was that after the Hundred and Fifth Legislature adjourned sine

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die, that subpoena died with it. When the session was over, the subpoena died with it. And so that's a real big issue for us, because as many of you know when you're actually fighting something out in court, especially something that might go to the Supreme Court, that could take a year, it could take two years. And what it functionally meant was that as a body, and if-- unless you issued a subpoena in the first year of a two-year session, even then you're running a risk if it was maybe past the session, the other side could potentially drag it out and moot your subpoena and render it a nullity just by fighting it out and waiting. That's a very big deal and it's something we-- we rectified and for those of you who weren't there last year, don't remember the statues, we've never used it to do this, what we said is, OK. Supreme Court, we-- we disagree with you. But a subsequent Legislature within a certain set period of time after the new Legislature gavels in, can rehabilitate through a vote, by the way, a vote of the Exec Board by-- and enable that subpoena to continue as if it had always been in place from the beginning. That's how we addressed it. Now, there were a number of other arguments that were raised in that particular decision, I'm sorry, but by the parties in that case. And when the Supreme Court said that this is moot, it meant that none of those other-- none of those other arguments got addressed by the Nebraska Supreme Court. And by the way, when this goes to-- we sort of got lucky because when this goes to an inherent power under the Constitution unless we amend this Constitution, once-- once the Supreme Court says it means X, and if X takes away our authority, we don't have a lot of great options. So when it-- when it was mooted, we were able to-- we were able to address the statute-- through statute what that meant. Now, the other arguments are important, because I think they-- we need to keep them in mind as we talk through the other amendment and why this is important, I think that the Exec Board, another reason the Exec Board should have authority, besides the fact, as I pointed out the first time, that standing committees and special committees should not be treated differently in my view. The opposing side in that case argued, if you can believe it, that there would-- that the subpoena that was issued by the Judiciary Committee was not-- didn't-- was not valid because the underlying issue should have not-- should have been referred to the Government Committee. In other words, they were trying to get it into our referencing process. They made a number of arguments as to how the subpoena was issued and whether or not we followed our rules or process or anything else. Now, as I mentioned, none of those arguments were addressed. They could have gone our way or they could not have. That was a significant risk for the body. But those are the types of procedural arguments--

**LINDSTROM:** One minute.

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**HILGERS:** --if the other side who does not want to comply with our subpoena could raise again. Those aren't addressed completely in the statute that we brought. So if there's ambiguity, and I don't think-- I don't think there is, but if there is ambiguity as to whether or not the Exec Board should sign off on the subpoena before it's issued, which I think makes a ton of sense, not just because the standing committee argument that I made, but also to make sure that there's an additional check on this powerful authority and power that this body has, that if those subpoenas are issued without Exec Board authority, now you've just given the other side another tool to potentially argue against us in court. And even though we have put in some of these protections, the subpoena could be rehabilitated, it might not be and Supreme Court might rule or some court might rule against us. Now, the reason why all this ties into FA8-- I'm sorry, FA9, as Senator Hansen has brought an excellent point, which is if this committee--

**LINDSTROM:** Time, Senator.

**HILGERS:** --terminates at the end of this year. Thank you, Mr. President.

**LINDSTROM:** Thank you, Speaker Hilgers and Senator Matt Hansen. Senator Kolterman, you're recognized.

**KOLTERMAN:** Thank you, Mr. Speaker. As I said earlier, I support-- I support this bill or this legislative resolution, I also support FA9 by Senator Hansen. I'd like to dovetail a little bit off what Senator Flood was talking about. He said earlier, I think in his most recent time on the mike, that it took him seven and a half years to figure out who is in charge around here. You know, there are three branches of government for a distinct reason. But the judicial branch and the executive branch couldn't operate if we didn't have a legislative branch because they wouldn't have the rules to operate under. And so we are a very important aspect of this state. I'm going to talk a little bit about an issue that I discovered as we were looking at the procurement process, an issue that was raised in PromiseShip's protest, and it had to deal with the requirement of a performance bond that be provided to the state prior to the execution of this contract that we've got in front of us, basically, PromiseShip versus Saint Francis. But a performance bond is issued to one party of a contract as a guarantee against the failure of the other party to meet obligations specified in the contract. It's typically provided by a bank or an insurance company to make sure a contractor complies with the designated project. A performance bond was required as part of the RFP and both Saint Francis and PromiseShip checked off on this requirement. In the document titled Addendum 2, which is on the DAS



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website for the specific procurement, a bidder asked DAS whether or not the million dollar bond be secured for proposal or upon the award. DAS responded by saying the performance bond must be obtained prior to contract execution. How after that page was noted, someone within DAS arbitrarily change this requirement as the website shows that a performance bond is no longer applicable, as it shows on the website today. Even though a performance bond was required by the RFP, acknowledged by both bidders and affirmed by the state in a question and answer document to date, Saint Francis has not yet submitted this performance bond to the state as required by the original RFP, which gave them an unfair advantage in the terms over the cost over PromiseShip. Because all the issues that have been raised, it just seems unfathomable that we wouldn't approve LR29 and FA9. By us not taking any action, the Legislature would be sending a message that we as a body are fine with the procurement process where the Department of Administrative Services is able to ar-- arbitrarily disregard requirements they themselves establish that give one bidder an unfair advantage over others. So I think, again, it's extremely important that we move this bill forward, but that we take our time and that we realize that we are a much-needed aspect of this state. We are the legislative branch, we're the ones that make the rules, we're the ones that make sure that they're carried out properly and it's important that people in this state understand that. With that, Senator Hilgers, I know you were in the process of finishing up, if you'd like the rest of my time, I'd yield it to you.

**LINDSTROM:** Speaker Hilgers, 59 seconds.

**HILGERS:** Thank you, Senator Kolterman. Just enough time for me to make the point that I was trying to make earlier which is, if FA9 doesn't pass and the terminal date-- and FA8 does and the terminal date is the end of this year, we have now created the problem that we tried to avoid from the Ebke decision. In other words, instead of waiting to the end of the second year of the Hundred and Seventh Legislature, now we've created an earlier date, which is the end of this particular committee, mooting the potential authority of the subpoenas without, I think, and I'd have to go back and look at the statute, I don't think that the rehabilitation section of the statute would apply. So in other words, I do support FA9 because without it, I do think we're gutting that subpoena power in a way that I think is unintentional and also goes contrary to what this body tried to do with the statute that we passed modifying Chapter 50 last year. Thank you, Mr. President. Thank you, Senator Kolterman.

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**LINDSTROM:** Thank you, Senators Hilgers and Kolterman. Senator Flood, you're recognized.

**FLOOD:** Thank you, Mr. President, and members, good afternoon. I appreciate FA9. I think that 2022 is an appropriate end date for this. If this wasn't adopted, it would push me more to wanting to give the committee the ability to deal with it right away because of the time issues. I strenuously object to the Supreme Court getting in the middle of our rules. That's like us getting in the middle of their rules. Do they want us deciding what judge should go? I suppose we could impeach them. Do they want us to decide who should pass the bar and who shouldn't? Do they want us to decide whether you should wear a suit coat or a jacket in court? They need to stay out of our business. They need to stay out of our rules. And I'm going to read this decision again. I've got a copy of it. And I think this is a misstep on the part of the Supreme Court. They don't get to pick how our rules work. When we have somebody that has an election contest, who decides? Do we run to the Supreme Court to say, did they-- no, we handle it in here. And as a separation-of-powers-lover, which you all should be, they need to stay out of our business. That said, I think moving this back to 2022 is a very good thing. I'm going to support FA9. And as it relates to the second part of the Hughes amendment, Senator Hughes's amendment, I think we have the power to give this to a special committee. I think that that power is inherent. I appreciate what Senator Hilgers says about statute 50-406, and he's spent a lot of time working with this. Here's where I start and I think Senator Wishart did a good job when she was-- when she was asking Senator Hughes. We have to start from the position that we're all on the same team. We are a collective Legislature of 49 different members. If we're going to grant this special committee the job of finding the truth and sorting out what should happen and making recommendations, and if the members of the Executive Board commit to fairness and timeliness, it isn't them running interference for another branch of government, it's are they on our side? And I think they are, they signed up for this branch of government, but I'd like to hear from the members of the Exec Board because there will be a serious breach of trust if this committee which is appointed by the Exec Board makes its way down a path, decides it needs something in the form of a subpoena and there's subterfuge or there's some effort to stop it, and if that trust is broken, then we're all wasting our time in our own different committees. The biggest offense to me is that I get assigned to something and somebody puts me out to pasture and I'm twiddling my thumbs and nothing's going to happen because they're just keeping me busy. If somebody does that to somebody on this special committee, there should be a price to pay. But I think we have to start out from

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the assumption that we're all on the same team. Everybody wants the same goal here, depending on how the vote comes out on LR29, and this is a process that has been set up for a reason, notwithstanding who's on the Executive Board. There were-- there were really no objections to our representatives in the first caucus to who went on our Executive Board, Senator Pansing Brooks and Senator Geist. And I'm comfortable that our representatives there and the other elected representatives from the other caucuses will do a good job. If this goes down, I worry about logistics, but I guess I'd like to hear from the members of the Executive Board as to how they treat something like this. I have the-- I'm of the opinion, I think there's going to be-- we're making a very good record here of what we're interested in and I'm going to reserve my vote on the underlying subpoena--

**LINDSTROM:** One minute.

**FLOOD:** --portion of this amendment, I'm going to vote for FA9 and see how that goes. Thank you, Mr. President.

**LINDSTROM:** Thank you, Senator Flood. Senator Machaela Cavanaugh, you are recognized.

**M. CAVANAUGH:** Thank you, Mr. President. Thank you to Senator Hansen for FA9. I appreciate it. I do think that the truncated timeline would be challenging in the best of circumstances. So I encourage everyone to support FA9 and when we amend FA9 into FA8, I would then encourage you to support FA8 moving forward. I-- I just-- I can't emphasize enough how important this is to the children of Nebraska. All of the children, really. Saint Francis Ministries holds contracts across the state, but really to the children of the Eastern Service Area of Douglas and Sarpy County, this is very critical. Every single day that we don't begin enacting this investigative oversight committee is a day that we lose ground on ensuring the safety and well-being of the children of the Eastern Service Area. And I-- I know that we are coming towards the end of today and this is a lot to digest, especially when we are talking about something as important and significant as subpoena power. And I just would encourage us to vote on the date change at this time and I hope that we can continue to have this conversation about how the subpoena power should be handled moving forward. And I just really appreciate everyone's engagement in this. I know that it is important to the children of the Eastern Service Area, the parents of the Eastern Service Area, the appointed attorneys of the Eastern Service Area, the judges of the Eastern Service Area, they have all been looking to us to do something about this. And when we have been inactive, they've taken their own action. As I mentioned previously, they have removed children from casework

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for Saint Francis Ministries because of negligence. They-- they try not to have Eastern Service area be in-- the Saint Francis Ministries be involved in the casework. We don't really have the staff or the ratios. We aren't in compliance with the 72 hours of reporting a change for youth. So what that means is that when a youth is moved from one home to maybe another or to a different facility or to an office building to sleep in the night, there's 72-hour window where any changes need to be documented. And we are not in compliance with that. And we don't know how uncompliant we are. We could have lost children for weeks and we don't know. So this is serious and urgent and it's not getting better or being taken care of. Every single day, I'm hearing from lawyers in Douglas and Sarpy County, every single day about their clients and the malfeasance that is being perpetrated against them. This is something that we as a body, I hope, can come together and-- and show a unified front. As Senator Flood said, this is-- this is something that we have to be in this together. We really, truly have to be in this together. And the Department of Health and Human Services has already disregarded the request of the Health and Human Services Committee to come before us last December when they were amidst serious negotiations and when they were informed about serious fraud and financial mismanagement, and when news stories were breaking about Saint Francis Ministries falsifying casework in Kansas.

**LINDSTROM:** One minute.

**M. CAVANAUGH:** All of this was going on and they refused to come talk to us to give us an update on how the Eastern Service Area was going, because they didn't want us to know how the Eastern Service Area was going. And when they finally came in January, they gave us a seven-days heads-up and actually, I should say it was Senator Williams asking Saint Francis Ministries and Saint Francis Ministries gave us a seven-day heads-up that if we did not sign a new contract with DHHS and Saint Francis Ministries, that they would no longer be financially solvent. We had seven days to give them \$10 million to backfill their budget. It was basically a ransom for our children. This is something that every single person in this body should care about. It's financial mismanagement, it's losing children, it's a bad contract.

**LINDSTROM:** Time, Senator.

**M. CAVANAUGH:** Thank you.

**LINDSTROM:** Thank you, Senator Cavanaugh. Senator Hunt, you're recognized.

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**HUNT:** Good afternoon, colleagues. Thank you, Mr. President. Happy birthday. A lot of great points made today and I was keeping my powder pretty dry, but I wanted to rise in light of this conversation and point out some things that probably need to be said. Let's recognize that this child welfare contract debacle lies squarely at the feet of Governor Ricketts. And the Legislature right now is trying to clean up the mess that the Governor made, as today he cynically sends out this message, totally spreading misinformation and attacking the Legislature from his legislative blog-- or from his executive branch blog where he writes a column. And he shares this today, it's called Halftime at the Unicameral, and he shares this to deflect from the fact that he has failed Nebraska taxpayers, not only with the Saint Francis contract, but with the state prison and everything he's doing to try to deflect from that. He calls the Nebraska State Penitentiary crumbling, which is so shameful. Most of the administrative and living spaces in the Nebraska State Penitentiary were built in the '80s and '90s, so that's not true. He says that we're wasting our time pushing a bill, quote, that benefits illegal immigrants. He says LB298 would grant unemployment benefits to certain categories of illegal immigrants living in Nebraska. This would weaken existing state law that forbids spending taxpayer money to give unemployment benefits to people illegally residing in our state. The current crisis at our nation's border with Mexico shows the consequences of watering down our immigration laws. Nebraska shouldn't follow suit, attacking the work that we do here in our committees and we do here in our Legislature. With people like the Governor, there's this tendency toward thinking like, I don't have a problem with migrants, I have a problem with illegals, right? But we see statistically, for example, in the United States, the largest nationality of people who are technically illegal, who have overstayed their visas are actually Canadians. And we don't have any stories of white Canadians in detention facilities in our states. And in Canada, one of the largest populations of people who have overstayed their welcomes or are working illegally are Australians in the ski resort industry. So who we think of as outsiders actually has very little to do with a person's actual immigration status, it has to do with how they're perceived, which is based on their value, which is based on their race, and based on the type of labor that they can provide to-- to employers here in the country. Governor Ricketts will do anything to push the most expensive earmark in the state history, his new prison, to take attention away from how he bungled this child welfare contract. He should have called this editorial instead of Halftime at the Unicameral, he should have called it: Please talk about anything other than my failed leadership when it comes to Saint Francis Ministries. Because that's the real issue today that we need to talk

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about. The World-Herald reports that Saint Francis Ministries had to borrow money to pay foster parents last year when it spent \$80,000 on Chicago Cubs tickets, owned by Governor Ricketts's family, and took on the management of all Omaha area child welfare cases. In a February editorial they say the State Department of Health and Human Services has signed a 25-month, \$147.3 million emergency contract. So that's in addition to what we've already agreed to with them, with Saint Francis Ministries, after the contractor was in danger of running out of money to handle child welfare services for Douglas and Sarpy Counties. The problem stems from the Ricketts administration's acceptance in 2019 of--

**LINDSTROM:** One minute.

**HUNT:** --Saint Francis's strangely low bid that was 40 percent less than what the state had been paying. This is what happens when you run government like a business. Government is not business. Government is in the service of the people and every taxpayer has a stake in its success. I support FA9 from Senator Hansen, but I also support the power of this body to stand up for the people that we represent. And the reality that sometimes means is that we also have to stand up to our coequal branch of power, which is headed by Governor Ricketts, which is where the buck stops when it comes to the execution of the Saint Francis Ministries contract-- contract, which has been a complete failure. And the ones paying for it are the taxpayers and the children in care of the state of Nebraska. And we here have to have the responsibility to fix it and push back against this cynical, irresponsible messaging coming out of the Executive Board, like what Ricketts published today whenever we have the opportunity to do it. I agree with Senator Flood as well that this is family--

**LINDSTROM:** Time, Senator.

**HUNT:** --business here in-- Thank you, Mr. President.

**LINDSTROM:** Thank you, Senator Hunt. Seeing no one else in the queue, Senator Matt Hansen, you're welcome to close on FA9.

**M. HANSEN:** Yes, thank you, Mr. President. Just real briefly, as a reminder, these two amendments, my amendment and Senator Hughes's amendments are dealing with the dates and only the dates in terms of the termination. My amendment would move it to the end of 2022 and I would encourage you to do just that, to make sure that we have the full amount of time possible should there be any hiccups or delays in the-- in the potential oversight and investigation of this committee.

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So please vote yes on my FA9 and yes on Senator Hughes's FA8. Thank you, Mr. President.

**LINDSTROM:** Thank you, Senator Hansen. The question before us is the adoption of FA9. All those in favor vote aye; all those opposed vote nay. Have you all voted that care to? Record, Mr. Clerk.

**ASSISTANT CLERK:** 36 ayes, 0 nays on the adoption of FA9.

**LINDSTROM:** Returning to FA8. Seeing no one in the queue, Senator Hughes, you're welcome to close on FA8.

**HUGHES:** Thank you, Mr. President. I encourage a green vote on FA8. Thank you.

**LINDSTROM:** Thank you, Senator Hughes. The question before us is the adoption of FA8. All those in favor vote aye; all those opposed vote nay. Have you all voted that care to? Record, Mr. Clerk.

**ASSISTANT CLERK:** 38 ayes, 0 nays on the adoption of FA8.

**LINDSTROM:** FA8 is adopted. Speaker Hilgers, for an announcement.

**HILGERS:** Thank you, Mr. President. Good afternoon, colleagues. I appreciate the conversation we had. We're about to quit for the day. I did want to give everyone a heads-up just so there's fair notice. There is, as you recall, FA7, the question was divided, FA7 is the second piece of two questions. Normally, we'd probably take that up in the morning, but if you remember last week I announced that LB529 was going to come up first thing in the morning, just like LB561 came up first thing in the morning that we-- last week. So LB529 is going to come up first thing. So FA7 will still be depending on LR29. That will be on the agenda tomorrow, though. The last thing is, remember, we have our emergency drill tomorrow at 11 o'clock. I'll probably remind you one more time. We will be standing at ease around 11:00 to deal with that. With that, thank you. Have a great night. And that's all I have, Mr. President. Thank you.

**LINDSTROM:** Thank you, Speaker Hilgers. Mr. Clerk, for items.

**ASSISTANT CLERK:** Thank you, Mr. President. New resolution. LR76 introduced by Senator Matt Hansen. Stating the Judiciary Committee of the Legislature shall be designated to conduct an interim study to carry out the purposes of this resolution. That will be referred to the Executive Board. LR77 recognizing the 200th anniversary of Greek independence. That will be laid over. Amendments to be printed:

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Senator Flood to LB83 and Senator Murman to LB529. Name adds: Senator DeBoer, Senator McKinney and Senator Day and Senator John Cavanaugh to LB108; Senator Aguilar to LB247; Kolterman to both LB338 and LB398; Senator McDonnell to LB398 and Senator Halloran LB398. Finally, Mr. President, a priority motion. Senator Gragert would move to adjourn the body until March 24, 2021, at 9:00 a.m.

**LINDSTROM:** Thank you, Mr. Clerk. The motion before us is to adjourn. All those in favor say aye. All those opposed say nay. We are adjourned.