

Transcript Prepared by Clerk of the Legislature Transcribers Office

Floor Debate March 12, 2024

Rough Draft

**DORN:** Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the forty- first day of the One Hundred Eighth Legislative [SIC], Second Session. Our chaplain for today is Father Vitalis Anyanike of Our Lady of Lourdes/Holy Cross Catholic Churches of Omaha, Nebraska. Senator John Cavanaugh's district. Please rise.

**FATHER ANYANIKE:** Almighty and eternal God, you have revealed your glory to all nations. God of power and might, wisdom and justice. Through you, authority is rightly administered, laws are enacted, and judgment is decreed. Assist with your spirit of counsel and fortitude, the members of this Legislature and of this hallowed Unicameral of state of Nebraska. Let the light of your divine wisdom direct the deliberations of this Chamber and shine forth in all the proceedings. May they seek to preserve peace and promote the well-being of Nebraskans. May they be enabled by your power to discharge their duties with kindness, honesty, and ability. In your goodness, you have favored us and kept us safe in the past. We ask that you continue to protect our citizens and to shelter us in the shadow of your wings. May our state be a place of peace, hope, progress, and equality. Bestow upon us countless lines of your love. Grant that as we receive your gifts, our neighbors may share in a gift to us and also share in our joy. Your loving response far exceeds the merits and expectation of those who pray to you. Loving God, who is blessed above all, bless you in all things through Christ so that whatever happens here may renew and sanctify and bless our people. And abundant grace descend upon those present in a special way among our people. You live and reign, God, forever and ever. Amen.

**DORN:** Leading the pledge of-- leading the Pledge of Allegiance today is Senior Airman Ryan McDonnell, the 155th Civil Engineering Squadron of Nebraska Air National Guard of Air Force out of Omaha, Nebraska. Senator Mike McDonnell's district and also Senator Mike McDonnell's son.

**RYAN McDONNELL:** Please join me in saying 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.

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

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

**DORN:** Are there any corrections for the Journal?

**CLERK:** I have no corrections this morning, sir.

**DORN:** Are there any messages, reports, or announcements?

**CLERK:** There are, Mr. President, communication from the Governor: Engrossed LB139e, LB144, LB257, LB569e, LB605, LB624, LB716, LB847, LB848, LB854, LB908, LB909e, LB936, LB940, and LB989 were received in my office on March 7, 2024 and signed on March 11, 2024. These bills were signed and delivered to the Secretary of State on March 12, 2024. Signed Sincerely, Jim Pillen, Governor. Your Committee on Health and Human Services, chaired by Senator Ben Hansen, reports LB1007 to General File. Additionally, your Committee on Business and Labor, chaired by Senator Riepe, reports LB1188 to General File with committee amendments. Additional communications from the Governor concerning appointments to the Health Information Technology Board, as well as the State Board of Health. Amendment to be printed from Senator Brewer to LB287 and Senator Jacobson, LB1087A. That's all I have this morning, Mr. President.

**DORN:** Thank you, Mr. Clerk. Senator Machaela Cavanaugh would like to recognize the doctor of the day, Joe Miller, who is underneath the south balcony. Senator John Cavanaugh would also like to recognize Sonja Puszewski of Omaha underneath the south balcony. Please rise and be recognized by your Nebraska State Legislature. We will now proceed to the first item on the agenda. Mr. Clerk.

**CLERK:** Mr. President, Senator Hunt would move that LB307 become law, notwithstanding the objections of the Governor.

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

**HUNT:** Thank you, Mr. President. Good morning, colleagues. Good morning, Nebraskans. You know, it won't surprise a lot of you to hear that I'm not sure what I'm going to say. I know I have 10 minutes and I have plenty to talk about. But, you know, I'm, I'm a ball of nerves. I honestly cannot believe what's happened to this bill in the last week. And, you know, it's one of those situations where I can't say that I didn't do everything in my power to make it work and how can anyone ask any more of me than that. And I know that many of you are, frankly, just committed to misunderstanding the bill. You're committed to-- you're committed to misunderstanding it. I rose above the

nonsense of last year, this year. I played it straight. I have been a model colleague to all of you. This bill went through three rounds of debate. It came out of the committee with full support. We modified the bill with an amendment to fix problems that-- concerns that people had about the bill. We played it straight. We did it right. It's a good bill. And you understand the policy more than Governor Pillen does. In this Legislature, we stand together as a family. We make the choice to trust each other, to trust the committee process, to trust the experts that come out and tell us that this is policy that not only Nebraskans want, that our localities want, but that's going to save lives. And in this Legislature, I don't know if some of you understand that we take that seriously, and that doesn't mean that we allow the executive branch to tell us how we're going to act at the end of the day. If you're afraid of your bill getting vetoed, too, guess what? We override that too. It's not a big deal at the end of the day, and I know better right now than to think that a lot of you have questions that I can answer about the bill, yet I stand ready to answer them. And I will also, you know, certainly go over what this bill actually does. But I also want to talk about the broader implications of this vote for this Legislature. This bill is the first veto of the year, but yours could be next. We are an independent, coequal branch, and you work for your constituents who trust you. And I've shown you that you can trust me. And if you don't want to trust me, you can trust people like the Chancellor of UNMC, the director of the addiction, psychiatry and public health at UNMC. Dr. Jerome Adams, who served under Governor Mike Pence during Indiana's HIV outbreak and then became Surgeon General under President Trump. You can trust Dr. Ali Khan, MD, MPH, MBA, former Assistant Surgeon General, the third dean of the University of Nebraska Medical Center College of Public Health, the former director of the Office of Public Health Preparedness and Response at the Centers for Disease Control and Prevention, the CDC, which says this is a good bill. Many of your county public health directors, the pharmacists, the Nebraska Medical Association, the behavioral health providers, and Nebraskans with lived experience in recovering from substance abuse. This veto is not about me. It's not about your feelings about me. It's about Governor Pillen's feelings about me. And we know that because Governor Pillen said to many of you who then came and told me that this is personal for him. How come this went-- how come this came out of committee? How come it went through three rounds of debate? How come before we got to a Final Reading, I had 38 yes votes on my card? But at no point in that time did the Governor come up to me and say, you know, this is going to face a veto, let alone say it's going to face a veto and

here's an amendment I would like to see you consider. Here's an idea to make it better. No, he didn't say anything to me like that. He just trashed it. And many of you went, oh, he must have a good reason. He told many of you the reason, he said, and I quote from one of you: I don't know why any of you are working with Hunt this year. We can't let her have anything. So if you think you've received some evidence that 44 other states, the Surgeon General under President Trump, this, that and the other that you know better than those people, by all means, vote no on this override. But just be clear that that's what's you're-- that's what you're doing. It's not because you know better. People can just be committed to misunderstanding and that's a really big barrier to overcome. So Governor Pillen, in his veto letter, in his things that he's published online, this and that, he has cited a lot of misinformation in his reasoning for vetoing the bill. He cited two articles written by the same author, an economist, Analisa Packham. And the paper is rife with methodological flaws, design limitations, ecological fallacies. It has artificial correlations. One of the papers is a working paper that was not approved for publication. And the other one is a newer version of the same paper which is being examined and critiqued by other academics due to questions they have about the validity of the study. Another concern that I hear from many people is, oh, this is going to turn us-- I'm hearing this a lot from up here, this is going to turn us into San Francisco. OK, San Francisco, population 8 million. You all wish it was San Francisco. Think about the tax revenue you could get with your EPIC tax if we had 8 million people here. Please be serious. Denver, 3 million. Portland, 6 million. Passing this bill to allow local jurisdictions with the support of their city council or village board, which do you think that's going to be easy? You think they won't have opposition to that to overcome? Can pass a syringe service program under LB307 that will be managed by a behavioral or public health clinic. Do you think behavioral and public health clinics that are run by your localities, who you trust when you're dealing with a healthcare related bill, who talk to you out in the lobby, and then you come in and, and vote their way because you're convinced by the evidence. Do you think that those same people are handing out needles to kids as Governor Pillen has fearmongered and said is the case? Be serious. Be serious about the work in here. That's all the bill does. It doesn't say someone can open up a tent at 72nd and Dodge and hand out free needles. City council has to approve it. That's not easy. Has to be run by public health org. And nothing in the bill forces your community to have this. But if you vote to keep this veto-- if you don't-- if you don't vote to override, you're taking the opportunity

away from localities that do want this. Most of your public health districts have seen a rise in fentanyl use and opioid abuse, opioid use. And Nebraska is one of the only states that has seen a rise in HIV and hepatitis C when the rest of the country is going down. So what are we going to do about that? Some of you have said, well, I, I agree that we need to do something about addiction. We need to do something to get people into treatment. Mr. President, how much time do I have? How much time do I have, Mr. President? OK. Forget it.

**DORN:** One minute.

**HUNT:** Thank you. Wow. A lot of you have said, we want to do something to get people into treatment but this isn't it. OK, so what is it? Governor Pillen has released his budget recommendations, and the budget recommendation includes a \$15 million cut to behavioral health aid totaling \$30 million across the biennium. That's an 18% cut in each year from what was approved in last year's budget. So what is that money going to go for? That's money that would go to substance abuse and addiction treatment. But we have a bill before us today, LB307 that costs nothing to taxpayers. It is free. So if you're serious about facing this problem, trust me, your constituents trust you. Trust the process that we went through here in this Legislature, trust the more seasoned senators in this body who know from their experience that this is a good bill, and trust the experts who know that this works to treat addiction. That is the whole point. Thank you, Mr. President.

**DORN:** Thank you, Senator Hunt. Senator Arch, you're recognized to speak.

**ARCH:** Thank you, Mr. President. Colleagues, I've supported this bill through General, Select, and Final Reading. I introduced an amendment that was passed on Select to provide further guardrails to the program. I did considerable personal research on this issue because I was, frankly, like many of you, skeptical at first. When the Governor vetoed the bill, I did further research to test my understanding. My conclusion after further research is that this is a bill that I will continue to support, and I support the motion to override the veto. First, let me frame the debate. To me, this is strictly a disagreement as to what is the best policy for the state of Nebraska. It's not political. It's not personal with me. I have heard it said there's room for disagreement between reasonable people and that is how I perceive this. So what does this bill do? The primary purpose is to allow elected officials, allow, to decide if an SSP program is right

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for their community, and if they decide to implement a program, it must contain essential elements that are written into the bill. It does not require, nor does it fund. It simply allows. Colleagues, there's, there's a-- I think there is a misunderstanding of what this SSP is. It is-- it is-- it is framed within what is called harm reduction strategy. It is not a stand-alone program. It's a piece to address the issue of the spreading of communicable disease, the use of fentanyl, opioid crisis, all of those things. It's, it's a piece of that harm reduction strategy. I want to read to you something that was published on August 11, 2022. The National Governors Association published a document by their Center for Best Practices, the National Governors Association, all governor members and it's entitled: Supporting and sustaining access to harm reduction services for people who use drugs. This is a document produced to guide states through the consideration and implementation of SSPs. Quote, Governors, state health officials, and their staff can continue their predecessors' and constituents' work to reduce the spread of infectious diseases while saving money and resources by investing in sustainable, accessible harm reduction programs such as syringe services programs, SSPs. The program that we're talking about here. The latest information I could find indicated that Nebraska is one of only five states now to not allow an SSP program in the state. Those states-- those states that are still not allowing: Kansas, Mississippi, Nebraska, South Dakota, and Wyoming. So as part of my research, I turned to experts in the field to inform me. Obviously, with 45 states now allowing SSPs to exist, we can take advantage of the experience of others. One of the most prominent proponents is Dr. Jerome Adams, executive director of Health Equity Initiatives, presidential fellow, distinguished professor of practice at Purdue University. He's a licensed anesthesiologist with a master's degree in public health. Prior to joining Purdue University, he served as the U.S. Surgeon General under President Trump and as the Indiana Health Commissioner under Governor Mike Pence. While serving with Governor Pence, he worked with the Indiana Legislature and the governor to legalize SSPs in Indiana in 2015. I was very interested in his opinion, given his strong conservative credentials. Dr. Adams sent me a letter on January 26, 2024, expressing his support for our efforts to allow SSPs in Nebraska and he laid out his rationale. A copy of that letter has been provided to you this morning. I also read his article in 2020 that was published in Public Health Reports while he was Surgeon General in the Trump administration. The title of that article was, quote, Making the case for syringe services programs. I'd like to read you a portion of that letter--

**DORN:** One minute.

**ARCH:** --to me. While the provision of sterile syringes-- while the provision of sterile syringes is absolutely essential to combating HIV and hepatitis C, these programs represent so much more than syringes. As with our efforts in Indiana, SSPs that would be authorized by LB307 can build trust and empathy with community members struggling with substance use disorder. They can create pathways to treatment and recovery and they can distribute overdose reversal medications that save lives every day. With that, I will stop my testimony and look forward to the next chance on the microphone. Thank you, Mr. President.

**DORN:** Thank you, Senator Arch. Senator Brandt, you're recognized to speak.

**BRANDT:** Thank you, Mr. President. Thank you, Senator Hunt, for bringing LB307 and shepherding it through three rounds of debate. Thank you to the Judiciary Committee, where it came out with 7 affirmative votes and 1 PNV and the PNV is no longer in our body. Senators Blood, DeBoer, DeKay, Holdcroft, Ibach, McKinney, and Wayne, thank you for voting this bill out of committee. So, yes, I stand in support of the bill. I stand in support of the motion override. Everybody in here wants the same thing. There is a common theme here, and that is to help people in the state of Nebraska. I received a lot of emails and for some reason, a lot of them from Bellevue. I don't really understand that. But everybody is, is afraid for our children, and there's going to be needles everywhere. And this bill does quite the opposite. This bill is about two things, local control. You will not get an SSP program unless your city council or your county commissioners vote to have this program, and then your local public health agency is the one that would administer this program. In Nebraska, the drug problem is not just in the cities. I can vouch for that. There are areas in rural Nebraska where we constantly fight this drug issue. And I, I really-- hats off to anybody in here that brings bills to help the addicts, that brings bills to fight the dealers. You know me, you know I've been supportive of those. And I think this bill takes a very small step in a direction to help our addicts out there. And, you know, there's lots of addictions out there. You know, we've got alcohol, we've got drugs. And this one helps to keep us all safe. It costs nothing to the taxpayers and, and like I said, it helps those with addictions. And a lot of the bills-- a lot of the emails I got reference San Francisco. Let's put this in perspective. If you take the state of Nebraska, South Dakota, North Dakota, Wyoming, and



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Montana, you're still smaller than the city of San Francisco. So there really is no correlation with that. So I would yield the rest of my time to Senator Hunt.

**DORN:** Senator Hunt, you're yielded to 2 minutes, 27 seconds.

**HUNT:** Thank you, Mr. President. Thank you, Senator Brandt. I give my very warm gratitude to you and to Senator Arch for what you've said already. One thing I think must be said is that syringe service programs will not worsen drug use. This is not authorizing addiction or encouraging addiction or validating drug use. People who say that we are enabling drug use are misinformed about how addiction works and they haven't considered the evidence from other programs. Addiction is a disease that physically rewires you, it physiologically changes you, and most people need help to overcome that. Failing to override this veto is doing nothing. I heard Senator Bosn saying in her, her fentanyl enhanced penalties bill, we can't do nothing. We cannot do nothing. If we do not override this, we're doing nothing. We're retaining the status quo, and we're letting people facing addiction continue what they're already doing to survive. That means a much higher likelihood of dangerous injection behaviors like needle sharing or overdosing or we can allow localities in Nebraska with the authorization of their constituents, of their governing boards to create places where these addicts will be receiving a bridge--

**DORN:** One minute.

**HUNT:** --to treatment for the first time. Thank you, Mr. President. When users want to relieve their withdrawal symptoms or their cravings, they're going to find a syringe to do it. And I want you all to think critically about if that's a needle that their friend gave them on the street, if it's something that's from someone who may be HIV positive or carry another disease, if it's a needle that's been used many times already. As policymakers, we have a choice here. We can look at the reality of the situation, the overwhelming volume of evidence, what has worked in 44 other states. All our state's top experts and medical science experts have come around this and I urge you to listen to what these experts are saying and say, what's the most effective solution? Doing nothing? The status quo? More needles on the playground, Senator Ibach, or passing LB307 to put these people in the hands of public health organizations that are equipped to help them get treatment? Thank you, Mr. President.



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**DORN:** Thank you, Senator Brandt and Senator Hunt. Senator Fredrickson, you're recognized to speak.

**FREDRICKSON:** Thank you, Mr. President. Good morning, colleagues. Good morning, Nebraskans. So today-- this is actually, I think, a really big morning for this body. And I think it's a really important morning and it's an important day for the members of this body and, specifically, what it means to be a legislative leader. So I'm going to be paying very close attention to the board today. And I would strongly encourage Nebraskans, and I would also encourage my colleagues in this body to also pay close attention to the board as well. I'm going to be paying particular attention to colleagues who have supported this bill and voted green on this bill, spoke in support on the mic of this bill for three rounds of debate, who supported and passed this policy into law knowing that it was for the betterment of the public health of our state, and who now come off. Not because of the change in the policy, but because of a signature. And let's be very clear, I imagine I'm not the only one paying attention. The executive branch is going to be paying very close attention today as well. They too are wondering who in here is a legislative leader? Who's willing to stand up for the Legislature? Who's willing to maintain the core of democracy of separate but equal branches of government and power and who will bend over with a little text or a phone call? Leadership in this body requires standing up and defending the Legislature. We have great examples of that in this body and some of our senior members: Speaker Arch, Senator Linehan, folks in here who have survived and weathered a number of vetoes by our former Governor, Governor Ricketts and who voted to override those vetoes because they knew policy was more important than politics. Civics, democracy, separation of powers. I'm going to shift a little bit to the actual policy of this bill. And I think Senator Hunt and Speaker Arch and Senator Brandt have certainly done a nice job of highlighting some of this. Earlier this year, I was at a conference, a bipartisan conference on best practices of opioid policy. Because whether we want to acknowledge it or not, the fentanyl crisis, the opioid crisis is nationwide and it's impacting Americans everywhere, and it's impacting Nebraskans everywhere, and particularly Nebraskans in rural parts of our state. One of the things that came up often, and Speaker Arch spoke to this, was that Nebraska was one of five states that does not allow for SSPs. And some of the most conservative members at this policy, at this policy forum, came up to me in shock at this.

**DORN:** One minute.

**FREDRICKSON:** Thank you, Mr. President. And they shared stories from their own districts, from their own constituents, in their own areas where they saw benefits and improvements in public health after passing this policy. We know that Nebraskans are suffering and we know that there is high levels of stigma with substance abuse, which is maybe why we're not talking so much about it. I know I've been given my minute warning. I have a lot more to share on this so I'm going to get back in the queue and wrap up there, but I will continue with my thoughts in a bit. Thank you, Mr. President.

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

**MURMAN:** Thank you, Mr. President. I have listened very closely to the debate, the three rounds of debate. And also I have done the research as best I can on this subject, and I've come to the conclusion that there is a disagreement among the medical professionals that have researched it and among government officials. And I think in the most recent articles that I can find, the professionals are swinging back toward not enabling drug use in any way. Senator Kauth has passed an article around and I have it on my desk also. And it was published-- Senator-- the-- Senator Hunt did reference this article in her opening and it's, it's published by The Economist and it is titled: America's syringe exchanges kill drug users, users. But harm reduction researchers are also unwilling to admit it. The article looks primarily at a 2022 study by a professor from Vanderbilt titled: Syringe exchange programs and harm reduction: New evidence in the wake of the opioid epidemic. I also have a copy of that study here and I would encourage you to take a look at it if you are unsure on this issue as I have been through the three rounds of debate as I've been present, not voting. The author of this study finds that while syringe exchange programs did lead to lowering HIV rates, they led to a spike in opiate-- opioid-related mortality. Why? Because when the heroin crisis was building up and we saw these syringe exchange programs being created, fentanyl and other opiates, opiates were not regularly on the market yet. But as fentanyl became more and more common, we have seen more and more overdoses. The reality here is that HIV is no longer necessarily a death sentence, but an opioid overdose is. I don't completely disagree with Senator Hunt when she says that these sites can lower HIV rates, but my concern is that these sites can lead to continued or increased drug use. This becomes increasingly dangerous when the drugs on our streets today are more dangerous than ever. But don't take my word for it, let's look to that Vanderbilt professor's research where she points to three ways syringe exchange

programs can promote continued or increased drug use. First, they distribute free supplies which lower the expected cost of the drugs. Second, they provide a safe space to interact with other drug users which expands access to new drug partners and supplies reduce stigma. Third, they may signal support for police leniency of drug users in turning-- in turn, lowering the legal risk for using drugs. So the research tells us two things. One, due to the opioids such as fentanyl, drug overdoses are far more common and deadly than they used to be. Two, these drugs can promote continued or increased drug use. Or excuse me, these--

**DORN:** One minute.

**MURMAN:** --programs can promote continued or increase drug use. So what we get when we combine these two factors is more deaths. I can appreciate Senator Hunt's goal to lower HIV transmission. That's a great goal. But with any bill, we have to weigh the costs and the benefits. And in this case, we're looking at the cost of more death. HIV can be treated, but there is no treatment for our Nebraskans who die of an overdose. With that, I'll urge my colleagues to look at the most recent research and oppose LB307. Thank you, Mr. President.

**DORN:** Thank you, Senator Murman. Senator Dungan, you're recognized to speak.

**DUNGAN:** Thank you, Mr. President. Colleagues, I do rise today in favor of the motion to override. I think we're getting a little bit off track talking about the actual substance of the bill. The time for debate with regard to LB307 was on the three rounds of debate we already had. The fact that this is the first time we're hearing about concerns that people had with regard to some of these bills or the first time that some of these so-called studies are being talked about, I think, is problematic. Just, quickly, America's syringe exchanges might be killing drug users is this article that was handed out on the floor. It's a paywalled article that doesn't have an author related to it. In addition to that, any study or, or article that uses the word "junkies" in reference to the people they're talking about using drugs, I think is just simply not credible. So this is just an opinion piece, and I don't think we should be giving it much weight. But I do think overall, a number of my colleagues have already made a lot of the points I would make, including Speaker Arch, and I would yield my time to Speaker Arch. Thank you, Mr. President.

**DORN:** Speaker Arch, you're yielded 4 minutes, 2 seconds.

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**ARCH:** Thank you, Mr. President. And thank you, Senator Dungan. I want to continue talking about Dr. Adams because I, I, I was very interested in, in the letter that he sent to me. So I read part of it. I'm going to continue: When local communities are empowered to authorize, design, and operate SSPs, they can do so according to local needs and conditions and in a way that builds partnerships with the public safety community, the business community, the faith community, and more. These SSPs can help people who are struggling to make safer choices, stave off bloodborne infections and dangerous open wounds, and regain power in their decision-making with the hope that they may find treatment and recovery from their drug use. I am grateful for the opportunity to share my perspective with you and applaud Nebraska's efforts to bring forward a powerful tool to combat the opioid crisis and give people a meaningful change to be restored to health. Sincerely, Jerome Adams, MD. So I was interested in learning more and so I called him. I, I spoke with Dr. Adams on Friday of this past week because I wanted to understand, in particular, his, his sentence: While provisions of the sterile syringes is absolutely essential to combating HIV and hepatitis C, these programs represent so much more than syringes. And I think this is really the core of what we're discussing. Yes, there are-- there are sterile syringes provided, but it is the door. He put it this way. SSPs are about engaging people for treatment. They are the door. CDC says five times more likely to engage in treatment for those who are participating in this program. So yes, it is-- it is an attraction. Yes, it is a way to reduce communicable disease. Yes, it is a way to get the participant in front of people who can assess their needs and, and encourage and refer them to treatment, five times more likely to engage in treatment. He made another very strong statement when I spoke to him on Friday and he said this: Those who are addicted are going to use regardless until they get into treatment. And I think we somehow lose that understanding in our debate here, that those who are addicted are going to continue until they get into treatment. How do they get into treatment? They get in front of people who can refer them. They get in front of people who can assess their needs. He called this a one-stop shop in Indiana. That's the phrase that he used in my conversation with him on Friday, a one-stop shop. He said some of these SSPs offered food. They certainly referred to treatment. They assessed medical needs. Sometimes there are open wounds involved with, with addiction like this. They did all of this assessment, transportation, housing, helping the person get on the track for recovery. If there is no treatment, there is no recovery. So Dr. Alena Balasanova, the, the, the professor at UNMC--

**DORN:** One minute.

**ARCH:** --said there-- that there is-- as, as she put it, she says any door-- I'm trying to find her quote here, but any door that leads to treatment is the right door. And so getting these-- getting these folks who are-- who have this addiction in front of people who can refer is what the SSP program is all about. That's why-- that's why 45 other states are doing this. It's not to enable addiction, it's to get them in front. Harm reduction strategy coupled with enforcement. We see-- we see the-- we see the sheriffs picking that up, coupled with enforcement, harm reduction strategy as a way to address our opioid crisis and the communicable diseases. Thank you, Mr. President.

**DORN:** Thank you, Senator Dungan and Senator Arch. Senator Raybould, you're recognized to speak.

**RAYBOULD:** Good morning, colleagues. Good morning, fellow Nebraskans. I stand in support of overriding the Governor's veto. I think it's so fundamentally important that we really focus on local control. I know Senator Brandt already addressed that, but we're talking about our locally elected officials working with the local public health departments that have the expertise and know exactly what is going on in their counties and in the communities they serve. This is so fundamentally important. We know how dearly we cherish local control and local expertise, and I can tell you, we are beyond fortunate and blessed to have some of the most amazing medical facilities in our state of Nebraska. And it's not just UNMC, it is throughout our state. And we have cutting edge, leading edge healthcare in our state where we have nationally recognized officials, medical professionals that have spoken clearly on the public health benefits of the syringe programs. You know, the most important and fundamental thing is these medical professionals, these scientists are driven by public health best practices, scientifically proven data, and analysis of counties that have done an actual cost benefit analysis that irrefutably shows a decrease in HIV cases and hepatitis C, both are serious and costly infectious diseases that drive up the cost of healthcare that is actually borne by our taxpayers. You know, I'm-- I read the article by Senator Kauth, and it is deeply disappointing to myself who does cost benefit analysis and how they erroneously link misinformation. It says-- it talks about rates of HIV fell by 15% in counties with the new programs, but death soared. On average, syringe exchange programs led to a 22% spike in opioid-related mortality. I can tell you any good economist would take a deep dive on that very statistic and decouple it with the erroneous assumption that is directly correlated

to the syringe service programs without fundamentally looking at the reasonable scenario that we have all read about and understood that we have an opioid crisis in the United States, and perhaps, just perhaps, it's directly correlated to the readily available of opioid prescriptions and the explosion of the addiction to those in our country and in our state. We really need to be more empathetic to those that are most vulnerable in our state. I know Speaker Arch clearly addressed that, that every time an addict has that opportunity, that encounter with that public health official, that could be the day that they ask and seek for treatment. It could be on that first encounter or could be on their 85th encounter. We know and understand that the problem with addicts is that they are prone to relapse, but that doesn't mean we should not engage in these type of programs that have a proven economic benefit. And the outcomes are so irrefutable. The important thing is there is no cost to the state. And maybe there are something that 44-plus--

**DORN:** One minute.

**RAYBOULD:** --other states know that we don't know that they're seeing, a, a definite decrease in the costs to the counties when they provide this service. Lastly, I, I worry deeply, very much that our Governor is not being served well by his advisers that are providing misinformation or misperceptions on exactly what these programs do and that they are giving him unproven, unscientific, and not peer-reviewed analysis. You know, if Governor Pence in the state of Indiana was skeptical about these, but once they did a pilot program in, I believe it, was Scott County, he changed his mind. He was open to reading and listening to the scientific evidence, what experts have advised him. But, most importantly,--

**DORN:** Time.

**RAYBOULD:** --that it clearly shows it helps the communities that we're sworn to serve. Thank you.

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

**JACOBSON:** Thank you, Mr. President. Well, I rise this morning in support of the override veto-- override of the veto on LB307. I say that from the standpoint that, first, I want to make it clear that I have the greatest respect for Governor Pilleen. I've stood behind him on all of his previous vetoes, continue to work closely with him on

legislation. And I can tell you, there's nobody working harder as Governor than Governor Pillen to provide good outcomes for the state of Nebraska. I think Speaker Arch, maybe, framed this as well as anyone has in terms of there can be disagreements on policy. And my biggest concern really comes back to one of the things that Senator Fredrickson raised earlier, is what happened? Where have we been? I want to walk us through where we've been. This had a committee vote a year ago, and the vote was 7-0 with Senator Geist present, not voting. Then we came back this year with a committee amendment and it was voted out of committee-- and it was voted out of committee 8-0. Then we went to first-round debate and the vote was 37 yeases, 2 nos, and 8 present, not voting. Then we went to Select File, 31 yes, 3 no, 11 present, not voting. And then we went to Final Reading and the vote was 30 in favor-- 30 yeases, 7 no, and 6 present, not voting. That's pretty strong support for a bill that I believe has merits. You've heard a lot of things being said about it at this point. First and foremost, let's be clear, we all talk in here about how important local control is. If we pass this bill and it gets written into law, we've done nothing other than give the authority back to the cities and the counties to pass an ordinance if they choose to do so. I think, as Senator Hunt pointed out, that will be no easy feat. But if we believe in local control, then we ought to give this to the communities in the cities and counties and let them make that decision for what fits their counties. It's been pointed out, 45 other states have passed this type of legislation. 45. Last I checked, there's 50 states. There's no fiscal note on this bill. None. When we started looking at workforce and homelessness, where-- how are we going to do something about this? We all talk about workforce and how important it is. This is a part of that chain. I want to talk a little bit about addiction. Anybody spent any time around someone who is suffering from addiction? This is not a choice. People make a choice to use drugs, but they don't make a choice to be addicted. Addiction is a disease and it needs to be treated. And I can almost assure you that when you look at the number of homeless people that are out in the street, most of them or many of them are dealing with some kind of mental illness, and many of them are also dealing with addiction, not recreational drug use, addiction. Addiction is a disease. As Speaker Arch outlined, you fix this by dealing with it, by having that exchange. What these SSPs do are bringing in people who are addicted and you're able to interface with them. You're able to have that first contact to try to get them going the right direction. I can only imagine what it's like to be addicted, but I can tell you, if no one--



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**DORN:** One minute.

**JACOBSON:** --reaches out a hand, they're never going to get better. So with that, that's my reasons for voting for the override. And I'm going to give this back to Speaker Arch for the last minute or so, so he can wrap up a couple comments he had. Thank you, Mr. President.

**DORN:** Senator Arch, you're yielded 43 seconds.

**ARCH:** OK, I'll talk fast. Thank you. Thank you, Senator Jacobson. I, I had referenced Dr. Alena Balasanova at UNMC, addiction psychiatrist. She said this: We like to say, quote, there is no wrong door to treatment and a syringe exchange program is yet another door. While the bait may be the syringe exchange, what actually happens is that individuals who come to the SSP are constantly exposed to and are offered treatment services that we know they are five times more likely to pursue when it is offered to them in this way. The last comment I'd like to make is, is on-- is on funding, and that has to do with federal funding. The CDC has laid out guidelines that funding-- federal funding is available to establish SSPs. We're not talking about state funding, federal funding, but the first thing that you have to do is you--

**DORN:** Time.

**ARCH:** --have to demon-- thank you, Mr. President.

**DORN:** Thank you, Senator Jacobson and Senator Arch. Senator Kauth, you're recognized to speak.

**KAUTH:** Thank you, Mr. President. Speaker Arch, you spoke really, really fast there, that was impressive. The article that I passed out is from The Economist and a little history. When this bill came up, I had not seen much about it so I did present, not voting the first time, I wanted to do research. I wanted to speak with people in the industry, people who have dealt with addiction behaviors before. On Select File, I voted no. I think that enabling addiction in any way is a really dangerous path to get started on. There are lots of places that we have those touch points with people who are dealing with addiction, who are dealing with homelessness, who are dealing with these issues and I don't believe adding a needle exchange program is a good way to add to those programs. The article-- again, it's from The Economist so it looked at things in a different way-- a different way than the people in public health, maybe, looked at things. They found

that this particular harm reduction tool does lots of harm. And, again, these are people who are looking at cost benefit analysis. They're not really for or against addiction treatments. They just want to see, OK, what does it mean? When you move this lever, how does it change that lever? Once the syringe exchange came to town, counties that offered it, rates of HIV did fall by 15%. So that is a good thing. However, as Senator Murman mentioned, there is a 22% spike in opioid-related mortality. So, again, we lowered one thing, harm reduction, but yet the unforeseen detriment to that was an increase in opioid deaths. Simply lowering the risks of getting sick, just change that, putting that safety net in place has also been shown to possibly incentivize drug use. States that legalized naloxone, which is a medication that can reverse overdoses, opioid abuse increased. When people know, hey, there's, there's that safety net there, maybe I can go ahead and try it. I have grave concerns about saying you can get a clean needle every time, because I think that looks at people who are on the brink, who have tried some drugs but don't want to go the IV route because they're afraid of that dirty needle. They're afraid of getting sick. What if you take that away and somebody says, well, no, we can-- we can always exchange the needles. We get clean needles all the time. It's no big deal. Are we removing that one obstacle that might be keeping someone away from that next step? I think there are so many other ways that we can reach out to people, that we can help them, that we can give them the information, that we can be that touchpoint for them. I think encouraging and enabling addictive behaviors like this is a step too far and it's in the wrong direction. So I support the veto and I am opposed to this bill and I yield my time.

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

**BLOOD:** Thank you, Mr. President. Fellow senators, friends all, I stand in full support of both the amendment and the underlying bill. And God bless, Senator Murman, you are so gullible. I really like you, but you should not read things that people hand to you. This information that Senator Kauth has put out to everybody, I really hope that you guys did your research and you don't stand and talk about it because there are-- if you go to the actual article and to the research that supports that article, you're going to see that there are no graphs of raw data. There are no, no time served plots or scatter plots. And if you look at figure 2 on the actual article, it is bizarre and distorted. You cannot even comprehend information from that figure-- that figure on A2. If you look at the research data and the news

article that was a part of it, you're going to see that there were not enough counties with appropriate population to even get a level of accuracy for those figures. Instead, they've really basically left a trail of breadcrumbs from data or lack of to what a researcher would call estimates. This research is observational comparisons and not data driven. If you look hard enough on the Internet, you're going to find something that supports you right or wrong. But you look kind of silly when you stand up and you quote it when you don't research what it really is and what it does and what it says. To hear Senator Kauth say that this enable-- enables addicts means that she hasn't listened to debate, because what we've seen in, in the other states, is that it clearly is the opposite of enabling addicts. In fact, they are more likely to seek help, and the more likely they are to seek help, the more likely we are to help them. But let's look at the, the, the bottom line. No fiscal impact, no opponents. I voted it out of committee. It's a great idea. But one of the reasons I voted it out of committee is because there is over 30 years of research that shows it provides healthcare benefits when it comes to syringe services. We talk all the time about the fentanyl crisis, and injections are one way addicts use this drug. If you look at programs like the Take Care TakeCHARGE program in New York City, the first rule of thumb is that if you inject, always use new equipment. Hepatitis and HPV spreads between people who share drug use equipment. Hepatitis C virus can live on equipment for weeks and damage the liver, and there is no cure for HIV. These are people, if they remain addicts, that also end up being a burden on taxpayers because it would be us that pay those medical bills. It'll be us that are trying to figure out how to get them off the streets. These same programs encourage and educate addicts on the sharp containers equipment program, program as to how to use and where to drop it off so they aren't leaving needles out and about as people claim is going to happen. I want to go back to when I first came into this body, you remember how Senator Lindstrom and Senator Howard worked together on the opioid crisis, and we had multiple bills that passed. And at first, a lot of people were against some of those bills. But we worked together and we did what was right, and we have likely saved lives as a result of that. This is another opportunity to do so. With that, I would yield any remaining time I have to Senator Hunt.

**DORN:** Senator Hunt, you're yielded 1 minute, 14 seconds.

**HUNT:** Thank you, Senator Blood. I appreciate the time. You know, keeping this just about the policy, I am not trying to make this personal.

**DORN:** One minute.

**HUNT:** But let's let it be said, it's been made personal about me. That's why we're here. I don't know why anyone is working with Hunt. We can't give her anything. We can't give her anything. Is that you when he says we? Anyway, according to the Behavioral Health Education Center of Nebraska, 88 of Nebraska's 93 counties are considered to have a shortage of behavioral health professionals. 88 out of 93 don't have enough behavioral health professionals, to say nothing of the \$30 million cut that they're getting in this budget. One of our colleagues just said there are lots of services for behavioral health, homelessness services that this person said they believe is going to help these people get treatment. We don't have providers for that. We don't have funding for that. LB307 is a permissive bill. Localities that need these services can, with the cooperation of their village board or city council, put this in place with grant funding. It's a local control bill, and we know from evidence--

**DORN:** Time.

**HUNT:** --that it's going to connect people to treatment. Thank you, Mr. President, and thank--

**DORN:** Thank you, Senator Blood and Senator Hunt. Senator Machaela Cavanaugh would like to recognize 58 fourth graders from St. Robert Bellarmine School out of Omaha in the north balcony. Please stand and be recognized by your Nebraska State Senators. Senator Vargas, you're recognized to speak.

**VARGAS:** Thank you, President, President Dorn. Colleagues, I rise in support of the motion to override on many different points, all related to policy. I thank Senator Hunt for her work on this for years. So I am supporting the motion to override LB307. I'm supporting the MO1212. Look, try not to belabor the fact, there's a couple of points that I wanted to personally make. One, I think part of our responsibility here is when we're looking at policy to make sure we're as consistent as, as, as possible. One example of that is we often seek out healthcare professionals when we are looking to support a bill of ours. And I think it's important that we're consistent with the way that we're listening to healthcare professionals for behavioral health, for psychiatrists, for substance abuse, for people that are working in, in this field just as much as we are listening to individuals that are advocating. And it's one of the reasons why, I'm thanking Senator Jacobson here, he is supporting this override and

also-- consequently, is also listening to hospital professionals and physicians on how we can better leverage funds. I'm asking us to make sure that there's a consistency with how we're listening to the-- to the experts that are doing this work. Some ways I wish that we had a, a physician or somebody worked in substance abuse directly in the body. It's, it's one of the reasons why I'm really thankful that we have Senator Fredrickson that has worked in this field and adjacent to this field, but it's also reminding me that it's important when we have practitioners that are sitting in this body to be able to refute on policy and on data how important a policy or a law is. That's the reason why I'm supporting the override. And it has nothing to do with personality, has nothing to do with the Governor, and has to do purely on I think this is good policy. I, I, I believe that when we, we heard the testifiers that came in, that this is a data-driven, permissive local authority way of ensuring that we are-- we're using something that is working across the country in these syringe programs, authorizing them, and making sure that good policy is working across the country and is allowed in our state. We often have conversations, even within Education Committee, about, you know, mandates versus permissive local authority. This is a great example of creating a structure that enables the municipalities and, and local entities to be able to do these programs. And a-- and a thank you to Senator Hunt with the city of Fargo, just the data showing that successfully operating for 6 years. They have saved a life of 1,691 times by administering not only the naloxone provided at these programs, they have had a 25% reduction in hepatitis C transmissions and 345 referrals to substance use disorder treatments. There are just numbers upon numbers of data points that show the positive impact on, on reduction, the positive impact on enrollment, the positive impact on, on substance abuse and treatment numbers increasing. So, colleagues, that's the reason why I'm in support of that. I think it's, it's fairly simple that this has been worked on. I thank my colleagues in, in HHS Committee for making what I think is a pragmatic, local control--

**DORN:** One minute.

**VARGAS:** --type of legislation that will do right by Nebraskans. And local municipalities, local elected officials still have a say on whether or not this goes into effect. It's good policy. It's been worked on. I thank Senator Hunt on that and I support the motion override and I'll yield the remainder of my time to Senator Hunt if she'll have it.

**DORN:** Senator Hunt, you're yielded 40 seconds.

**HUNT:** Sure. Thank you, Mr. President. Thank you, Senator Vargas. We need to let LB307 stand and let the places like Omaha, Grand Island, Kearney, the places that want to give this a shot. If it's unpopular in your county or your town, the local officials in your area will decide that and their constituents will weigh in. But with a vote against this, you are denying local elected officials, their constituents, locally practicing medical professionals, you're denying them the opportunity to hear from their citizens, to put something in place for treatment that we know from evidence works. I would like to speak more, also debunking this Pillen study. According to Dr. Ali Khan, this study looks at--

**DORN:** Time.

**HUNT:** --administrative data, not at outcomes. Thank you, Mr. President.

**DORN:** Thank you, Senator Hunt and Senator Vargas. Senator McDonnell, you're recognized to speak.

**McDONNELL:** Thank you, Mr. President. Good morning, colleagues. Just want to kind of back up a little bit with the idea of, of where we've been over the last few months on this bill. I, I rise in favor of LB307. I rise in favor of the M01212. I appreciate the work that Senator Hunt and, and others have put into this legislation. So we, we-- on General to Select, we were 37 people in favor. Select to Gen-- or excuse me, then, then from Select-- on to Select, we were 31, and then on Final Reading we were 30. So what hasn't changed in the bill is that it's not a mandate on local communities. It's a tool if they want to put it in their toolbox. There's zero fiscal impact, that is not changed. But I'm trying to figure out what information has changed. So looking at some of the things I think's worth repeating that were handed out, this is from Sheriff Aaron Hanson, Douglas County Sheriff. As Sheriff, I support the intent of LB307. I support a smart balance of harm reduction efforts, rehabilitation, and, and enforcement efforts. And he goes on to say other things. And I believe all of you still have a copy of that from the last couple of rounds of debate. Also, though, it was something from the Ohio, former chief from Ohio, 30-year police officer, and they were talking about some of the stats in Cincinnati. Hamilton County had a SSP since 2015. All the statements made are what happens when you do not have an SSP. Ours is a, a public policy which is guided by state law, addresses a medical

public health standards. We have a-- had a 16% reduction in overdose deaths since 2022. Another 11% reduction since 2023. SSP has been a vital component of, of this reduction. SSPs are not just needle exchanges. I think this part is important, not just needle exchanges. They are points of contact that help refer some of the communities' most in need citizens to programs such as treatment and recovery. Our SSP has certified peers that can connect and support someone into treatment on the spot. There is a basic healthcare and community would not normally have access to, helps reduce communicable diseases in the community. People can be connected with transportation, housing, and other basic needs which provide a more stable environment, helping those with addictions have a better chance to recover. If someone has statistics out there that has changed their mind on supporting this bill, I, I would like to see them. But I do believe this, we have to concentrate on, on public policy and not personalities. Whoever brings the legislation, I think it has to be dealt with fairly and sincerely, and I believe we do that. I believe we do that in this body. But if there's some new statistics that came up from the time we voted on this from General to Select to Final, please show us, because I see no reason not to continue our support for LB307 based on the success around the country on SSPs and what they bring to a community. And also they're not mandated. It's not mandating to a community that you have to do this. It's an opportunity for that community, again, to have another tool in their toolbox and it has zero fiscal impact to, to our state. I would yield the remainder of my time to Senator Hunt if she would like it.

**DORN:** Senator Hunt, you're yielded 1 minute, 20 seconds.

**HUNT:** Mr. President. Thank you, Senator McDonnell. In my conversations with some of you, I've heard a lot of comments from colleagues representing areas outside of Omaha. And I've heard a lot not, you know, for example, Senator Brandt, who made the point correctly that this is not an urban issue.

**DORN:** One minute.

**HUNT:** Thank you, Mr. President. This is something that touches all of our counties, all of our districts. But some of you have said, you know, this may be a problem in the cities but this doesn't matter in my district. You know, my vote count now is at about 28. And so I know many of you say that you're listening and you're going to make up your mind kind of in the minute and I'm really asking you to, you know, be serious here. But to say that this doesn't impact your constituents is



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not right. Opioid misuse is trending up in 9 of 19 local health department regions, with the highest self-reported rate of opioid misuse among adults occurring in Dakota County. Those 9 include Dakota County Health Department, Elkhorn Logan Valley, Four Corners, Lincoln-Lancaster, Loup Basin, North Central District Health Department, Panhandle, Southeast, and Two Rivers. HIV--

**DORN:** Time.

**HUNT:** --is trending up in 5 counties. Thank you, Mr.--

**DORN:** Thank you, Senator McDonnell and Senator Hunt. Senator Conrad, you're recognized to speak.

**CONRAD:** Thank you, Mr. President. Good morning, colleagues. I rise in support of Senator Hunt's motion to override the gubernatorial veto. And I want to thank my colleagues that have added their voices to this debate through the committee process, through three rounds of debate, and now during this veto override process. It's already been stated clearly that this measure is a commonsense measure to help our state move forward on serious issues. It came out of an incredibly diverse committee with unanimous support. There's a zero dollar fiscal note on it and it had well north of 30, 35 votes at each of the three rounds of debate, including during the course of debate and deliberation some very passionate speeches in support of the measure from people who are not in the queue and who will not commit to a veto override. So that speaks for itself about what's really going on here. Additionally, some people are furrowing their brow or wringing their hands, concerned about Senator Hunt's tone or others' tone in regards to this deliberation and this motion before us today. Number one, I'm not going to police Senator Hunt's tone or any other member's tone, but I think what that tone is indicative is frustration and passion. Everyone knows what's going on here. This isn't about a policy issue. When Nebraska doctors and Nebraska cops--

\_\_\_\_\_ : [FIRE ALARM GOING OFF]

**CONRAD:** Point of personal privilege.

**DORN:** Senator Conrad, you're recognized for a point of personal privilege.

**CONRAD:** Thank you. I just want to make sure to reserve my time. And I want to make sure that since there's an emergency sound that everybody

has an opportunity to understand what's going on before debate continues.

**DORN:** Speaker Arch, for an announcement.

**ARCH:** Thank you, Mr. President. We will stand at ease until we have the all clear. Thank you.

[EASE]

**DORN:** Returning to debate. Senator Conrad, you're recognized and you-- and you have 3 minutes and 10 seconds.

**CONRAD:** All right. Thank you, Mr. President. Glad everything's OK here and I'm going to try and get back to, to where I was here. So I, I want to make sure, just to reiterate, we've had strong support of this throughout, strong bipartisan support. 48-- 45 of our sister states have already moved in this direction. And Nebraska doctors and Nebraska cops have stepped forward and said this is going to make them safer. This is going to make our community safer. If permissive options like this on the local level help one person struggling with addiction enter treatment, that's a good thing. If permissive programs like this on the local level help keep one first responder safer, that's a good thing. And we can quote or misquote or cherry-pick studies or articles that are out of alignment with the vast majority of the policy in academic and medical research on this point. But let me point out that those are academic. The folks writing most of those articles and cherry-picking from those articles are not on the front lines responding to these issues in our community. So when first responders are telling us this will make them-- their work safer, we need to heed and listen to that unless there would be a significant body of research that says otherwise. So back to the tone. I can tell you, now in my 10th year in the body, that the reason that there is both passion and frustration in regards to supporters of this measure is because this is a classic sneak attack. Nobody from the Governor's Office stepped forward at any round of debate to ask for an amendment to show what they needed to have the bill pass. There was no dynamic cooperation or communication. Members who had legitimate, principled policy disagreements gave voice to those and voted against it. Fine. But many members who supported the measure and spoke in support of the measure have not got on the mic to explain why they're flipping--

**DORN:** One minute.

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**CONRAD:** --and are flipping because the Governor called them. Let me tell you-- thank you, Mr. President-- in 10 years here, you will find yourselves, colleagues, looking for votes on a veto override about something that's important to you. And a vote to override is not the end of the world, a vote to the override is a clear understanding of the process. You do not represent the Governor. You represent your constituents. You represent your state. You have fidelity to the institution. You have fidelity to your colleagues. You have fidelity to good policy. And you move or flip or flop or sit present, not voting when you have an ability to cast a vote and use your voice is wrong and a capitulation. A veto is a singular act to overrule the rule of the majority, which has looked carefully at these issues, has deliberated carefully, and there is nothing but bad personality attacks and bad--

**DORN:** Time.

**CONRAD:** --partisanship coming into this debate and it's time for us to stand up for the Legislature in good policy. Thank you, Mr. President.

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

**AGUILAR:** Thank you, Mr. President and members. I rise in continued support of LB307 and the motion to override. Like most of you, I have received some emails of opposition to this override. And it's quite ironic if you've noticed as I have, that these letters of opposition contain the same misinformation, the same misquotes that come from the Governor's Office. Quite ironic. And I wish some of these opponents of the bills would take the time and do half the research that Senator Hunt does on this subject. I want to thank her for her research and her efforts. She's gone above and beyond what's necessary to get a bill passed. And it's quite obvious why, if you look at the good that this is going to do, if you listen to the supporters from law enforcement, from the medical establishment. It's all there, folks. And I would urge you to vote green on this override. I'd yield the rest of my time to Senator Hunt if she chooses. Thank you, Mr. President.

**DORN:** Senator Hunt, you're yielded 3 minutes, 40 seconds.

**HUNT:** Thank you, Mr. President. Thank you very much, Senator Aguilar. You know, the experience of Senator Aguilar, Senator Conrad, Senator Arch, frankly, Senator McDonnell, who has experience as a first

responder, and is standing up and speaking on behalf of people like Sheriff Aaron Hanson, like these police chiefs from other, you know, from, from this county in Ohio, people who are telling us what we already know, which is that this keeps them out of harm's way. This reduces the risk for them doing their jobs to protect us and keep us safer. And if we pass LB307 and someone in Grand Island or Kearney or Seward or Omaha or any community that puts something like this into place, if that helps one person get treatment, you don't know the downstream effects that that's going to have on safety for our entire communities as a whole. Reduction in crime. More safety for first responders and children and families. That's not an exaggeration, because this is what we've seen in evidence from other places that have these things in place. There have been opponents speaking on this. And they're all kind of saying the same thing that the Governor said. Right? But all of these things have already been refuted. You know in your heart that you can trust the process that we have gone through in this body, and that you can trust the experts who are telling you that LB307 is a restrictive, conservative good bill for people who need treatment. Thank you, Mr. President.

**DORN:** Thank you, Senator Hunt and Senator Aguilar. Senator McKinney, you're recognized to speak.

**McKINNEY:** Thank, thank you, Mr. President. I rise in support of the override and I continue my support of LB307. I support it for many reasons, and mainly because I think this is a-- this is legislation that we should be passing in the state of Nebraska to do all that we can to assist individuals who are dealing with addiction and providing them services, but also providing an opportunity to get them help. And that should be the most important thing about this. We had conversations about other bills this year about drug enhancement and people making arguments for the support of that bill, because this bill was also important too. And now we're seeing that there is potentially-- well, it was vetoed by the Governor. And then if we don't get the support to override it, these individuals are still going to support a drug enhancement without this. So it's contradictory and it doesn't make any sense, which means we shouldn't pass that other bill as well if, if we don't do this. It's just-- it's very interesting in this place about our priorities, our arguments are not consistent. One day we want local control. One day we don't. One day we need every tool in the toolbox to help people with addictions, and one day we don't. So I'm lost for words, honestly, but I wanted to get up and offer my support for LB307 because I think it's a very

important bill and I'll yield the rest of my time to Senator Hunt if she would like.

**DORN:** Senator Hunt, you're yielded 3 minutes, 15 seconds.

**HUNT:** Thank you, Mr. President, and thank you, Senator McKinney. I don't need to take the full time. I will speak more to the study that was passed out and that Senator-- Governor Pillen shared. One of the peer reviews in the journal stated, we are concerned that this study is plagued by major limitations that cannot be ignored. Most importantly, this study is fundamentally flawed for testing the author's claims of a causal relationship between SSP implementation and drug-related health outcomes. The author's approach also has a measure-- has measurement limitations with its key independent variable, the timing, location, and scale of operating SSPs, and is problematic in its assumptions of how SSPs can reduce infectious diseases and overdose mortality at a population level. OK, I just read a lot. I can see your eyes glazing over. Nobody understood what I just said. Fine, fine. The point is, the people who reviewed this study thought it had major limitations. You can find experts, studies, or any other form of anything to affirm any belief you have. You can find PhDs who think the earth is flat. You can find doctors who think the moon landing was fake. Just because you find a fringe outlier doesn't mean it's weighted the same as expert consensus. Besides that, what you can see before you with your own eyes, what you can see before you in communities where they've implemented SSPs and incidents of needle sticks for first responders went down. Rates of HIV and hepatitis C went down. Access to treatment for addiction went up. These things get drugs off the streets. These things help people seek treatment, and they lead to safer communities and happier communities. Doing nothing will not make the problem go away. And frankly, colleagues, we don't have another bill before us this year that's going to help these people. This is our opportunity. This is an important opportunity to save lives. Thank you, Mr. President.

**DORN:** Thank you, Senator McKinney and Senator Hunt. Senator Dover, you're recognized to speak.

**DOVER:** Yeah, I rise in, in opposition to the veto override and I just wanted to express why I'm doing that. I've heard some people say that if, if this helps one person to seek help, then it-- then it's worth it. And I don't know how you weigh both sides, I really don't. But my concern is, I know there are people who will not choose to use intravenous injections of drugs because they're afraid of, of catching

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HIV or, or other types of, of, of illness. And so I think really what's going to happen is even though we're trying to benefit and do some good here, I think what is going to happen is some people who would never have-- decided to try it because of their fear of getting HIV or, or whatever will try it. And I think we're actually-- this will actually help do the opposite of what it's trying to do which is, basically, creating more addicts. I yield the rest of my time to the Chair.

**DORN:** Thank you, Senator Dover. Senator Hansen, you're recognized to speak.

**HANSEN:** Thank you, Mr. President. I'm-- it's a difficult bill and a, a difficult motion by Senator Hunt. I'm kind of right now still trying to figure things out. I haven't been listening to debate, that why I was present, not voting last time. I, I had my staff run some numbers. I think this is where I'm a little, you know, not concerned, but it's creating a little bit of doubt in my mind about when states have-- and Senator Hunt can maybe-- can, can mention this and I can leave her some time if she so chooses. The states when they-- when they have incorporated this kind of program and the percent of increase of overdose death rate compared to the ones that have not incorporated this program. And so I know, again, correlation versus causation type thing, but I think what I'm seeing with the numbers is that, I mean, you can't really argue that the states have done this that it works. But I think you can just as well argue that the states that have done it, that it may not work as well based on the numbers. So, for instance, I'm just going to throw out a few of them here, ones that have been, probably, from 2005 or 2015. So some more recent ones like Indiana in 2015, since they've incorporated, their overdose death is gone up 120%. Florida has gone up 130%. Louisiana since 2006 have gone up 300%. Maryland, 206%. New Jersey, 2007, 248%. Ohio, 348%. I'm not taking some of the older ones. I'm trying to take some more of the recent ones, because Rhode Island, they did theirs in 1994, and they went up 658%. Vermont in 2000 went up 812%. Wisconsin in '94 went up 690%. And this is a percent increase overdose rate. And this is our-- based on population change too, as well. And the ones that haven't done it, such as Arkansas since 2015, theirs has gone up 22%. Since 2005, it has gone up 174%. So it's comparable to some of these as well. Iowa has gone up 48%. Kansas, 105%. Missouri, 109%. Since 2005, they went 240%. We have gone up 65% since 2015 and 128% since 2005. South Carolina, 174% and South Dakota, 50%. Again, these are-- I understand the states that, maybe, we're talking about that haven't incorporated this yet are one of the lower states when it comes to

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overdose death just in, in general. Which would then argue the fact, do we actually need this program if we are one of the lowest ones in the nation currently with overdose death rates comparable to maybe other states that have, you know, larger cities or more people who do drugs that use needles? But those are also some of the states that have the highest rate of overdose death who have used programs such as this. So I'm trying to figure out the numbers, and I will leave the rest of my time to Senator Hunt and, maybe, she can touch on some of these things and clarify them for me. Thank you.

**DORN:** Senator Hunt, you're yielded 1 minute, 40 seconds.

**HUNT:** Thank you, Mr. President. Thank you, Senator Hansen. To say this is not needed because we have low incidences of opiate deaths in Nebraska is not right. And it's also not right to correlate an increase in opioid use with states that have SSPs. There are many, many factors in play. And, respectfully, I would say that we don't know better than the doctors and researchers who are doing these studies that show that they're effective. Increasing HIV rates in Nebraska are the highest in over a decade. That is a reason to pass LB307. The state has seen a 26% increase in HIV, but the U.S. as a whole has experienced a 5% decrease. We know that people who use SSPs, it--

**DORN:** One minute.

**HUNT:** --reduces HIV and HCV incidents by 50%. That's from Dr. Ali Khan. We know that it increases people's likelihood of getting treatment by five times, and we know that the best way to reduce the risk of acquiring and transmitting disease through injection drug use-- we know the best way to do that is to stop injecting drugs. But for people who have not done that yet, for people who are still using, who are still facing addiction, whatever reason, this is a door. This is an opportunity for them to get treatment for the first time. And according to the CDC, new HIV infections can cost upwards of \$350,000 per new infection. So we can all throw out numbers and percentages and things like that. At the end of the day, I look at the experts that I have shared with you, and I'm not trying to understand the research myself. I'm not-- that's-- a lot of you're allergic to that. But what I'm saying is I don't need to go through their sources and say, oh, well, let me see if I can make better sense of it. No, I trust the Surgeon General,--

**DORN:** One minute-- time. Excuse me, time.



**HUNT:** --etcetera. Thank you.

**DORN:** Thank you, Senator Hansen and Senator Hunt. Senator Wayne, you're recognized to speak.

**WAYNE:** Thank you, Mr. President and colleagues. I've been on this side, Senator Hunt, more than I care to. I'll wear it with a badge of pride. That means that you came through this body as not having the majority vote and you worked against the crowd to get it to the Governor's Office to get it vetoed. And I think that is a, a badge of honor. Unfortunately, I have about 3 or 4 badges like that. So wear that with the badge of honor. What's disappointing is-- and I'm talking strictly to the committee that I'm on-- we voted this out. And, in fact, in a recent debate, I wholeheartedly agree with Senator Bosn when she said we should attack this from all angles, simultaneously. And I've done just that, she said. This is not just Senator Bosn coming in and waiting in to enhance the penalty to put more people in jail. That could be further from the truth. I've supported bills from Senator Hunt that attack-- that offer clean needles for those who are recovering to provide treatment information. I support the treatment-- I supported the treatment programs. It was that statement that caused me to really back off of any filibuster of LB137. I thought, well, we're going to be genuine. The committee is going to be genuine about tackling this issue from all angles, simultaneously. So I don't know where people are. I haven't ran a vote card. I've seen a couple of them, and I just want people to hold their word. If it's politics, just say it's politics. It's a terrible thing to say sometimes when you're talking about people's lives. But I also understand how this body works and how the nature of this-- how individuals work. I understand reelections. I understand elections. I understand talking to constituents. For 2 years, I think Senator McKinney and I went through the fire in north Omaha of everything that we did with a, a magnifying glass and community meetings that had 100 or 200 people in there yelling at us. So I get it. But at the end of the day, this is about the institution. And for me, if you think this is a good policy, if you truly believe this is a good policy, I don't want to see, we'll do something next year. We'll work around it, maybe, it's somebody's other name needs to be on the board. All the reasons I've heard for not voting for a bill are voting for an override. But at the end of the day, if this is a good policy and if you disagree on policy decisions, we had three rounds for that, that's fine. But if this is about the override, then I think we're missing the point of what our job is. The override is there to do a check and balance and make sure that the policy is good. And what I'm hearing

from a few people is the policy may not be good. That's fair. That is 100% fair. But those who are switching their votes because of a phone call or being pulled out into the hallway talking to PRO or the lobby out there or even a constituent who might pull you out and have a conversation, just explain it. Because once the vote goes up, even though it might go to a budget, even though it might go to a consent calendar, I'm going to ask why you switched your vote and I'm going to go down the row. And if you don't think that's uncomfortable, I've done it a couple times.

**DORN:** One minute.

**WAYNE:** Because I want to know for the last 20 days, can I count on your vote when and if the Governor vetoes one of my bills, one of Vargas' bills, one of Murman's bills, one of Riepe's bills? I want to know because it, it matters. Because some things you might push when you know you got enough for an override, some things you might not push when you know you don't have enough for an override, because there's not a lot of time left for me in this floor. So I want to make the most use of my time. So if I can't count on you to be there for LB164 or LB1441, or LB235, these are just bills, LB20, LB23, I just want to know because there's going to be some bills, at least if you're getting the same phone calls and text messages and pulled out that I am that--

**DORN:** Time.

**WAYNE:** --I don't even know where people are. So vote green on the override. Thank you, Mr. President.

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

**McDONNELL:** Thank you, Mr. President. I'm still in favor of LB307, MO1212. Let's say everything that Senator Hunt, myself, others have said is wrong. It's 100% wrong. At this point, if we pass this bill and we find out later on that we are wrong, then the local government is not going to enact anything. It's not a mandate. That's the point. It's not a mandate. We don't think we're wrong. We've got statistics. Senator Hunt's handed out a pile of it. We can talk to people from around the country, but if they're all wrong, all their stats are wrong and we're wrong, then no one has to enforce this, has to adopt this. It's another tool in the toolbox. And it's not costing us a dime. It's not costing us a dime. There's zero fiscal impact to the

state of Nebraska. But the impact in lives, if we're right, can make a difference. And you put the value of one life, you put the value of two lives. But the idea is just not an exchange of syringes. It's more than that. It's an opportunity for these people to know that there's help out there, that there's people that want to help them. Now, again, it's not going to work. Do I have a crystal ball? Is it going to be perfect? No, it's never going to be perfect. It's put together by people, we're dealing with people with, with severe addictions. But we know there's people, historically, that have overcome with the right help. So please give this a chance. Again, it has to be about public policy. It can't be about politics and it can't be about personalities. It's got to be about the policy that's on the board. And right now, I think this opportunity, as others have done around the country, let's not be too proud to steal good ideas and learn from other people's mistakes. Well, here we are, we have an opportunity to give an option to local government to adopt this, put it in the toolbox to help people. And if they don't want to, it's not mandated. I'll yield the remainder of my time to Senator Hunt.

**DORN:** Senator Hunt, you're yielded 2 minutes, 43 seconds.

**HUNT:** Thank you, Mr. President. And we'll be wrapping up here and I'll get to close a little bit. I could-- I could start now, I guess, and we'll call the house and we'll do a vote. In the Legislature, this is a serious moment. Many people talk about veto overrides in the past where the Chamber was hushed, where people were paying attention. And I want to thank all of you colleagues for not just the conversations with me over the last week about this bill, specifically, but for listening today. There's about 5 or 6 of you, 7 of you who have told me continuously that you will listen, that you will consider the evidence, that you're not sure where you stand, that you don't know if this helps your constituents, but that you're listening to evidence. And I thank you very much for that. And I-- and I thank the body for, you know, just the serious attitude that's over the Chamber today. This vote, of course, is not just about LB307, it's about the independence of this Chamber, something that many watchers, many veteran staffers, many former senators have said for several years has been lacking and slipping and diminishing and decreasing. I'm a proud state senator. I'm proud to represent District 8, and I can tell you, confidently, that my constituents do want this bill to pass. This will help the people that have elected me, who I serve and who I serve proudly and well.

**DORN:** One minute.

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**HUNT:** I worked this bill well. And at the end of the day, I will say that there's nothing more I could have done. One of the hardest votes we ever took, it doesn't matter even what it was right now, but Senator Chambers came over to me after that vote, and I was upset about it, and he said to me, well, did you do everything that was available for you to do? Did you do everything you could do? And I'm irritated. I said, yes, yes, there's nothing more I could have done. And he said, well, then how can anybody ask anymore of you? And I'm not kidding, guys, when I tell you I play that quote through my head, maybe, 2 or 3 times a day. It's not like sometimes, like, that's probably become one of my most guiding mantras, I guess. If I've done everything that's available for me to do, no one can ask anymore of me. And that's how I get through my time--

**DORN:** Time.

**HUNT:** --in this body.

**DORN:** Senator Hunt, you are recognized to close on your motion.

**HUNT:** Thank you, Senator Dorn-- Mr. President. So I've done everything I can do, and the rest is on you today. The rest is on you-- please listen-- the rest is on you to stand up not only for your constituents, but all of ours. All of the people of Nebraska who we know can benefit from LB307. Not just the people it will affect, but the law enforcement, the first responders, the experts who have already given us the research and data and the evidence from 45 other states to show us that this works. And Nebraska's bill, colleagues, is not like those other states either. You know why it's better? Do you know why LB307 is better than what any other state is doing? Because this bill is about local control. It's saying Grand Island, if you'd like to have a syringe service program, your city council has to approve it. They have to go through that whole process with their constituents. It has to be run by a behavioral or public health provider and it has to offer treatment. Read the bill-- too late for you to read the bill now, but it has to offer all kinds of treatment and services that we know is going to be the bridge for these people to get help that they need. I think that we have a lot yet to accomplish in this session, and that's why I think this veto was very foolish on the part of the Governor. We were sailing along, and I would like to continue to do that because we have a lot more controversial things before us that I think we should have saved the drama for, honestly. Finally-- you know, what more can I say? But, finally, I, I have to thank my staff. Hanna Murdoch in my staff, this

is her bill, honestly, like, she has done so much research and so much work over the last 2 years on this. She's become an absolute expert in this-- in this subject matter. She has managed experts. She's connected many of you to experts like Dr. Adams who spoke to Speaker Arch. She's helped me with all my preparation, obviously. And I just, like-- I just want to thank her publicly and just share how grateful I am to have her on my team. And Cassy Ross, who, you know, takes care of us in the office and, and has managed all of the constituent contact. And people reach out to us all the time, as they do to you, and they say, you know, misinformation about this bill and they're confused about and what does it really do? Are we giving free needles, you know, things like this, is it taxpayer funded? Why are we having government pay for needles, this and that? And Cassy is the one who has delicately and, and intelligently broken down these arguments for people and gotten them on our side. And that's politics at its best, isn't it? When you have an idea, you do the work to put it into place, you convince the people who are on the fence, you introduce an amendment to pull off opposition and get it to a place of compromise where people can agree with it. And then the 49 people who were elected to represent the best interests of the people they serve say you know what, we think it's good. End of story. What happens on the board today is not because of the policy. And I encourage you to protect your reputation as a senator, to protect your legacy here during the short time you have in your life in this body, by taking a vote with integrity that's about policy, that is not a personal vote. That's not because you think the Governor can do something for you that 49 of us--

**DORN:** One minute.

**HUNT:** --can't. And that's something that you can be really proud of. OK. All right. Thank you, Mr. President. I ask for a call of the house.

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

**CLERK:** 34 ayes, 1 nay to place the house under call, Mr. President.

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

return to the Chamber. The house is under call. Senator Brewer, please return to the Chamber. The house is under call. All unexcused members are now present. The question before the body is the override of LB307. This motion requires 30 votes. Mr. Clerk, there's been a request for a roll call vote. Please call the roll.

**CLERK:** Senator Aguilar voting yes. Senator Albrecht voting no. Senator Arch voting yes. Senator Armendariz voting no. Senator Ballard voting no. Senator Blood voting yes. Senator Bosn voting no. Senator Bostar voting yes. Senator Bostelman voting no. Senator Brandt voting yes. Senator Brewer voting no. Senator John Cavanaugh voting yes. Senator Machaela Cavanaugh voting yes. Senator Clements voting no. Senator Conrad voting yes. Senator Day voting yes. Senator DeBoer voting yes. Senator DeKay voting no. Senator Dorn voting yes. Senator Dover voting no. Senator Dungan voting yes. Senator Erdman voting yes. Senator Fredrickson voting yes. Senator Halloran voting yes. Senator Hansen voting no. Senator Hardin voting no. Senator Holdcroft voting no. Senator Hughes voting no. Senator Hunt voting yes. Senator Ibach voting no. Senator Jacobson voting yes. Senator Kauth voting no. Senator Linehan voting yes. Senator Lippincott-- Senator Linehan voting no. Senator Lippincott voting no. Senator Lowe voting no. Senator McDonnell voting yes. Senator McKinney voting yes. Senator Meyer voting no. Senator Moser voting no. Senator Murman voting no. Senator Raybould voting yes. Senator Riepe voting yes. Senator Sanders. Senator Slama. Senator Vargas voting yes. Senator von Gillern voting yes. Senator Walz voting yes. Senator Wayne voting yes. Senator Wishart voting yes. Senator Linehan voting yes. Vote is 27 ayes, 20 nays, Mr. President, to override the gubernatorial veto.

**DORN:** The motion is not adopted. Raise the call. Mr. Clerk.

**CLERK:** Mr. President, some items, your Committee on Enrollment and Review reports LB43, LB61, LB198, LB204, LB304, LB905, LB938, LB1087, and LB1104 as correctly engrossed and placed on Final Reading. Your Committee on Enrollment and Review also reports LB894 and LB906 to Select File with LB894 having E&R amendments. Your Committee on Agriculture, chaired by Senator Halloran, reports LB1301 to General File with committee amendments. Your Committee on Health and Human Services, chaired by Senator Hansen, reports LB874 and LB1350 to General File with committee amendments. Amendments to be printed: Senator Dungan into LB857A; Senator DeKay to LB1301; Senator Ibach to LB894; Senator Dungan, LB1074; Senator Ibach, LB1368. New A bill, LB993A, introduced by Senator Ibach. It's a bill for an act relating to appropriations; to appropriate funds to aid in the carrying out of

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the provisions of LB993. Notice of committee hearing from the Agriculture Committee, as well as the Business and Labor Committee. Finally, Mr. President, a priority motion, Senator Dover would move to recess the body until 1:30 p.m.

**DORN:** Colleagues, you've heard the motion. All in favor say aye. All those opposed say nay. We are adjourned-- we are--

[RECESS]

**KELLY:** 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.

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

**KELLY:** Do you have any items for the record?

**CLERK:** I do, Mr. President. Communication to the Secretary, Secretary of State concerning LB307. Additionally, your Committee on Enrollment and Review reports LB644, LB895 to-- as placed on Final Reading. Additionally, your Committee on Enrollment and Review reports LB856A, LB857A, LB1035A, LB685A, and LB1087A to Select File. Amendments to be printed from Senator Brewer to LB399, and Senator Aguilar to LB926, and Senator Moser to LB484, Senator Ibach to LB262. Additionally, notice that the Revenue Committee will be holding an Executive Session in Room 2022 at 2:00 today, Revenue Committee Exec Session, Room 2022 at 2:00. That's all I have at this time, Mr. President.

**KELLY:** Thank you, Mr. Clerk. While the Legislature is in session and capable of transacting business, I do propose to sign and do hereby sign LR315. Speaker Arch announces some guests in the north balcony. Members from the Leadership Sarpy, the Sarpy County Chamber. Please stand and be recognized by your Nebraska Legislature. Mr. Clerk for agenda items.

**CLERK:** Mr. President, first item on the agenda. General File LB1412. As it concerns LB1412, Mr. President, I have a motion, Senator Machaela Cavanaugh would move to indefinitely postpone the bill pursuant to Rule 6, Section 3(f).

**KELLY:** Thank you, Mr. Clerk. Senator Clements, you're recognized to open.



**CLEMENTS:** Thank you, Mr. President. First, I want to thank the Appropriations Committee for their hard work as we met every session day, hearing many budget proposals. LB1412 is the main-line budget bill. And I want to thank Vice Chair Wishart, and Senators McDonnell, Vargas, Erdman, Dorn, Armendariz, Dover, and Lippincott for your many hours of listening and discussions. I also would like to thank Keisha Patent, our fiscal analyst, and all of the budget analysts in the Legislative Fiscal Office for their hard work and expertise. LB1412 is the Governor's mid-biennium main line budget adjustment bill. The Appropriations Committee advanced LB1412 to General File with AM2566 on a 9-0 vote. The committee started with the Governor's recommendations as outlined in his budget book in January. The committee then reviewed the requests of agencies wanting changes from their current budgets. The committee preliminary report contended those-- contained those changes that were approved. Then we held public hearings to hear from each agency and the public regarding those agency requests. Next, we had public hearings on 59 bills with budget requests totaling about \$250 million of new General Fund spending, and \$108 million in federal ARPA fund requests. There were about \$38 million in unused ARPA funds, which were reallocated as described later. That ends my opening remarks for LB1412, Mr. President.

**KELLY:** Thank you, Senator Clements. As stated, there is a priority motion. Senator Machaela Cavanaugh, you are recognized to open.

**M. CAVANAUGH:** Thank you, Mr. President. Good afternoon, colleagues. MO1244. I chose to do this motion with the Rule 6, Section 3(f), because it blocks the committee amendment. So right now, if this were to go to a cloture vote, which I'm not entirely sure how that would work on the budget, but if it were, we would only vote on the budget as introduced by the Governor. So that's just to explain what that motion is. I want to say something. I stayed off the mic this morning because, well, frankly, if it was a political vote against Senator Hunt, I didn't think me talking was going to be helpful. It was a disappointing vote, and it was disappointing for this body to see that we cannot rely on one another to support one another. That was disappointing. But for those of you who are new to this body, who voted against the veto override, I want to tell you about how I got here. I ran for the Legislature in 2018. I started out running against a Republican incumbent in a Republican district in Omaha, and I did that-- I didn't wait until it was an open seat. I ran against a Republican incumbent in a Republican seat in Omaha in 2018, because in 2017, the Governor line item vetoed funding for developmental

disabilities, and she stood on this floor and spoke out against that. Left the floor, presumably got a call from the Governor, and came back and did not vote to override that veto. That was the moment that I turned to my husband and literally said, I have to run, because if she's not willing to stand up for vulnerable people, she shouldn't be there. And I guarantee that there were people in your districts today having that same conversation this morning. That vote was purely political. It wasn't good governance and it is disappointing. But now we are on to another three ring circus, the budget. And I think we should all get comfortable because first of all, the budget is really important and we should be taking time to discuss it. Now, last year when I was up here discussing the budget, all of the members of the Appropriations Committee seemed to evaporate from the floor of the Legislature. I hope that doesn't happen this year, because I'm not going to be the only person speaking, clearly, there are people in the queue that want to speak, but you should be here. You should be present to answer questions from your colleagues, and it is disrespectful for you not to be here to defend your work, because 9 of you are putting this forward to 40 others of us, and we expect answers to our questions. And our questions are legitimate. Starting with on page 44 of the Appropriations Committee adjustments, we see a reduction to public assistance and a reduction to behavioral health. And I am just going to telepath right now that that is something that I am going to want answers for. If the reason that we are reducing behavioral health is because they didn't spend the money, why didn't they spend the money? All we have heard about is how we have a behavioral health crisis in this state. So what do we need to change in statute to ensure that this money is being utilized for the intended purpose, instead of clawing it back for something else? The same with public assistance. Why isn't it being used? We know that we have people in crisis. We know we have people who need public assistance. And if we are going to claw back \$30 million in public assistance, why is that \$30 million not being used for the Medicaid unwind to kick poor people off of Medicaid? Instead, we are going to claw the Medicaid excess fund, the fund that should be used for Medicaid services, not to kick people off Medicaid. You're going to hear from my colleagues that the budget is a moral document. And I, year after year, question our morals based on this document. It is extraordinarily concerning that we continually slash funds that go to underserved populations. I have emails from my constituents constantly asking me, why does the Nebraska Legislature hate poor people? Why do we hate poor people? That's not an email I enjoy getting because I am here to fight for everyone, and I would hope that you would join me in

that. But a moral document should reflect that. And it doesn't. What it reflects is cutting spending to vulnerable populations to pad our pockets so that we can afford major tax cuts for the wealthy. That's not moral. How much time do I have, Mr. President?

**KELLY:** 3 minutes, 52 seconds.

**M. CAVANAUGH:** I'd like to yield the remainder of my time to Senator Wayne.

**KELLY:** Senator Wayne, you have three minutes, 45 seconds.

**WAYNE:** Thank you, Mr. President. So there, there are a lot of problems that I'm seeing right now. And don't worry, a 9-0, vote out of Appropriations shouldn't mean anything to this body, because it doesn't mean 8-0 coming out of Judiciary. So we'll start there. So if anybody gets up and says this came out 9-0, I'm personally going to have a conversation one on one on the mic about why that matters, because it didn't matter for Judiciary. So we'll start there. Second, I'm going to be filing motions through three rounds that's going to remove every bill that was listed in there. And we're going to take votes straight up and down on each bill, because I'm trying to figure out, even the bills that cost nothing. The problem that I've been seeing over the last eight years is what I would say a disrespect to the committee process by the Executive Board and now the Appropriations Board, by putting bills in Appropriations that have no business, do not belong there. Senator Hansen and I brought a bill last year to make sure that we have a Florida clause and a sunset committee that reviews every program. Instead, what we've done in Nebraska in this Unicameral is we started moving bills of committee and jurisdiction that have "programic" and statutory changes into an appropriation process. That is fundamentally wrong. My first two years, we went through tons of debate around Title X, or Title X, whatever that was in the bu-- Title X. And balconies were full, and the one thing Stinner said over and over, which I agree with, was we shouldn't put these type of statutory language program changes in the appropriation process, that there is a committee of jurisdiction, and I have to look no further-- I wasn't expecting to go this early, wasn't expected to go this early, but that's great. If you turn to page 4 of this handy dandy green book, you'll see that there are some bills that are incorporated that have zero fiscal. LB850, Senator Jacobson. I support the language changes he is doing. I do not support those changes coming from Appropriations. That should have went to Banking, Government, or Urban affairs. By the way, now we've expanded

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our housing program that's-- we can hear, number three in the country-- number three issues across the state, top three issues. We don't have a place for it in this body. Some housing programs go to Urban Affairs, some go to HHS, some go to, believe--

**KELLY:** One minute.

**WAYNE:** --it or not, Natural Resources. And some even go now to Appropriations along with Government. But it should not go to Appropriations for changes in statutory language. Another one that has zero is Senator Fredrickson. It's an earmark regarding university appropriation. That one may stay there, because I printed out one. So it may actually deal with an appropriation. But I'll tell you one that doesn't is Senator MacDonnell's change to the language of lead service line funds, changes to the definition of nursing scholarship earmark language. Those are statutory changes that should go to the jury of, or the committee of jurisdiction. That's not complicated. That is the end around the entire process if a bill on the floor, let's say Senator Bostar's, child care bill isn't attached, nor is it passed--

**KELLY:** That's your time, senator.

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

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

**CONRAD:** Thank you, Mr. President. Good morning, colleagues. I rise in support of the motion, and I thank Senator Cavanaugh for bringing it forward. I want to continue some of the comments that my friend Senator Wayne started on here today, friends. As an eight year member of the Appropriations Committee during my previous time in the Legislature, I spent a lot of time and energy reviewing budgets and am very familiar with the process and the issues. And I can tell you what has emanated from the Appropriations Committee in regards to this mid-biennial budget adjustment, it is not thoughtful and it is not appropriate, and it is filled with nothing but budgetary tricks to bend and twist and borrow and steal and sweep money away from intended purposes, away from Nebraskans who most need it. And for what? For what? For what policy basis? Allegedly, it's to meet some made up number from the Governor's office about a reduction in local property taxes of 40%. Let me remind you of a couple of things. We are at a time of economic prosperity. We are not at a time of recession. We are not at a time of dwindling receipts. Look no further than the

financial status. Look no further than the General Fund reports that come out every single month. And look at the fact that we are in a time of economic prosperity. What this budget looks like, in fact in many ways if not worse than, is a budget that would emanate from the Appropriations Committee in a time of economic downturn, when we are beg, borrowing, and stealing from cash funds to balance the budget. We-- that is divorced from the economic reality that we find ourselves in, number one. OK? So let's not get too deep into made up debate about the finer points of certain aspects of the budget without forgetting that global note. What we also have as part of the Governor's plan in regards to this arbitrary 40% tax cut goal is a competing and companion propose-- a companion proposal making its way through the Revenue Committee to increase taxes. So from the Revenue Committee, we have proposals that are making their way forward to increase taxes. We have a budget before us to cut services and to steal money from otherwise intended purposes, to move forward with an unrealistic, arbitrary 40% property tax reduction at a time of economic prosperity. That is bad politics and bad policy. I appreciate Senator Cavanaugh for bringing this forward, because we can and we will settle in to talk a lot about the cuts and the sweeps to behavioral health, which are wrong, about the cuts, about the sweeps from the state settlement funds that were brought to us by various Attorney Generals [SIC], because Nebraska consumers were harmed. They were not brought to this state for property tax cuts. And I hope the Appropriations Committees have done their homework, each and every member, all nine, because we're going to go through those settlement dollars together on the mic. And you can rationalize on the record how you made those sweeps. So get ready, because I'm preparing to call that out in my next time on the mic. Additionally, we're going to talk about how the sweeps hurt the poor, the poorest among us, the most vulnerable Nebraskans. Many of you weren't able to attend an event that we had in the rotunda just today, with scores of Nebraskans who stepped forward--

**KELLY:** One minute.

**CONRAD:** --who serve folks with developmental disabilities, who have developmental disabilities, and who loved loved ones with developmental disabilities. And they called upon this body to make sure that they were here today, not just for a photo op with the Governor, but for real action, that we put our money where our mouth is. And the timing couldn't be better, because we're going to have the opportunity to do that together or not. This is about policy. This is a moral document, and this is divorced from the economic reality that

our state finds itself in. And we're going to have a lot of time to talk about it. Thank you, Mr. President.

**KELLY:** Thank you, Senator Conrad. Senator McDonnell, you're welcome-- you're recognized to speak.

**McDONNELL:** Thank you, Mr. President. Good afternoon, colleagues, I want to thank Senator Clements and all the people that serve on Appropriations. Also Fiscal Office, for all the time they put in and, and the assistance they give us, and, and all their, their knowledge and experience they, they bring to the table. You know, this isn't a easy process, and it shouldn't be. We're talking about the budget for the state of Nebraska. So as Appropriations Committee, we do spend a lot of time together because we're the only five day committee. There's a number of bills that come in front of us, a number requests, the Governor proposes, and we depose as the-- as the committee. And then part of the process is we bring it to the members on, on the floor. So we are excited about talking about the budget, because this is what we work on 90% of the time throughout the year outside of our own personal priority bills or bills we introduce in different committees. So the idea of bills being brought up and where they're assigned, I don't make those decisions. But if a bill is assigned to Appropriations, we take it extremely seriously. And based on whatever that reason might be, we go through the process and we have the hearing, we go into Executive Session, and we talk about those bills. Senator Wayne has brought up two of the bills that I introduced, LB1099, the nurse scholarship that was approved in the last budget, and also LB1245, which is the lead service that was approved in the last budget. So this year, there was no fiscal notes, but on the nurses bill, we wondered if we had a mistake that was put in place based on we forgot about the quarterly system from the community colleges. The idea of a semester and how you reimburse students that way, so we wanted to make sure we have cleanup language for the quarterly system. On lead service, we had to look at the grant process, how that worked, because it had been sitting there, based on replacing lead service pipes to homes, which we know all the damage that can do to the next generation, based on the idea that if we could look at homes built before World War Two, before 1945, those were the homes that really needed the most assistance. So we, we appropriated, through a budget that was already approved, \$10 million. What we were having is a problem with some of the grant process. So we wanted to do that cleanup language. So we can get in, in as detailed as everyone wants, because this is part of the process, and you should be asking those questions. But I don't think we should take away the work that

people have done, that senators that brought us the legislation, the appropriations-- and again, we don't always agree within appropriations. And, and we go into Exec Session, we have those discussions. But I am proud that we got to the point where on LB1412, we came out with a 9-0 vote from Appropriations. Not easy. And again, that shouldn't-- the process should never be easy because we're dealing with the taxpayers' dollars. But at the same time, it's a-- it's a good process. I've been part of it, been honored to serve on the Appropriations Committee for, for eight years now. And I believe we've brought you a fair budget. Again, the Governor proposes we depose, we didn't agree with the Governor on everything, and we didn't agree with each other on everything or the senators that brought their bills. But we got to the point where we felt this was the best bill to bring in front of you, and we stand behind it as appropriations again, voting 9-0. Thank you, Mr. President.

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

**WAYNE:** Thank you, Mr. President. So, I'm going through the fiscal note, and I'm actually reading the language and I, I'm just-- let me back up, let me start from a premise. I, I'm not sure how these conversations go. I'm not sure how the conversations with the Governor's Office goes. But I remember last year getting a veto on a budget line item for \$15 million for PTSD, and it was said that that was because north Omaha and south Omaha already got too much money. So when you have these budget conversations, do we just write off north Omaha and south Omaha because we already got some money that really hasn't been deployed yet? And then if that's the principle, we're going to start having a conversation on this floor about that same principle being applied to everything, including daycares, including job training. When is enough enough? We gave \$15 million, \$20 million to community colleges to boost workforce, gave another \$15 million job training to boost workforce. They were given more money for daycares to boost workforce while we're sweeping money away from behavioral health. Every year I get on the floor around the budget, and I'm just at awe, and it's moving in the wrong direction. Why are we changing provisions to the Innovation Business Act through Appropriation when there is a committee of jurisdiction that is doing that? That is gonna def--- for every committee chair that is going def-- you're getting ran around. And maybe that's the process we want to start doing, which is fine. But here's what I will tell you. Every one of these transfers that involve ARPA dollars is a vote against your commitment to north and south Omaha. And you may say, how? And some of you may be running



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for office. It's easy, it's in statute. Unobligated funds at the end of this year are supposed to automatically transfer over, over to the Economic Recovery Fund. That was a deal we made on this floor. Yet I am seeing vote after vote by Senators in Omaha moving ARPA dollars when the statute says that we're not going to do that. So every ARPA dollar that is being transferred, we're going to have a conversation about over the next couple of hours. We're going to have a conversation on Select File and on Final Reading, because the current statute is unobligated funds, the end of this biennium, 2024, moving to north and south Omaha. That was the commitment this body made 47-1, following year 44. But yet I am seeing ARPA dollars being moved to roads. I'd rather see those ARPA dollars go to sustainable beef, because at least those are permanent jobs we're creating than construction crews moving around the state, not creating new jobs, one time funding. One time funding that was supposed to change some things for those who are in poverty. We still never addressed the lead pipes going across this entire state, but particularly in the suburbs, Elkhorn, of Omaha. ARPA was supposed to be used for that. A special provision was laid out for those kind of sewer issues and water issues from Flint, Michigan. We spent no money there, but we're going to put it on roads that create literally zero jobs.

**KELLY:** One, one minute.

**WAYNE:** And if the argument from Senator Cavanaugh is that they didn't spend the money in HHS, so we should sweep it, then why are we giving more money to NDOT? They have not spent all their money. So I have some work that I have to get done and I have to get some-- deadline is tomorrow on it, and so I'm going to let others do some talking. But when it gets kind of quiet, we're going to have some Q and As. And you're gonna have to stand by what we're doing and what you voted on, unless you do what half of my committee did and decide to switch votes. I'm OK with that, too, because that's your prerogative, I'm cool with that. But we're gonna have to justify it. Because your commitment for-- when I got up here and kept filibustering and taking my time on LB1014, two years ago, three years ago almost now, saying you can't spend all these ARPA funds, the deal was the catchall, anything not spent was going back there. So when you voted to transfer money--

**KELLY:** That's your time, Senator.

**WAYNE:** --particularly ARPA money, you are voting against east Omaha. Thank you, Mr. President.

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

**WISHART:** Thank you, Mr. President. I rise in support of LB412 [SIC, LB1412], and against the motion to indefinitely postpone this budget bill. I also want to thank Chairman Clements and the rest of the committee and the fiscal staff for their work on this deficit budget. This is my last deficit budget that I get the opportunity to work on, and it has been an absolute honor to work on the Appropriations Committee over the last eight years. It has definitely been a roller coaster of experience in terms of our fiscal situation, having come in as a freshman senator with us deep in the red as a state and us working to pull ourselves out of that and then being in a much better fiscal situation, today and, and moving forward. I want to remind everyone this is a deficit budget, our full biennial budget we passed last year. And so the way I look at this is the additional tweaks that we would like to see, based off of sort of a main vision that we had last year in terms of our biennial budget. Some of the areas that we continue to prioritize in this are water, education funding as the Chairman discussed, there was an increase from what we had anticipated TEEOSA to cost, and we were able to, to meet that in our budget and make sure that we're fully funding our public schools. We prioritized rural fire departments' infrastructure. It is a bill that Senator Brewer and, and Senator Ballard, as well as Senator Dover brought. I thought it was one of the more compelling hearings that have been in front of Appropriations Committee. It is a drop in the bucket, \$2 million, from what we need to do to support rural fire infrastructure in our state. But I'm glad to have been part of a group that continues to invest in this over the years, and I hope moving forward, for those of you who are listening and engaged in, in future years, that we continue to make that investment because it's vital for public safety and our environment across the state. I'm really proud of some of the work we did in terms of child welfare, investing in particular in, in foster care facility with Cedars that made it into our budget. And I think it's going to be a significant improvement for foster youth in our state. Recognizing that Cedars, while located in Lincoln, supports a lot of youth across the state. And then we've also invested in, for example, some nurse visitation programs. Lancaster County has just piloted a really incredible program in which a nurse visits a new mother within the first three weeks of having a child, and we were able to invest some additional dollars into that program so that more than Lancaster County is able to experience that important service. As been-- has been discussed, we've prioritized infrastructure, not only

water, but roads as well in this budget. Colleagues, did I get everything I wanted in this budget? No, I don't think there's ever been an appropriations year where I've gotten everything I wanted. I would have liked to see more funding towards providers, and I'll talk a little bit more about some of the issues that, that we're dealing with in, in terms of why you're seeing money that's not being spent within public assistance and in behavioral health. And that is something we're going to need to fix, some structural issues that we're going to have to fix, because the need is out there. And then I do hope, moving forward, that this body will consider the, the major needs that our tribes have in terms of water resources. There are some tribes that exist today in Nebraska that are literally not able to drink their own water, and I would have liked to see that included in the budget. And like I said, you know, we, we win some, we lose some in our committee. And--

**KELLY:** One minute.

**WISHART:** -- the goal is, we, we come out and we support the budget, and that's what I intend to do. But that is something that I am appealing to this Legislature to consider moving forward. I'll get into answering some of my colleagues' questions moving forward around sort of statutory changes versus intent language, as well as why we're seeing a reduction in public assistance, and then talk a little more about behavioral health in my next time on the mic. Thank you.

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

**VARGAS:** Thank you. OK, I stand in support of LB1412, and in opposition to the IPP motion. Although I welcome an IPP motion. It's our opportunity to actually talk about the budget, which I think is a really, really good thing. And I want to kind of approach this in a similar fashion that some of my colleagues on the committee have been talking about for a couple reasons. One, many of us have been on the committee for about eight years, and we have been in the ebbs and flows of what kind of budgets we do and do not have. But for the purposes of this, I really like talking about this as a budget adjustment, because that's exactly what it is. This is a budget adjustment. And in particular, I, I loo-- I tend to look at appendix A, page 44, because this is where, when people are thinking about all the General Fund expenditures and everything that we do on the floor, the debate, when you look at page 44, that's the General Fund appropriations adjustments. These are the-- these are the minor

adjustments, and they are minor in the grander scheme of the entire budget that we are making. And if you're looking at this, the largest adjustment is actually on TEEOSA adjustment for education funding, which represents \$94 million. In total, the committee has made about \$14.9 million in 2023-2024, and \$73 million in '24-25. But the large overwhelming majority of that net change is from TEEOSA education funding. That's largely what this is, in terms of the General Fund obligation changes that we're making. There are other changes which we will clearly debate in terms of transfers from different other funds, which are losses and wins in different committees and depending on which ones were moved and which ones weren't. And there are other changes in this in terms of things that were moved away from different agencies. But one of the things I wanted to make sure is when we're talking about the General Fund expenditures, we are not making new or really a lot of new General Fund expenditure than this, partly because, well, one, the ideas and different things that were brought to committee don't have enough votes for some of these really wonderful bill ideas. That's one. And without having consensus or majority of the members of the committee on General Fund bills or ideas, where to put more money in other things that are important, we just couldn't get the full consensus of support on those. But what we could do is we have to fund education, additional homestead exemption, which we are required by law to make sure we're doing, which is an additional \$30 million. We also had a historic salary increase for state patrol, which is about a 22.1% increase, including the funding for the state Patrol headquarters. Additional funding for child welfare aid and child welfare staff, largely because of both need for staffing and need for aid. So investments in education, investments in, in the Homestead Exemption Act, investments in state patrol, investments in child welfare aid. Here's the things that we don't have in here that I wish we would have seen, that we just didn't get to-- we didn't get to get over the finish line. I personally would have wanted to see more support for provider rates, conversations I've had with Senator Dorn many a night, not only for DD, or child welfare, but we're talking about for hospitals, for Medicaid providers. It's the same debate that we had on the mic last year when we were trying to override the Governor. I think we need to do more. Not because of just a workforce issue. This is a quality of health care access issue. But the votes aren't there in committee. And again, we win some and we lose some in each committee vote and in the committee process. That's what I didn't see in here, which I really wish we saw. I also wish we saw more investments in higher education affordability. I made a big fight and, and push for making sure that we're protecting the

investments from the lottery funds to the Opportunity Grants program, to other grant programs in higher education. Because I believe that this is one of the ways that we can make sure we're making it more affordable for people to be able to enter our workforce. But overall, the reason why I look--

**KELLY:** One minute.

**VARGAS:** --at this budget adjustment is there are a lot of really wonderful bills that were brought to committee. There's a lot of General Fund bills that were on the floor right now. There is more money available for the floor. We did not have a lot of General Fund obligations within the committee, which means the things that you're fighting for on the floor, many of the things I've supported, really, really good bills that do require a General Fund obligation for staffing have some funding available, so that we're just-- we're able to actually enact them and, and put them into our overall-- the ability for growing for early education, or for child care, or for workforce, or many of these-- or economic development. The bills in the other committees. There is some more money for the floor. We don't have bills in committee that are really doing a lot of General Funds. Nominal. Most of this again, is education, homestead exemption, child welfare aid, state patrol salary, things that we're obligated--

**KELLY:** That's your time, Senator.

**VARGAS:** Thank you.

**Speaker 1:** Thank you, Senator Vargas. Senator Machaela Cavanaugh, you're recognized to speak.

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

**KELLY:** Senator Clements, would you yield to a question?

**CLEMENTS:** Yes.

**M. CAVANAUGH:** Thank you, Senator Clements. On page 19 of the, the green appropriations budget proposal, you have the cash funds listed, and the very first cash fund is the Security Acts Cash fund. And I see that we're taking \$15.5 million out per year, for a total of \$39.5 million. What is the solvency of that cash fund?

**CLEMENTS:** Let me look at my book. Just a minute. Yes. All of the cash flow transfers are shown in the gold book from the Governor. And that gets funds into it every year. And looking here.

**M. CAVANAUGH:** So do you know how much money is currently in that cash fund?

**CLEMENTS:** It's in here as soon as I get to it. Excuse me.

**M. CAVANAUGH:** OK, well, I'm going to ask more questions while you're looking for it. So the Security Act of Nebraska Cash Fund, where we're taking \$39.5 million out of it, and I'd like to know what the solvency is, but I'd also like to know what the budget is for the utilization of that cash fund, because it is-- it was established in statute 8-1120, the administration of act, Director of Banking and Finance, powers and duties, use of information for personal benefit, prohibited security acts, cash fund created. And the cash fund is created, to be used for enforcement.

**CLEMENTS:** Yes, I found it now.

**M. CAVANAUGH:** OK.

**CLEMENTS:** The starting balance this fiscal year is \$32.9 million. And it gets revenue of about \$32 million a year. This is something that has been in each year of the budget that are-- transfers are taken out.

**M. CAVANAUGH:** How much are they typically in past years?

**CLEMENTS:** About \$25 million.

**M. CAVANAUGH:** So why are we not lowering the fees that we put into that fund for those that pay that into that fund?

**CLEMENTS:** I don't know. We don't deal with that in my committee.

**M. CAVANAUGH:** OK.

**CLEMENTS:** These are extra funds that-- there's an insurance fund also that transfers quite a bit to the budget every year. But--

**M. CAVANAUGH:** So it sounds like we're--

**CLEMENTS:** --this shows it's going to leave \$19 million in this fund yet.

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**M. CAVANAUGH:** OK. And we're taking \$15.5 million. And so they'll be left with \$4 million. Is that enough? Is that sufficient for them to operate? Has that been asked and answered?

**CLEMENTS:** Just a minute. Yes. The-- their analysis of all of the cash fund transfers are leaving sustainable amounts in the ending balance.

**M. CAVANAUGH:** Yes, but there's no discussion over the fact that we're overcharging fees to fund these cash funds.

**CLEMENTS:** There, there's been people that have brought that. One of the excess fund is bank assessments that I pay.

**M. CAVANAUGH:** Yeah.

**CLEMENTS:** There's excess money there, and I'm being assessed more than they need, but I don't know who needs to change that.

**M. CAVANAUGH:** It sounds like we probably do. Thank you, Senator Clements. I'm going to be asking you about a lot of cash funds today. So, that's just the first one. How much time do I have left?

**CLEMENTS:** 1 minute, 23 seconds.

**M. CAVANAUGH:** Thank you. So, the Securities Act Cash Fund. I will say something that I think is really excellent that this budget brings up, is how we are overcharging the people of Nebraska.

**CLEMENTS:** In fees.

**M. CAVANAUGH:** Across the board.

**KELLY:** One minute.

**M. CAVANAUGH:** Some cash funds were established for a specific purpose. And if there are millions of dollars sitting in there, what we should be doing is assessing how we can give that money back to the people who paid into it to begin with. Now, I understand taking the money now because it's sitting there, but we're not having the, the parallel conversation of if we're taking this money because it's sitting there, why are we not also at the same time lowering the fees in the future? We're going to continue to have our budget be balanced on the backs of fees. That doesn't make any sense to me. But, you know, I'm a liberal. What do I know about fiscal conservatism, I guess, right? I'm the one that wants to tax and spend everything. Oh, wait. That's right. I want



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us to lower our fees. I want us to lower our taxes for the working poor. I want us to balance our budget on good judgment and sense. I don't like pet projects.

**KELLY:** That's your time.

**M. CAVANAUGH:** Thank you.

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

**FREDRICKSON:** Thank you, Mr. President. Good afternoon colleagues. Good afternoon Nebraskans. I'm listening closely to this debate. I look-- I'm actually really looking forward to this debate. There's a lot to discuss, and I appreciate the work of the Appropriations Committee. I appreciate the work of Chair Clements and Vice Chair Wishart and other members of the committee, and also appreciate that they took the time this morning to help brief us on the budget a little bit before we got into session today. But before I dive too deep into the budget itself, I want to speak a little bit about what happened in here this morning. And I spoke about this on the mic this morning. I said I was going to pay really close attention to the board, that I think us in the room should also pay attention to the board, that Nebraskans should pay attention to the board. And I did pay close attention to the board. And I think it's worth noting that we saw some very strong legislative leadership from folks like Speaker Arch, Senator Linehan, I think we saw some potential future leadership from folks like Senator Jacobson, Senator von Gillern. We also saw seven members of this body who voted green on the bill and red on the override, and not one of those members got on the mic to share with their constituents, to share with Nebraskans why they changed their mind. That's embarrassing. We're state senators. You represented yourself one way for three rounds of debate. You flipped after being called by the executive branch. And you didn't even speak about that. If you're going to make hard choices in here, we all are gonna have to make hard choices in here. Have a spine. The Governor released a statement after the veto override, saying that he appreciates the state senators took time to reevaluate LB307, and took due notice of the concerns. He said, quote, we need to invest in less harmful ways to combat drug usage and disease transmission that are in line with Nebraska values. I look forward to working with state senators on those strategies next session. He's exactly right. I look forward to working on that this session. Let's start with the budget. \$30 million of cuts in behavioral health. What's going on? I have yet to get a good reason why we're having \$30

million in cuts in behavioral health. Anyone who works in behavioral health knows that those are not excess funds that cannot be used. We need to ask ourselves, why are these funds not being used? I'm being told that those funds have not been spent, that they've just been sitting there. But from what I understand, as someone who works in the field, is that the Division of Behavioral Health is slow-walking the approval process, some of these taking over a year. I have an Excel sheet that's showing the difference of time of approval, which from what I understand, used to be a very quick process, now being slow-walked. So it's easy to say that funds are not being spent if we're slow-walking and intentionally not spending the funds. But it's disingenuous to stand here and say that we have a behavioral health crisis, and that we have \$30 million of excess funds for behavioral health care. That's just not based in reality. I'm appreciative of the members of the Appropriations Committee who are here on the floor, and who are willing to answer questions.

**KELLY:** One minute.

**FREDRICKSON:** Thank you, Mr. President. My hope is that as we continue to debate the budget, that all members of that committee will be here on the floor. There are a lot of questions, as been highlighted by some of my colleagues, and I look forward to participating in those questions throughout the rest of the day. Thank you, Mr. President.

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

**HANSEN:** Thank you, Mr. President. I do have a couple questions on the budget in particular. A few things here. I was hoping Senator Armendariz would yield to a question?

**KELLY:** Senator Armendariz, would you yield to some questions?

**ARMENDARIZ:** Yes.

**HANSEN:** One of the questions I had was the money that we are-- the \$5 million, I believe, from ARPA, and the \$10 million we're taken from cash reserve funds to help fund the HVAC system for Madonna. I, I was hoping you could expound on that a little bit and explain, just for a minute because I have a couple of questions about why we're doing that. And then the purpose of it and, how we came about with the proposal in the first place?

**ARMENDARIZ:** Yes. My understanding is Madonna has a contract with the state to take care of 89 critically ill patients, many on ventilators, that will never be removed from ventilators. They have a contract at a reduced cost even from the Medicaid payments, and have agreed to that at a loss every year. The state also came in and evaluated their building and said that their HVAC needed to be replaced, repaired at a cost of \$30 million. This created a big issue for Madonna. Much of their shortcoming from the Medicaid patients comes from private payers. They don't have the extent of \$30 million. So the state was asked to come in and help pay for those needed repairs that the state required them to do, and they agreed to half of those repairs, which Madonna is happy for-- happy with.

**HANSEN:** OK. Do you know, are we funding any other-- because I believe it's a private company. Are we funding any other businesses to help take care of any infrastructure costs such as this in the budget?

**ARMENDARIZ:** No. The state needed to make a decision. The decision was this, this facility would close down and their 89 patients, the state's 89 patients, would then need to be dispersed throughout the state. The state would make a decision. Do we want to keep them intact at this facility, or do we want to disperse them throughout the state, possibly risking their health?

**HANSEN:** OK. Madonna said they would close down if we didn't do this?

**ARMENDARIZ:** They said they could.

**HANSEN:** OK. All right. All right. Thank you very much. I might touch on that again a little bit later, but for now, I had another question. I think if Senator McDonnell's around, I should have told him beforehand. Or if somebody in front of Appropriations can answer the question that I-- I've gotten a couple of questions about the rain water study. Senator Clements, would you yield to a question, please?

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

**CLEMENTS:** Yes.

**HANSEN:** Can you discuss that? I believe it's about \$330,000 ish, I think, to study the collection of, of rainwater? Do you know what that's about? Can you discuss that for a second?

**CLEMENTS:** I do. That was a bill from Senator McDonnell, about a man is doing some research at the university, and Senator McDonnell is coming

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now. But it, it was requesting General Funds. We did not approve General Funds, but we approved ARPA funds. And Senator McDonnell might be able to tell you more.

**HANSEN:** Would Senator McDonnell yield to a question, please?

**KELLY:** Senator McDonnell, will you yield to some questions?

**McDONNELL:** Yes.

**HANSEN:** I, I was asking Senator Clements about the rain water study, I just have-- been having some questions about that, maybe because people are unfamiliar with it. So could you-- could talk about that for a second?

**McDONNELL:** Yeah. Senator Clements, first, when he just started stating that originally the bill was from General Funds as we discussed it. Had to do with completing a rainwater study. Can we take rainwater? It's being done UNO's campus, currently, near the baseball stadium. They've spent about four years on this. They've inve-- they've raised about \$350,000. That was about half of what they needed. But can we take rainwater and turn it into potable water? That's part of the study, amongst other things. But we were focusing on, on the water. Therefore, we decided as appropriations to take those dollars out of ARPA money instead of the General Fund, one-time spend for \$350,000 to complete that four year long project they've been working on.

**KELLY:** One minute.

**HANSEN:** All right. Thank you. Thank you, Mr. President.

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

**DORN:** Thank you, Mr. Lieutenant Governor. I too, like some of the other Appropriations Committee, I want to thank all the members of the Appropriations Committee for all the hard work they did on this budget, and how we worked through, I call it, many of the issues. We had 60 bills, or 59 or 60 bills, I believe, in committee. So we heard all those. Just so people understand a little bit what we do in the second year of this budget, the readjustments or whatever. It's just like the first year, every agency gets to make September and then finalize them in December, get them to the Legislature and the Governor. They're changes that they're looking at for this budget. Some of them are requesting that they now don't need some funds. And

some of them, there's been changes in the last year, they now need some funds or whatever. So we look at all of those. We did go through all the agencies again, any of their adjustments that they wanted to make, we went through each of those, invited the agencies all back. Anyone that wanted to, they could come back and discuss what they were. Many of those same agencies at that same time, we talked to them about some of the Governor's requests, the Governor's request to, I call it, pull back some funding, or what he had in there may be for some appropriations form or whatever. So that was our opportunity to talk to those agencies for how that fit them, how-- if they were OK with that. We held up specifically the first two months of the budget or until we got towards the end, on some of these requests so that we could actually hear from those agencies whether they were OK with it, whether they thought, no, that wasn't something that they could be a part of or whatever. I did ask-- Senator Wayne brought up the fact that, in our previous budget, ARPA funds were at one time they were going to go for-- any extra ones were going to go to the north Omaha project. That I did ask the fiscal staff, Keisha over here, and that was intent language. Just so everybody's aware also, though, that north Omaha project now doesn't-- not being funded with ARPA funds. Last year, we-- Senator Wayne and them came back, Senator McKinney, and now we have that as General Funds, and those ARPA funds went to, I call it, the city of Lincoln. Senator Wishart worked hard on that to get those ARPA funds for water projects for the city of Lincoln. When, when we started the budget process, we were going to use \$50 million in General Funds for some of those here in Lincoln, of those \$180 million. But Lincoln came back to us and guaranteed us that they now would use those ARPA funds to fully utilize all \$180 million. So we didn't need to put General Funds in there. One of the other things I wanted to really talk about was on page 5, and that's our General Fund financial status. I hope people have taken a good hard look at that. That list, basically the sheet that we're going to see out here on the floor once we've passed the budget or when we've passed the budget, and we start talking about appropriation bills. And on line 25, because of, I call it, line 13 is our General Fund revenues, that's our-- some of those are actual revenues, farther out years those are projected revenues, and the same way with General Fund appropriations. Those are plugged in numbers of what is going to be appropriated. But you need to look at fiscal year '24-25. We have \$574 million, and I have heard some comment about we have all that money coming to the floor, \$574 million above the minimum reserve. Well, no, we don't. And that's what I wanted to make sure people understood. You also need to look at that next column two years over there. If our revenue meets

these projections ,and our appropriations or what we spend meets these projections, two years out there, we're only at \$68 million. I want to caution people, if in '24-25, if we appropriate something on the floor here for \$10 million, if some bill has \$10 million, it will reduce--

**KELLY:** One minute.

**DORN:** Thank you. It will reduce that \$574 million by \$10 million. But what it also does, you have to count each of those next two years \$10 million. So that reduces that \$68 million by \$20 million. This body needs to decide if they're comfortable with that number out there two years out being a negative number or being zero or where they're comfortable with, because right now that is \$68 million, which basically tells us we don't get to spend a lot on the floor. Thank you, Mr. Lieutenant Governor.

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

**WALZ:** Thank you, Mr. President. And I have to start out by saying, Senator Lowe, it's very hard for me to distinguish your shirt from the, the words on the board today. And the budget book. Right. I'm getting up today just to echo what Senator Fredrickson has said. Behavioral health is really one of the most important factors for our youth's success today in the state. And I'd like to share some, some statistics with you. Over a fourth, 257,000 Nebraskans, have a mental health condition, with 62,000 of those having a serious mental health condition. In February 2021, 33.8% of adults reported symptoms of anxiety and depression, and 21%, colleagues, and 21% were unable to receive counseling or therapy. I'm having a hard time understanding why we're cutting behavioral health services. 22,000 Nebraskans between the age of 12 and 17 have depression. High school students with depression are two times more likely to drop out of school than their peers. 7 in 10 youth in the juvenile justice system have a mental health condition. 19% of students considered suicide, with 25% of those being girls. More than one third of the Nebraska students felt hopeless almost every day for two weeks or more in the past year. That's an increase of 21% since 2010. 60% of Nebraskans ages 12 to 17 who have depression did not receive care in the last year. Colleagues, again, 60%. 60. And we want to take the funds away from behavioral health. Those statistics alone should tell you that there is a huge need. There is a long, long waiting list of people who need these services. So it's highly disappointing to see that the budget is removing \$15 billion in behavioral health funding. And it's especially

disappointing when you dig a little further into why this money hasn't been spent. It seems to come back to a few factors. Right now, the behavioral health regions say that the request for approval of new programs that are being slow-walked by the state, taking 500 days or longer, which is actually showing an artificial surplus in the budget. And in addition, some of those approved programs are still trying to get off the ground, and those funds have not been expended yet. I had a quick conversation with Behavioral Health and DHHS out in the lobby. And it's obvious that there's a disagreement on why that money isn't being spent. But bottom line for me is I don't really care who's dropping the ball or whose fault it is. I care about the Nebraskans who need the services, who are waiting in crisis situations for services. If it's a process problem, we need to get it fixed. All that being said, the need for mental health services is on the rise across our nation and here in Nebraska. I've asked Senator Wishart about the idea of--

**KELLY:** One minute.

**WALZ:** --shifting these funds to the regional centers. And if that's the case, if that's the case, I don't know if it is for sure, that implies that we're giving up on providing people with services that are just waiting, and we're just waiting for them to commit an offense that lands them in a regional center. I don't agree with the fact that people should have to commit an offense to receive mental health. I believe in prevention. Nebraskans deserve a chance to better themselves. So I ask that you please do not allow the \$15 million to be cut from behavioral health services. Thank you, Mr. President.

**KELLY:** Thank you, Senator Walz. Senator Halloran announces guests in the north balcony. 40 4th graders from Adams Central and Hastings. Please stand and be recognized by your Nebraska Legislature. Senator Clements, you're recognized to speak.

**CLEMENTS:** Thank you, Mr. President. A number of issues have been raised, and I'm going to try to address a few of them, first one being the behavioral health. The gold book that we received from the Governor and his proposal, on page 23 it talks about the behavioral health aid reduction. The recommendation includes the agency requested General Fund appropriation decrease of \$15 million in fiscal year '23-24 and '24-25 in behavioral health aid to more accurately reflect-- more accurately reflect historical and future spending without reducing services. So the agency made this request and are saying to us that their services are still going to be provided. And



one reason for the extra funds is that Medicaid expansion added behavioral health services for thousands of people who previously had no insurance for behavioral health treatment and are now able to get that treatment under the Medicaid. So Medicaid expenses are going up for behavioral health. And so the behavioral health direct aid without Medicaid had excess money. And there-- that's would be my explanation for that and there-- I think the issue is that the behavioral health providers are wanting to spend the excess dollars for new programs that haven't been in effect before. And I think it's-- I kind of would agree with Senator Wayne on this one, a new program that they want to expand should be in a different committee and not in Appropriations. Then, another one, regarding the fund transfers. We'll be talking about fund transfers. LB1413, will be really where the fund transfers are, so I'm going to delay talking about those there. Regarding referencing of bills, Senator Wayne, it's recommended by the bill drafters and based on historic assignments. And there have been times when I requested bills that were directed to Appropriations to send them to other committees when I saw that it was a new program that I hadn't seen before. And so I do try to watch out for that. Th-- then as far as being able to spend, how much money do we have to spend, the 2023 budget allocated all of the economic forecast revenues that, that were expected. We bu-- we budget based on the Economic Forecast Committee, and the forecast on February 29th went up \$50 million, not leaving that much room for new spending because the base amount, the money other than that, had already been allocated in last year's budget. So you'll see that on page 44 of the green book that General Fund spending is increased by \$88 million, and that's more than the \$50 million, but that's because some of these excess cash funds are being transferred in that will cover that excess spending. Then regarding unused ARPA funds going to east Omaha, that was intent language, which was in the prior budget that ended June 30th, 2023, and expired with that budget.

**KELLY:** One minute.

**CLEMENTS:** Thank you. On page 38 of the green book, you'll see that east Omaha transferred \$178 million of ARPA funds, and it went over to the city of Lincoln in exchange for cash reserve funds, because it was unsure whether the east Omaha project could really utilize all of those ARPA funds. So I am glad to-- not glad to take more questions, but I will take more questions if people have them. It is a complicated process and I appreciate all the conversation. Thank you, Mr. President.

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

**CONRAD:** Thank you, Mr. President. Good afternoon, colleagues. I agree with Senator Clements that there is a significant process involved in constructing the budget. But I will tell you that you don't need to be a budget expert to know that this budget is wrong. It divorces itself from an economic reality. It steals money from vulnerable Nebraskans, including those with behavioral health issues and the poorest of the poor. And it utilizes and relies upon budget trickery at a time of economic prosperity. And it is not sustainable now and/or moving forward. So I want to talk about a few global notes on process then I want to make good on my word to start asking Appropriations Committee members some specific questions about specific aspects-- aspects. But here's what's important to know, colleagues. Nebraska, of course, has a balanced budget requirement in our state constitution. So thankfully, thankfully, we are bound to be good fiscal stewards and not get into trouble with debt and overspending in Nebraska like we see in our sister states and on the federal level. But even in the first part of a budget year, the first session of a biennium, you're still only seeing, you know, a quintessential iceberg, maybe 10% of the budget that's relevant to kind of give or take, back and forth as part of the budget process and deliberations. And you're seeing even less of that during the second year of the biennium during a budget adjustment period. That's because Nebraska does not engage in zero-based budgeting. So you're only reacting from an Appropriations Committee perspective from the most part, either to rubberstamp what the Governor has put forward or to make some slight adjustments. But-- so don't forget for one second, and you can go and look at the State Legislators Guide to State Agencies, in addition to the specific programs and dollars amount that we're talking about in the budget bills that are presented as a package as per their typical process, there is a huge amount of budgetary authority, huge staffs, huge amount of-- a plethora of programs in each of the, what is it? Well over 80 state agencies that are out there. And we're only talking really about a small sliver of those, and even a smaller sliver in the mid biennium budget adjustment year. So the other thing that's important to know about that is that this does not need to pass, unlike the fact when we put forward the biennial budget in the first session, that has to go. That's the constitutional obligation. That, that's the most important part of our work. The budget adjustments in the second year are basically nice to have, but not necessary from a constitutional perspective, from a legal perspective. The one tiny

asterisks or caveat in regards to this particular proposal may come with time sensitive things on unallocated, unutilized, or under utilized ARPA funds, which we're going to need to move out a little bit more quickly in some instances. But on the most-- on the whole, there's nothing in this budget that we need to move. And I thank Senator Wishart for being really honest about where we are with this budget in her current-- in her previous remarks. We're not even making sure our tribal neighbors have water that they can drink, and we're playing games, and we're using baling wire and bubble gum to construct a budget to pay for unsustainable, arbitrary property tax relief, period. And to prop up the tax cuts for millionaires and billionaires and big corporations that you all put into effect last year. So let's not kid ourselves with what's going on here. This budget is a mess and it should not be advanced. And we're going to take a lot of time talking about line items and talking about programs. And we're going to see who did their homework and who did not. And we're going to see what's defensible and what's not. And we're going to make sure that we have the time for that debate. And the good news is, if this doesn't move, it's not the end of the world. It's not required from a legal perspective. So there is no pressure to push this budget adjustment forward. It is just that, it is just an adjustment. I contend with what's before us in this proposal, it is not thoughtful. It is not sustainable. We'd be better off just coasting on the budget that we passed last year than in burning and sweeping with this budget. Thank you, Mr. President.

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

**McDONNELL:** Thank you, Mr. President. Senator Conrad is correct. This is mid-biennium budget. If we took no action, would we continue to have a budget in place? Yes, definitely. Now, the process we went through in my time here, that has never happened. Based on the idea, the process that we go through, where the bills are brought to us. Well, first, when the Governor proposes and then we start deposing. But then also there's all the senators here that have brought bills, introduced bills, that were assigned to appropriations. So we start through that, that process, and going through that and building a budget. Now, again, we are unified as Appropriations Committee on LB1412. I don't want you to think that there wasn't discussions and disagreements and good debate during that process. And I think Senator Clements did a good job trying to, to keep it fair, and I think everyone on-- the, the other-- the other members of Appropriations were always trying to be fair and listen. And so it is a professional

atmosphere, but it's not an, an easy process. For our bills that we potentially could bring, our feelings, the discussions, our positions we have, and on other bills that the senators brought. But as we go through this process, and going back to 2017, Senator Clements', Senator Wishart's, Senator Vargas', our first year on appropriations, we had a \$1 billion problem. And so we went through the, the process, and we looked at making tough decisions. And I believe at that time, the, the speaker put out that anything with a fiscal note of, of \$5,000 or more would not be scheduled on the floor. So that's what kind of, of, of decisions we were making and problem solving we were we were trying to, to come up with, solutions for those kind of-- those kind of problems. But just to let you know where we are today, and, and I'll hand this out, and I handed it out early in the year, but I didn't have the 2000-- the end-- year end 12/31/23 from the Nebraska Investment Council's annual report. So in, in the end of 2017, we had a total of \$27 billion across 34 investment programs. One of those was our operating investment pool, was at, \$3.6 billion. Today-- well, I shouldn't say that, today it's even higher than this. But right now, as of December 31st of '23, the report shows that our operating investment pool is at \$9.9 billion, that's our, our state's checkbook, and we're at \$40 billion. So compared to where we were in '17 at the end of the year total, council oversees \$27 billion, they're overseeing \$40.8 billion and in our operating investment pool. And it's broke down, so there's more to it than just what I'm, I'm reading, but I want you to have a, a, a, a flavor of where we are, what a great job the Investment Council has done, what we've done as the former Governor, the current Governor, the Appropriations, all of you as, as state senators that have served in the past, and are currently serving where we are and our financial health. So I want to make sure that you have that in front of you as we go through the, the Appropriations mid-biennium adjustments and have those, those discussions, I would yield the remainder of my time to Senator Clements if he needs it. No. OK. Senator Clements at this time does not. So what I want to do is make sure that during this, this process, again, this is the budget for the state of Nebraska and, and however many hours that the members of this body feel necessary to talk and have that discussion, and answer your questions either on the mic or off the mic. I know all nine of us as Appropriations Committee members are here to talk to you on the mic, off the mic, during our the evening hours, early morning, we're, we're available to have those discussions. So we appreciate so far the, the, conversation on the floor. Thank you, Mr. President.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Floor Debate March 12, 2024  
Rough Draft

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

**McKINNEY:** Thank you, Mr. President. I rise against the budget, in support of the motion to indefinitely postpone for multiple reasons. I know we've heard the conversations that federal funds were transferred into state dollars. And for whatever reason, there is an assumption that those federal funds should not have been transferred to the economic contingency fund. I refer the Appropriations Committee anybody that's interested, to the statutes, 81-12244. It says in this, it's in statute, it's not just intent language that the Legislature-- that any unobligated amount as of July 1, 2024, the funds shall be allocated to the Contingency Fund. It also has language that says the State Treasurer shall transfer any interest earned after April 19th, 2022, to the Economic Contingency Fund. So where is the interest? How much is it? And how much has been transferred to the Economic Contingency Fund that you guys are trying to transfer to other places? I would like those answers, because it's not just intent language. Then I have other questions. I'm just very curious of why the Rural Workforce Housing Fund is getting \$20 million, but the Middle Income Workforce Housing Fund is only getting \$5 million. That doesn't seem equitable to me. So when somebody from Appropriations gets back on the mic, I would like those answers. Have you actually read the statutes pertaining to the transfers? And two, why is the Rural Workforce Housing Fund getting \$20 million and the Middle Income Workforce Housing Fund is only getting \$5 million. That doesn't seem equitable. If there's an affordable housing crisis in the state of Nebraska, it's not just in rural Nebraska. If we're allocating dollars, it should be close to equal as possible. And right now, it's not close to equal at all. So I would like to understand your reasoning. So will Senator Clements yield to a question?

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

**CLEMENTS:** Yes.

**McKINNEY:** Why is the Rural Workforce Housing Fund getting \$20 million, and the Middle Income Workforce Housing Fund only getting \$5 million?

**CLEMENTS:** That was reviewed in committee. Actually, the proposal would be it was to not give middle income any, was to put \$25 million in rural. And, it was a compromise in committee to change it from 0 to \$5 million and leave \$20 million to the rural.

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**McKINNEY:** Does that seem like an equitable compromise when \$20 million is going to rural and only \$5 million is going to middle and urban?

**CLEMENTS:** I'm not sure what the funding is for the middle.

**McKINNEY:** It's \$5 million in Section 8, and there's \$20 million in Section 7 for rural.

**CLEMENTS:** Yeah, \$5 million.

**McDONNELL:** My question is, is that your belief that that is an equitable distri-- distribution of the resources? How is \$20 million going to rural and only \$5 million going to middle?

**CLEMENTS:** The question is really what is the current balance in each fund, and I don't have that at my hands. It's-- that's, that's additional money. There is still other money with middle. And we'd have to ask the Fiscal Office too.

**McDONNELL:** But regardless of the balances in each fund, why is one getting a substantially more-- a substantial amount more than the other?

**KELLY:** One minute.

**McKINNEY:** When affordable housing is supposed to be a crisis for the whole state.

**CLEMENTS:** That-- I've answered the question. That's all I know at this point. I'll try--

**McKINNEY:** And lastly, have you read the statutes on the funds transfers for the ARPA funds?

**CLEMENTS:** Yes.

**McKINNEY:** So you would see that it's in statute, it's not just intent language, right?

**CLEMENTS:** The word intent, it starts from what I read from, from LB1024 and previously.

**McKINNEY:** But the transfer is supposed to happen to the Economic Contingency Fund, and we made no agreements that that shouldn't happen last year. But I appreciate your conversation. I think we're running out of time. Thank you.

**KELLY:** Thank you, Senators McKinney and Clements. Senator John Cavanaugh, you're recognized to speak.

**J. CAVANAUGH:** Thank you, Mr. President. Well, I guess I rise in support of the IPP at the moment. And, and I stand in support of the IPP because I have yet to be convinced that the budget is necessary to be adopted. I do have a lot of thoughts about it, and I know there's a lot of folks in the queue. And I do think there's been a really good conversation. I appreciate comments from Senator Conrad, the other Senator Cavanaugh, Senators Wishart and Walz, and Senator Vargas, and Senator Wayne, and Senator McKinney, the conversation he was-- Senator McKinney was just having with Chairman Clements about this. And it makes me think of the conversation we had this morning about overriding a veto. And I know a lot of folks have expressed feelings on that, but that particular conversation made me think of a veto override from last year where the Appropriations Committee put in the budget \$10 million each for Rural Workforce Housing and \$10 million for Middle Income Housing. And that was vetoed. The Appropriations Committee voted split decision to put that out as a veto override. And then we took it up on the floor, and I know several members of the Appropriations Committee did not vote to override that veto. And maybe they could explain what's changed since last year as why we need to-- last year, we didn't need to put \$10 million into Rural Workforce Housing, and this year, to Senator McKinney's point, we need to put \$20 million, I think he said it was, \$20 million into rural workforce housing, which again, I supported the veto override last year. I supported putting that money into workforce housing because, as Senator McKinney correctly pointed out, housing affordability is a huge issue facing people of Nebraska. And that issue is true whether you live in a rural area or in a urban area. So I think that's an interesting point. But I guess to go back to the point about the Governor is not infallible. We don't do things just because the Governor asked us to. And I do feel, Senator Clements, that often, all too often, your justification, stated justification for actions that this body takes is because the Governor asked us to. He said that in the briefing this morning. Why are we putting ,I think it was the money, \$5 million, it was because the Governor suggested it was, I think, the exact wording. The Governor suggested it. There was a separate bill that had been taken up in a committee last year that didn't go anywhere that would have given the legisla-- the statutory authority to-- for that grant. But when asked why it was put in the budget this year, it's because the Governor suggested that it might be. We had folks who voted for Senator Hunt's bill this morning, or



voted for it previously. And then didn't vote for it today because the Governor asked folks to. We are a separate body of government who has our own charge and responsibilities and obligations and our own dignity, separate from that branch of government, and should act as such. And this is one example where the Governor decided last year that we did not need more money for overall workforce housing, and at different times, at least once to me, was articulated that we didn't need more money because it couldn't be spent, which is another justification we're hearing for a lot of these other things, money couldn't be spent. So what has changed since last year that now Rural Workforce Housing, the solution is twice as much money as was vetoed last year? Was the Governor wrong? Were those who voted not-- or voted to sustain that veto wrong last year? Should we have listened to our own decision making process and actually overridden that veto and put that money into Rural Workforce Housing? And then we'd be standing here having a conversation about whether we should put another \$10 million in, as opposed to \$20 million.

**KELLY:** One minute.

**M. CAVANAUGH:** Thank you, Mr. President. So I've got other things to say about the budget, and I'll push my light again to talk about it. But I appreciate the conversation that everybody's making, but I would just highlight that for everybody. Think about this on a-- on a case by case basis, with your own judgment and perspective that you were invested with, that you were placed here by your constituents to exercise, and make a determination. Because the Governor is one person, he is fallible. We are standing here having a conversation about one of the mistakes that he made in the veto last year, and is being asked to be integrated into this budget that, as several people have correctly pointed out, we are not obligated to pass. Thank you, Mr. President.

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

**HUNT:** Thank you, Mr. President. I was just fully shaking because of this heated conversation I had with Senator Mike Moser. And I walked over to Senator Conrad, and I was like, hold my hand for a minute, like, calm me down for a second. One of my favorite tweets, I'm a-- I'm a Twitter user, is from Cher, who is an iconic Taurus, and she has this tweet that says, OK, the rant is over. I'm calm. Well, I'm not calm. I just got so upset I tired myself out. And that's how I feel a lot of the time in this body. None of the people who flipped their

vote on that veto-- yeah, I'm going to talk about the veto. None of the people who flipped their vote on that veto override have insulted me by coming up to me and telling me why, or embarrass themselves by coming up to me and telling me what happened over the weekend to change the policy, to change the impact of the law, to reveal some revelatory new information that made them realize that they were wrong three times to vote for it. But now that the Governor doesn't like it, they've got themselves together and they're going to do the right thing. And I hope that none of you do. I've heard that some of you have talked to my other colleagues about why you changed your vote hoping it would get back to me. And that's called a back channel. That's when maybe you have tension or strife with someone and you don't want to directly go up and talk to them, like I did with Senator Moser when I was working on my veto override votes. I had a mutual friend that we have, state Senator, former state Senator Paul Shumacher, who's a mutual friend of us, both talked to Senator Moser about the merits of the bill. That was a back channel, because Senator Moser and I have had tension in the past that I felt last week could not be surmounted to the point where we could have a productive conversation about the veto. But that does not mean the policy's wrong. That doesn't mean the bill is bad. That doesn't mean it doesn't deserve to pass. It's just politics, and it's a method of communication. It's not the same thing as outside influence. You know, I know Speaker Arch talked to many of you, just as Governor Pillen talked to many of you. Doctors from the NMA, from UNMC. Chancellor Jeff Gold talked to many of you. Doctor Ali Khan talked to many of you. Your, you know, public health departments talked to you. These are sometimes back channels to, to avoid a face to face conversation, not just with me, but maybe others. And it's lobbying. It's working a bill. It's not, quote unquote, outside influence. It's not what that is. But I would like anybody who flipped their vote for that veto override to prove that the Governor didn't influence you, prove he didn't call you, prove he didn't promise something for you. You know what? You know what my eagle eye has seen? I've seen some amendments get filed on things in the last week by people who flipped their vote. And we're going to examine what those amendments do and see if we suddenly have a lot of support for those kinds of things. Wastewater treatment facilities for your-- for your districts, things like that. What you're going to learn in the Legislature is that we can have it all. We can have both. Yes, we could have overridden the veto and you can still get your wastewater whatever. Yes, we can override a veto and you can still get things that you want. Senator Moser said that I have trouble in here because I can't talk to anybody. Nobody wants to

talk to me, etc. I did say that last year. I said I didn't want to talk to anybody, but I would defy any of you--

**KELLY:** One minute.

**HUNT:** Thank you, Mr. President. To name anything that's happened to you in this body as a professional, as a-- as a-- as a qualified professional person that rose to the level of personal attack that I experienced last year. Like, please. You know, I think-- I think that my reaction was understandable. Not great. But I'm-- it's not that I'm not proud of it, because I think I, I did my best and I think I've done a great job this year. What was my point? I did have a different point. I guess the point is just it was a clearly personal vote. I clearly can get along with people. I mean, how would I get-- why do I have Halloran and Erdmann voting with me? Because they listen to me. Because they keep their word. Because when they understand a policy, they go. Make sense? OK.

**KELLY:** That's your time, Senator.

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

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

**WISHART:** Thank you, Mr. President. Colleagues, just to answer a couple of questions that came up today. First of all, in terms of public assistance, I know Senator Cavanaugh talked about this and the fact that we are sort of under-utilizing what we estimated our public assistance needs would be. That is an-- that's an aid program. And so we estimate as a committee and as a Legislature what we anticipate the needs will be. And then in some years that comes in under. Generally speaking we tend to try to overestimate and, and so it did come in under this year. What I will say is that one way that we could address sort of underutilization is if this body were to bring a piece of legislation that increased the-- sort of who could participate in these public assistance funds. That's something I would be interested in, I-- although I'm not going to be able to vote on that legislation as this is my last year. But that's an example, colleagues, of something where, as the Appropriations Committee, we are reacting to the reality of what the aid need is. And if the Legislature wants to prioritize people in need by expanding the pool of people who can access those funds and, and utilizing more of those funds, then we would need to do that through a bill. The, the other area I wanted to

talk about was behavioral health. You know, this is-- I've talked about this in my previous time at the mic. This is something where I would have liked to see this funding remain in the budget. I think one of the issues that we're dealing with in terms of behavioral health is that if we're not able to pay staff members, frontline staff members, the type of salary that they can have a, a quality of life, a sustainable life, then you're not going to have enough people in those professions, in fields, to be able to provide the services to people in need. I share with what Senator Walz said, when you hear from communities, you hear about increasing need for mental health and behavioral health support, whether it be through-- because of mental illness, whether it be because of substance abuse. And so it is concerning to me that we are not seeing sort of full utilization and increased utilization of these funds. And I think one area that has to be addressed is getting the salaries up to the level that makes this a profession that someone can go in and live sustainably in their life. Because it's a challenging job for people to do, and it is one that is so important. And so that is something that I think moving forward, we need to look at in terms of legislation and prioritization. I did want to talk a little bit about some of the discussion around sort of statutory versus intent language. What I will say, colleagues, is that we actually, as an Appropriation Committee, are very diligent about working to not include what we would consider major statutory changes in our budget. That's why when you look at a lot of the bills and in the changes that you're seeing in this deficit budget, for the most part it's intent language. It is not a full statutory change. And in fact, when there was pieces of legislation that we felt was, was creating a robust new program and was-- and came to our committee, but we felt needed to stand on its own on the floor, then we voted those bills out separately, and we did not include them in the budget.

**KELLY:** One minute.

**WISHART:** I did want to answer one other question. I think it was Senator McKinney who asked, in terms of the amount of interest that we've transferred over into the east Omaha investment is \$22 million, was last year. We estimate it'll be \$22 million this year, and then another \$20 plus million next year, so for a total of a little bit over \$60 million that we anticipate will be transferred over in interest. Thank you.

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

**VARGAS:** Thank you very much. That's so-- a couple of things I wanted to make sure to touch on. First, I just want to thank the Fiscal Office for putting up with us. In particular, putting up for us with the-- those of us that have been here for eight years. I don't like the many head nods after I said putting up with us that just happened on the side, actually, now that I'm seeing it. But I really do appreciate the Fiscal Office for everything that they do. It's not-- we ask a lot of them over the years. I, I think of the very reactivity of digging in, and even just now for trying to answer questions for some of my colleagues. So I just wanted to say thank you. We appreciate you very, very much. And to my colleagues, you know, I've been trying to get some questions to, to-- answers to different questions that are very sort of structural or technical in nature. But I do want to come back to just like the really high level, which is as a biennium budget adjustment, the, the-- I think it's page 44, that provides the biggest snapshot to what big changes we are making, which is not a lot of big changes. And a lot of this is a statutory obligation to funding TEEOSA, and that additional funding that's going to TEEOSA that we have to make sure we're making up, the Homestead Exemption, the additional funding for Homestead Exemption, the, the additional funding that we are making sure to put towards a couple of other different aid, specifically for child welfare aid, and some of the staffing within DHHS. And I know, and I mentioned, and I had this conversation with Senator McKinney. You know, if it was up to me completely, I, I, I would have probably had, a 50/50 on the, the housing funds. Everybody knows, or at least I hope you know, housing is very important to me. I care deeply about the Rural Workforce Housing and the Middle Income Workforce Housing, and, and housing in general. Because we have a housing shortage, we have very few housing stock. There just wasn't enough votes. You know, Clements would probably be frank with you about this. There's wasn't enough votes in committee to do the full 50/50 equity, or even equitable in some way, shape, or form. And that's one reason why it is the numbers that we currently have. But both of these programs are overextended, are almost completely out of funds. I think the last I heard is even the Middle Income only has like 1 to \$2 million left. So adding this \$5 million will ensure that there's another round of housing programs. And if we didn't fund the Rural Workforce Housing, again, we also wouldn't have enough funds because they've also exhausted pretty much most of their funds to programs across the state, or to projects across the state. The couple of other things I wanted to make sure to just flag, and I mentioned this earlier, every single time that we have transferred funds, whether you agree with it or not, the funds

aren't going to tax relief. They're going to the floor. They're going to what we find in consensus that we agree with here. Which means that every bill that we are supporting that has a General Fund impact, or that has an A bill, or has a revenue loss in the future, or offsets, really when we were having these discussions, it was-- it's-- you know, the rationale might be from the Governor's Office, and we heard that many times, that this is for tax relief. It is up to us on the floor on whether or not the funds that are currently available for the floor is truly for tax relief, and whatever other projects or bills that are passed on the floor that have a General Fund impact. I just wanted to clarify that, because that was part of the conversation that we had. And the other part of the conversation we had was looking into the out years.

**KELLY:** One minute.

**VARGAS:** Looking into the our years, we found ourselves realizing that we have to make sure that we are not having too many new General Fund obligations, because if we do have a lot more General Fund obligations, or more lost revenue, we're going to be in even more of a dire straits in the future here. And so part of the proposal, even with the, the new cash fund transfers, the \$575 million surplus for the current biennium falls to \$69 million for FY '27. So we are trying to be mindful, or at least I'm trying to be mindful, I could speak for myself, and I-- and I look to the future Appropriations Committee and the Revenue Committee to be mindful of how much revenue we have coming in to balance what we know is only going to be \$69 million in FY 27. And is part of the reason why we're not seeing a lot of General Fund new obligations here, and why we focused on water infrastructure, even though I agree, I wish we could have done the water infrastructure for the-- for the [INAUDIBLE].

**KELLY:** That's your time, Senator.

**VARGAS:** Thank you.

**KELLY:** Thank you, Senator Vargas. Senator Machaela Cavanaugh, you're recognized to speak, and this is your last time before your close.

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

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

**CLEMENTS:** Yes.

**M. CAVANAUGH:** Thank you, Senator Clements. So my first question is on page 73 of the AM, which isn't on the board yet. It's the Nebraska Capital Construction Fund, and it is \$14 million, and it strikes \$32.2 million for Nebraska Capital Construction. And it is for the purchase, design and renovation of an existing facility for the State Patrol Troop Area in Omaha. Did it suddenly get cheaper to build this facility?

**CLEMENTS:** Yes. Surprisingly so.

**M. CAVANAUGH:** That is very surprising.

**CLEMENTS:** They have located a bui-- different building, or different solution, I think, I think it's a different building, and then said they weren't going to need those dollars. So yes, they did recommend a reduction.

**M. CAVANAUGH:** Wow, thats--

**CLEMENTS:** But they're still going to have a facility.

**M. CAVANAUGH:** That's very, very surprising. But good to hear. My next question is about the, the base reduction of public assistance. So you're reducing public assistance by, is it \$30 million over the biennium?

**CLEMENTS:** That's-- I think you talked about the behavioral health.

**M. CAVANAUGH:** No, I'm talking about the bu-- base redu-- on page 44 of the green book, program 347 base reduction, public assistance, says \$20 million and then \$10 million reduction. Well, so my--

**CLEMENTS:** Yep. I'm not familiar with what specific program that is. Sorry.

**M. CAVANAUGH:** It's public assistance, so it's-- well, I'll tell you, it's program 347. So it's SNAP, Aid to Blind and Disabled, Temporary Assistance for Needy Families, Community Service Block Grants, childcare subsidies, emergency assistance, Low Income Energy or LIHEAP, Medically Handicapped Children (MHCP), Disabled Persons and Family Support, Social Services Block Grant, refugee assistance, Nebraska Homelessness Program, Nebraska Lifespan Respite Services Program, state disability program, medical and maintenance. We are \$30 million short on that? We don't need that \$30 million for any of those things? I just, I'm very concerned because this should cover a lot of



different things. Like we've been told we can't afford Senator Day's bill that eliminates reimbursement for child care subsidies based on attendance to enrollment. But we could afford it if we didn't take this public assistance money away.

**CLEMENTS:** I found this in the agency request, the base reduction, spending on assistance is below the appropriated amount. The reduction of \$10 million each year aligns the appropriations with post-pandemic spend patterns. And after this initial and ongoing \$10 million reduction, the appropriation would be \$84 million, approximately \$7 million more than the average spent in recent years. So that's what was the request from the agency?

**M. CAVANAUGH:** Did you ask them why that they didn't need to spend \$30 million more on aid aged, blind and disabled? I'm pretty sure they could use that \$30 million. They can always use \$30 million for the disabled.

**CLEMENTS:** That goes on to say DHHS has requested an additional \$10 million reduction in FY-- FY '24 due to availability of ARPA funding, which offsets the need for these funds. The director, when he came in--

**KELLY:** One minute.

**CLEMENTS:** --agreed to this item.

**M. CAVANAUGH:** 10-- \$10 million offsets \$30 million? And we still are cutting, but we additionally are cutting funding for developmental disabilities. And this \$30 million could also be used for some disabilities.

**CLEMENTS:** That was the 2024 item.

**M. CAVANAUGH:** OK. Thank you. I think I'm almost out of time. I, I genuinely don't understand why you cut funding to behavioral health, developmental disabilities, and public assistance. And you can tell me that they said they want the reduction, but that's not a real answer. We should be more curious than this. As I said previously, I'm not a big fan of pet projects and bloated government. But there is the function of government, and public assistance is an essential function of government. So when the government comes in and tells us they don't need the money we gave them last year, that's why I want to know why. I want the answers to that. Thank you, Mister President.

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

**DOVER:** I just would like to show the senators here what being on Appropriations means. If you're looking right here, I know that there's a lot of questions that are asked. And to be quite truthful, I'm a freshman at this and I don't know that I could answer some of the questions that are being asked of Chairman Clements. And I want to thank Chairman Clements, because I think he's doing a fantastic job. There are 77 or so agencies, and, I don't know, over 300 programs that are funded in a variety of ways. And so I think it's easy sometimes to kind of ask tough questions and those kind of things, but-- Excuse me, I'm a little out of breath getting this stuff up here. But I do want to sta-- thank you, Keisha Patent and the Fiscal Office here. They prepare all this stuff for us, and then we get to read it and things like this. So, I'm a little afraid that Senator Conrad may ask me a specific question. She did last time, and I couldn't answer it, so I had to refer it to the Chairman. But I do want to say that I'm going to miss Senator McDonnell, Vargas, and Wishart. They are a, a great resource for us. I thank you, Senator Dorn is still there, and Senator Clements, and the other new freshmen that are with us. But we try to keep the budget within 2%. And with the \$94 million that went over in TEEOSA, that put us at 3.1%. That was a TEEOSA funding. We did \$20 million for child welfare aid because children are the future of the state. We did 10 million for development-- developmental disabilities because we need to care for those that are vulnerable. We did \$3 million for workforce development because we have major workforce needs in Nebraska. We did \$20 million to roads because roadway infrastructure is a lifeblood of our state. And we did \$2.4 million to volunteer fire departments. I know that's a critical issue for Senator McDonnell, and to his heart. And so they could have radios that actually could talk to each other. We have a situation in my-- in Norfolk, Norfolk, where they have an automatic agreement where a truck goes out on a big fire, Hadar has to come in. They can see each other in a fire. They can't even talk to each other. So we're trying to take care of that. Excuse me. But the Appropriations Committee is dedicated, they're hardworking, they're committed to bringing a budget that makes appropriate use of taxpayer dollars here in Nebraska. I yield the rest of my time to the Chair.

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

**ERDMAN:** Good afternoon. Thank you, Mr. President. So I see Senator Dover had his notebooks there. There are-- there are significant binders that we get in Appropriations.

**ERDMAN:** Yeah. OK. So, one of the things that happens in Appropriations is we have a lot of discussion. And I was visiting with Senator Wishart earlier today. And it is very-- sometimes very difficult to determine what funds we should spend where, and who has a priority. Many of the discussions this year in Appropriations were dealing with the fact that the ARPA money has to be contracted for, and the contract has to be completed by the 31st of December, '24. And so some of the issues that we dealt with, and rightfully so, is to make sure that we were sending the ARPA money to those divisions or agencies that could use that money and make that contract happen before the 31st, so we wouldn't have to send that money back to the federal government. So involved in that process, there were several times we had to respond to those making a request to make sure that they had the necessary contracts in place so they could spend the money. To Senator Conrad's comment this morning about we're not in a difficult financial position as we speak, I seen several issues this morning as I was watching the news. One of them was about inflation being 3.2% this year. Another one dealt with IBM has announced layoffs because of the economy is not good. Gasoline prices are up again for the fourth consecutive month. It's also-- there was an article that said the majority of renters say the dream of owning a home has now passed. And the prices for groceries are up again, as they were last year. So we may be in a good financial position today, but going forward we may not be. Let me give you this example. I read an article a couple of weeks ago when they analyzed farm income for 2024, and they said the net farm income for 2024 could be the largest decrease in net income in history. They are projecting agricultural net income to be down 40% in 2024 over 2023. So when you consider all of these things that are happening in the economy, it may look good today, but in the future it may not look quite as rosy as we think it should. And so we in appropriations have tried to make decisions that will be sustainable. And we had requests from the Governor to sweep some of these cash accounts. And I will just say this, the discussion in the Appropriations Committee was when you take the cash remaining at the middle of a biennium, at the middle of the next biennium, guess how much cash is going to be left there? Zero. So it's my opinion that if you're going to make an adjustment to the budget, you do that when you start the budget, not in the middle of the biennium. And so when we try to sweep those cash accounts to give property tax relief, or

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whatever issue we may find that we need the money for, it's a one time, one time appropriation, or one time sweep of those accounts. That won't happen again, because those agencies will understand that if I have money left over in the middle of the next biennium, they're going to take it. And so we do some strange things here, and we call it balancing the budget. And we also call it property tax relief, when in fact it's not sustainable. But we in Appropriations spent a lot of time--

**KELLY:** One minute.

**ERDMAN:** --discussing and negotiating where the money went. We don't take that job lightly. And I was, I guess, whining to Senator Halloran one day about appropriations and about all the issues we deal with. And he said-- in a nice way, said, shut up. You signed up for it. You volunteered. And he's exactly right. And being on Appropriations has been an outstanding experience. I enjoyed serving with the people I served with on that committee, and we have had our times when we disagreed. But we also understood that we had to come with a budget, and this is the budget that we came with. And I'm still trying to figure out what the end game is of doing indefinitely postpone and some of the other issues we're talking about. Thank you for your time.

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

**DORN:** Thank you, Mr. Speaker, for the opportunity. Again, I, I, I, too, I know some of the Appropriations Committee thank the Fiscal Office. I, too, want to thank them. I think there's 9 or 10 of you over there, and we do lean on them a lot. We thank them very much for all the information they get us, because we do have a lot of questions when these agency heads-- there's 74 agencies, by the way. When they do come in and talk about their different programs, over 270 or 280 programs, we have a lot of questions for them. We have a lot of questions of some of their proposals. There's a, there's a couple things I wanted to talk about that other people have talked about. One is Senator Conrad is right. We do not have to pass a budget this year, because we can live on last year's. However, there's a couple big things-- bigger things that I see in this budget that, that are part of that. And I think somebody mentioned is the ARPA funds. Those all have to be allocated or said what they're going to be used for by the end of '24, here. So if we don't do some of these ARPA funds, we will be giving some of these ARPA funds back to the federal government. So I want people to be mindful of that. And the other thing is Senator Clements talked about it quite a bit this morning, that TEEOSA

funding. Everybody's thinking of that \$94 million increase. Will, will that-- that won't affect our state budget. In fact, it won't affect us at all. But some of those schools and some of that TEEOSA, that TEEOSA money, as that goes out or in that formula-- and those schools, those needs they have, now that won't be there. And how will they adjust their budget, or how will they line that up more, I call it for more property taxes. Then a lot of talk this morning or this afternoon, excuse me, about the behavioral health, and, and all of our other public assistance and those types of things, that are in this budget or lack of that's in this budget, and taking some of those funds. One of the things that's not in this budget, because it didn't come about, we-- I have a bill, LB942, that was asking for a 5 and a 3% increase in the skilled nursing homes provider rate. That bill did not make it out of committee. Because, as we went through the committee process and had discussion-- and I really thank Senator Armendariz and some others, and the, and the Governor's Fiscal Office staff. There's-- I have an amendment up. We're having a hearing tomorrow, noon, on that amendment. And that amendment for skilled nursing homes does the same thing-- the same program that Senator Jacobson has brought for the hospitals. Because the skilled nursing homes part has that level of care, that amount of care, they now can qualify under that same program. Does that make a difference? That makes a big difference, because this first year of that program, they will have about \$20 million more. And the second year in that program, the skilled nursing home part of the nursing homes, will have about \$100 million-plus. So we-- visiting with Speaker Arch, with his staff, we had to have a hearing on that, because it's now not the LB942 bill. It's the same subject matter. It's not that specific issue, though. We will then advance that into LB942. I had LB130 up on the floor, on Final Reading a couple weeks ago. People asked me why we pulled that. This all came about during that time that we needed to pull that back. So when we pull that back to Select File, then the LB942 bill now can be attached to it. Because my LB130 bill also does with Health and Human Service-- not Health and Human Services, excuse me, DHHS. And it has some language and some wordage in there for some of those types of funding proposals in the budget. So all of this process that we go through-- thank everybody involved in it-- that we can hopefully get that bill-- that amendment passed tomorrow, after we have the public hearing on that, that that same program now, as--

**ARCH:** One minute.

**DORN:** --the hospitals-- thank you-- that we can flow that through in that same program. And it'll be a great, great thing for I call it

especially the rural nursing homes. It does not affect the assisted living part of nursing homes. You won't see it in the budget book that it's being talked about in there. If you have questions, come talk to me. We will be glad to explain it to you, but it's the same concept as what the hospital proposal is. The skilled nursing homes have that same level of care because of the requirements, and they now will qualify for the same federally-funded project. Thank you very much.

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

**BLOOD:** Thank you, Mr. President. Fellow senators, friends all, I stand in support of the IPP motion. And Senator Erdman, I think the end game is that we just need to have-- wherever you are-- a good discussion about the budget, because there are so many questions that I don't think we'll be able to discuss if we don't slow it down. And I also actually agree with Senator Erdman, that the property tax relief that we've been talking about a little bit is not sustainable. We're going to be stealing from Peter to pay Paul, and I, I feel like we've never had a sustainable property tax bill since I've been here. But that's another issue. What I want to talk about is the Water Sustainability Fund. So many of the other issues have already been discussed, and I don't think we properly discussed this deficit. So we know that lakes and streams, canals and aquifers are hydrologically connected, and they're very complex. And we know this because NRC tells us that, and that these systems are very essential to all Nebraskans. So we're talking about drinking water, irrigation, recreation, habitat for fish and wildlife, this is why statewide water planning is so important. We heard how important water is when we had the, the canal debate. I think it's only important when people want things. I think we forget how really important it is to sustain life in Nebraska, sometimes. I know that in 2014, it was so important that the legislative body created the Water Sustainability Fund. And that same fund now is being reduced from \$11 million to \$2.5 million, \$11 million to \$2.5 million. That's a big jump. So if you look at State Statute 2-1506, and you review the purpose and goals, it's about research and data, modeling, rehab or restoration of water supply infrastructure, new water supply, infrastructure maintenance or flood prevention that protects critical infrastructure, management, or storage of ground surface water, compliance with interstate compacts or federal law-- who cares about federal law? It also assists municipalities with the costs and-- of construction, upgrading, developing and replacing sewer infrastructure, which we know in our municipalities like Bellevue and Omaha, being some of the oldest communities in the state, that that is an ongoing issue for those communities. So I started looking into it a

little bit deeper. And one of the things, and we've actually written a letter from our office to the governor, I think, 3 or 4 months ago. Because it seems like a lot of these committees are missing members that should be appointed by the Governor. According to the website, right now, there are 3 vacancies on this committee, 1 for public power, 1 for groundwater irrigation, and 1 for range livestock owners. It seems really puzzling and a little hypocritical why we would want to take money out of this fund if there is what they consider to be surplus funding. That tells me that the committee should be handing out more funds for these purposes, because we know there have been many, many issues when it comes to groundwater and insecticides. And again, I'm not pointing fingers. I'm saying that we have funds to make these things better, but where are we investing these funds? And when it comes to all of the issues that we've talked about today, where they've said, well, these departments came in and said we could do it with less money, I find it really hard to believe that they weren't directed by our executive branch or encouraged by the executive branch, to bring their costs down.

**KELLY:** One minute.

**BLOOD:** But if they're bringing the costs down on the backs, backs of the state's most vulnerable, on the backs of ag, on the backs of our environment, that's an issue. We don't want to waste taxpayer dollars, but we also want to use them wisely to protect taxpayers. And I don't feel that that's what this budget does. So I'm glad we're slowing it down, I'm glad we're talking about it, and I really think that someday, the state needs to do a real strategic plan when it comes to financial issues, and come up with a sustainable budget, so we can actually attack property taxes the way it really should be.

**KELLY:** Thank you, Senator Blood. Mr. Clerk, for some items.

**CLERK:** Thank you, Mr. President. Your committee on Enrollment and Review reports LB607, LB839, LB834, LB1313, LB1215, and LB1200, as well as LB1204, as placed on Select File, some having E&R amendments. Additional amendment be printed, Senator Fredrickson to LB1031. New LR, Senator Conrad, LR319 and LR320, both referred to the Executive Board. That's all I have at this time, Mr. President.

**KELLY:** Thank you, Mr. Clerk. Senator Dungan, you're recognized to speak.



**DUNGAN:** Thank you, Mr. President, and good afternoon, colleagues. I do rise today, still considering how I'm going to vote on, on a number of things that are on the board, whether it's the IPP or the budget. I, I think it's important that we have these conversations and that we continue to discuss this back and forth. I agree with Senator Blood when she says it's, it's really vital that we slow this down a little bit, to make sure we, we talk about what all is in here. Last year was my first year in the Legislature. And I was, I guess, a little bit surprised by virtue of the fact that when we were discussing the budget, it did not feel as though certain members in the body were able to maybe stand up and articulate why some things made it in and, and others didn't. Now, I understand last year was an outlier of a year or so I'm told. And so I do appreciate the fact that we've had a number of members of the Appropriations Committee here today, engaging in conversation and answering questions, because I do think there are legitimately held, valid concerns that people have with regards to the way this budget is operating. And so I do thank the hard work of our friends on the Appropriations Committee to be able to back these up. But I do anticipate we're going to continue talking about this, not frivolously, but because when this budget book appears on our desks and we spend maybe a weekend reading it, there's a lot of questions that get raised, because we're not a part of these conversations early on. So I would encourage my colleagues to continue listening and, and, and talking about what this all means, so we can answer some of these, these questions. I also understand that writing a budget is difficult. I think budgeting is a thing that many of us struggle with in our, our day-to-day life. If my parents are, are watching right now, I want to say thank you to, to both of you, for helping me work on my budgeting when I was younger. The system they set up with me was I had 3 cups: 1 for spending, 1 for saving, and 1 for tithing. And I would put a certain amount of my allowance into those cups every week, or I was supposed to. I sometimes struggled with that, and so, it was, it was helpful for them to keep me on track. So I know they watch the Legislature from time to time, so I just want to say thank you, and I'm sorry if at times it was difficult. In addition to that, colleagues, I, I, I share and I echo the concerns that a number of my colleagues have expressed, about the so-called scraping of these cash funds. It's my understanding that for time immemorial, there are certain parts of the cash funds that were in fact transferred over, in these general-- or to the general funds, in sort of an effort to continue to fund parts of the government. So I, I know that that's not necessarily in and of itself novel. I think, historically, there have been cash fund transfers to the general fund from 3 major sources on

an annual basis: the Securities Act Cash Fund, the Tobacco Products Administration Cash Fund, and the Department of Insurance Cash Fund. I think that, in and of itself, raises a question as to whether or not that structuring of the fees and the costs that ultimately send money into those cash funds is appropriate. But that's a conversation we can have another time, because I know we're not necessarily getting into that today. But my number 1 concern always, with our budget, with our spending, with our revenue, is ensuring sustainability. And with any of these conversations, when we're talking about sustainability, there's a lot of projecting that has to happen, into the future. There's a lot of calculations that go into that. But I think when we start to determine what is an appropriate use of a cash fund, what is an appropriate source of revenue, the number 1 concern that we should always be looking at is sustainability into the future. When I open up my, my budget book here, and I see that there is essentially, to put it simply, sort of a structural decrease in our excess from the minimum reserve, baked into this between fiscal year 2024 and ultimately, looking at fiscal year '26-27, a pretty significant reduction. That just gives me pause. It's not to say that that is the end all be all of how this is going to work. I certainly don't have a crystal ball. I can't predict what the future is going to show. But if we're looking at this in a mathematical and structured way, it would give me concern that we continue to potentially see a decrease--

**KELLY:** One minute.

**DUNGAN:** -- thank you, Mr. President-- in the amount of money that we have statutorily required above that minimum reserve. So I, I want to say that to sort of just posture my concerns early on. I think we'll continue to have discussions about what is in here, what isn't in here. You may have noticed I did file an amendment on the budget, on the underlying committee amendments to LB1412. Once again, we're going to be having a conversation about paying our court interpreters. The increase to the Supreme Court's cash-- or I'm sorry, the funding is not in this budget. And so our court interpreters, once again, have their pay imperiled. And I'm really concerned we're going to see a halt or a work stoppage in the courts, which is going to cause grave problems. So just forecasting a little bit of what we'll get into with that, but I anticipate we'll continue to have a robust conversation. Thank you, thank you, Mr. President.

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

**CLEMENTS:** Thank you, Mr. President. I do appreciate people staying here and listening and getting different parts of the budget. But so far, all the-- the only thing on the board is the bill, which the committee amendment replaces. And I'm going to go ahead and go through the committee amendment provisions since I haven't had a chance to do that yet. The committee amendment is a white copy amendment, which becomes the bill if we get to it, and adjusts the 2-year budget that was passed in 2023. Regarding fiscal years '24 and '25, ending June 30 of '25, the committee statement for LB1412 has a summary of 16 bills that were adopted in here. They're listed on page 4 of your shamrock green budget proposal book, and I want to discuss some of those bills. LB858 from Senator Linehan adds 1 full-time employee to the Department of Education for financial services to help with the TEEOSA analysis. LB941, from Senator Dorn, adds \$1.5 million in ARPA funds for assisted living Medicaid services. LB1077, from Senator McDonnell, adds \$900,000 in ARPA funds for workforce development and career opportunities, mostly high school age. LB1124 and LB1125, from Senator Vargas and Wishart, provide \$1.4 million per year from the Medicaid Managed Excess, Excess Profit Fund [SIC], for early intervention home visitation programs. LB1209, from Senator Bosn, provides \$2 million in ARPA funds to CEDARS Home of Lincoln, for a \$3.5 million facility addition. LB1210, from Senator Clements, provides \$1.5 million from the Cash Reserve for renovating the Capitol's fifth floor. LB1275 and LB1378, from Senators Brewer and Dover, provide a total of \$2.4 million from cash reserves for radio upgrades for volunteer first responders. Senator Dover already mentioned that one. LB1281, from Senator Bostar, provides \$3 million from the Cash Reserve for the Lincoln Airport runway replacement, which is a \$96 million project. LB942, from Senator Dorn, requests a 5% increase in long-term nursing care. But we're going-- as he mentioned, we're going to have a hearing tomorrow and change that to an assessment provision, like the hospital plan. In a new item, Madonna's long-term care facility is allocated \$10 million cash reserves, \$5 million ARPA. And that was discussed by Senator Armendariz, for a HVAC upgrade. The balance of the ARPA funds of \$20.8 million is transferred to the Department of Transportation for road projects. And if you have your green book, you can turn to page 5, where it shows the General Fund status. Line 25 shows the ending balance at \$574.8 million. However, the last column shows only 60-- \$68.5 million. This is from slightly lower projected revenues and spending, assumed a 2% each year increase of \$388 million. The major expense, shown on line 9, is the fund transfers out of \$944 million in 2025, increasing to \$976 in 2027. There's property tax credits of \$395 million, currently, increasing to 2-- \$442 million. The Education

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Future Fund receives \$250 million a year, and the Community College Transfer Fund is \$255 million, increasing to \$273.

**KELLY:** One minute.

**CLEMENTS:** Thank you. A major change from the preliminary report is on line 18. Public school state aid from TEEOSA formula increase by \$94 million. And I won't-- page 27 on the green book discusses that in detail. Then the agency changes: the Department of Revenue's homestead exemptions increase by \$15 million per year. That's \$30 million out of the budget. Child welfare program for foster kids needed a \$20 million increase, and we approved that. Regional Centers needed \$15 million more for staffing. We approved that. Developmental disability provider rates were increased by \$10 million. And the Department of Economic Development added \$2.5 million for bioeconomy. And I'll-- next time on the mic, I'll finish that. Thank you, Mr. President.

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

**JACOBSON:** Thank you, Mr. President. Well, again, I, I appreciate Senator Clements kind of getting us back into what the actual discussion topics are today. And I'm going to-- Senator Clements, hang on. I'll yield you some time here at the end. I just want to make a couple of quick notes. This really kind of has to do more with cash transfers. As I look at page 19, my biggest concerns-- I raised a couple of them this morning here, in the briefing. I've got a lot of concern about State Visitors Promotion Fund, \$5 million being transferred to DED. And when we had the conversation about the inheritance tax, we made an agreement there, as we moved that, that bill forward, that DED and the State Chamber would have members on the board-- on the state tourism board. And so, I don't know why we would move \$5 million out of the tourism fund to go to DED. I think it needs to stay all with the tourism organization. So I'm going to be offering an amendment at some point, to keep those funds where they're at. I would also like to speak, just briefly, about the State Unemployment Insurance Fund. The plan is to move \$70 million. I believe there's about \$77 or \$78 million in that fund today. We had a big discussion about that the other day, when Senator Dungan brought his bill, on lower-- on reducing the number of weeks of unemployment. We got into a discussion at that time about there's 2 funds. There's the federal fund and there's the state fund. And so, I did a little more research on, OK, why do we have these 2 funds? Well, the fact of the matter is that the federal fund is a mandated fund, and that's the one that we

pay the claims out of. And the state fund, we don't pay any claims out of. Why? Because that fund was created as a cushion for the federal fund. And as Senator Clements has said several times, that we've checked with, with, with Mr. Albin, and he's made it clear that even in a recession, we got plenty of money in that federal fund to handle a recession. So we have a cushion in there. And I get it. The Governor wants to take \$70 million out of there, and it is excess funds. My beef with this is then let's stop. Let's stop charging insurance premiums to employers. Otherwise, we're going to be right back where we were before, is we'll get another \$70 million out-- in there, and get it stolen away again. So if we're going to take the money, then let's stop funding that program. Let's figure out what's the right reserve amount, leave that in there, and then stop funding it. So I'm going to insist, if we're going to take those funds, that we sunset the dollars that are going into it, and we stop charging employers for those dollars. The other concern I have would be with behavioral health. One of my first concerns when I got down here-- my first bills last year had to do with our behavioral health region in, in, the North Platte region. I'm very frustrated, too. I have my concerns about [INAUDIBLE] overwhelming needs. And yet, we're not getting the approvals. And hence, we're getting dollars building up in the account, and now we're going to sweep the funds out. One of our biggest problems is that. I would also just mention, on the, on the State Visitors Promotion Fund, I did distribute-- have handed out a, a, a sheet that was on the Nebraska Examiners. It was actually a commentary by Paul Younes. Most people know Paul in Kearney, owns over 700 hotel units in Kearney. The only thing I would say, Paul, is shame on you for not mentioning Nebraskaland Days, but I'll let you slip on this one. But tourism is the third largest industry in the state of Nebraska, and we need to continue to support it. With that, I'm going to yield the remainder of my time to Senator Clements.

**KELLY:** Thank you, Senator Jacobson. Senator Clements, that's 1 minute, 10 seconds.

**CLEMENTS:** Thank you, Mr. President. I was just about done anyway. I was on the budget items-- the new budget items. We added \$2.5 million for a bioeconomy program. The Governor's very excited about the opportunities we have for bi-- bioeconomy projects. And Nebraska is positioned to explode, I think, with bioscience projects. The good news on the spending part was the Office of Chief Information Officer, the head of our computer system, provided computer assessment reductions of \$14 million, which is credited across various agencies. I just heard we're talking about the tourism transfer from the Tourism

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Visitor Promotion Fund. Well, the Governor has, in DED, a Nebraska promotion program that he would like to-- he is proposing, which is a \$5 million program.

**KELLY:** That's your time, Senator.

**CLEMENTS:** Thank you.

**KELLY:** Thank you, Senator Clements. Senator Conrad, you're recognized to speak, and this is your final time on the motion.

**CONRAD:** Yes. Very good. Thank you so much, Mr. President. Good afternoon, colleagues. And just so that perhaps as a refresher for all members and particularly just a, perhaps, educational note for newer members, historically, whenever we start debate on the budget, we talk about the budget. And the budget is comprised of a host of different bills, some specifically required for constitutional, officer salaries, some for cash transfers, some for the mainline. We have never had a rule or practice where we constrain our comments to a particular budget bill. We typically allow wide latitude when discussing the budget as a whole, as we have been doing today. So that being said, everybody's comments are in order, of course. And of course, we're also the only deliberative body in the state. And political speech has the utmost highest protection, when it comes to free speech and free expression. So even if you weren't talking about budgetary matters, you'd probably still have a lot of latitude, but just wanted to provide that point there, as well. And I am glad that my friend Senator Dover brought out his binders today. I, too, am old school. I like the hard copy. I like to be able to have the binders. I like to see it in, in that kind of format, instead of online or in the cloud. And I know that the Appropriations Committee does indeed work hard. They always do. But it is important that we note that while they were working hard, they have to be able to defend the work. And they have to be able to explain the vision that the budget supports. A budget is, is just like a budget at home, wherein we make investments on what we prioritize, on who we are, on what we're trying to achieve for ourselves and our families. And I haven't really heard anything about the vision, other than this kind of atmospheric talk about we have to sweep funds and cut funds in order to somehow, somehow pay for property tax on the local level. So, I, I think that's something that, that we need to learn and hear a little bit more about. And rather, since I only-- am already on my third time on the mic and I'm not going to have time to ask all 9 members to go through-- and perhaps, it speaks for themselves. But I've had a chance to pull the court

filings and the press releases, in regards to the settlement funds that should be a subject of great debate during this budget. In essence, the Attorney General's Office has built up a settlement fund in, I think, excess of about \$30 million at this point in time, over many years and over the course of a lot of different lawsuits that the Attorney General has brought or joined in the name of Nebraskans who have been harmed. And then through negotiating settlements with different entities, have been able to bring some of those resources home. The Governor proposed a, I think, \$15 million sweep of the settlement fund. The Attorney General supported that at his budget hearing, which I had a chance to review, and then that is included in the, the budgetary package before us. Friends, let me be clear. There isn't a single penny that's come in from any of those settlements that came in for property tax relief. Not a penny. I didn't hear anybody ask a question about it on Appropriations, when I reviewed the Attorney General's budget hearing, I didn't hear the Attorney General give any--

**KELLY:** One minute.

**CONRAD:** --sort of policy or legal basis as to why that sweep was appropriate. So I'm asking any of you-- thank you, Mr. President-- to tell me. When we got an-- part of an \$8 million settlement from Juul for consumer abuses, how many of those dollars were supposed to go to property taxes? When we sued Suboxone for monopoly tactics, how many of those pennies were supposed to go to property taxes? Zero. When we sued CVS and Walgreens for opioids, how many of those settlement dollars were supposed to go to property taxes? Zero. When we sued a leasing company for consumer protection violations, how many of those settlement dollars were supposed to go to property tax? Zero. When we sued TurboTax, when we sued Facebook and Google and Blackbaud, for all--

**KELLY:** That's your time, Senator.

**CONRAD:** --different kinds of consumer protection violations. None of those dollars were--.

**KELLY:** That's your time, Senator.

**CONRAD:** --supposed to go to property taxes, and nobody even asked a question on the committee. Thank you, Mr. President.



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

**MOSER:** Thank you, Mr. President. And good afternoon, colleagues and Nebraskans. We've gotten a little bit out of the-- off the topic of talking about the veto override this morning. But there were some questions asked about the veto vote, so seem-- people seem to be interested in the thought process of how that all went. When we were approving the syringe program, I saw a lot of my colleagues that I respect and, and sometimes go to for advice, and ask-- to ask questions, voting for it. And I thought, you know, maybe it's a good thing to vote. It was-- vote for. It was, for me, it was a close decision. And then after we gave it final approval, I had calls from the executive branch. I had calls from members of the Legislature to support it or not to support it, so those were kind of a wash to me. But I had a lot of constituents tell me that they didn't like the bill, because what they read into it was providing syringes for people who are addicted is, is not a good idea, that it's a tacit approval of their addiction. And I, I-- even so, I did vote for it the first time. But after thinking about it longer, you know, I voted not to support the override of the veto. The, the queue filled up so quickly, it was pretty difficult to get in there, there. We only had an hour, or 45 minutes, and so I didn't think anybody would be all that interested in my opinion anyway, so I just didn't enter into the discussion. But that's why we vote. You know, otherwise, if something got 30 votes on, on Final Reading, then that would be veto proof if there was no opportunity to vote again after that. So, you know, it's every senator's prerogative to reexamine their conscience every time they vote, and see if their opinion is still the same as it was before. And, you know, I understand that upset some people. And I apologize for upsetting people. I hate to do that, but this is a difficult job. You know, I had people I like on both sides, lobbying me one way or the other. And there's no way I could make them all happy. But in the end, my constituents-- you know, I didn't get a lot of comments, maybe a dozen. But I didn't have one that supported the syringe program, and I had a dozen that didn't. And some of them were pretty strong in their opposition. So, that's enough with the syringe program. Back to the budget, rating various funds to use for other purposes. When those funds get bloated in the budget, I suppose, could be a legitimate practice. But I worry about the sustainability of that practice. You know, maybe those funds won't be as plentiful in the future. And I agree with Senator Jacobson, who said that-- and you know, I-- my business pays into the state unemployment tax fund, and I haven't had

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a claim for probably 20 years or more. And so, my reserve is pretty high, compared to what my wages-- that balance into that. And so, my rate of tax is pretty small.

**KELLY:** One minute.

**MOSER:** But if it has \$75 million in there and we haven't-- there's not much prospect that we're going to spend it, you know, they should just reduce the taxes so that businesses don't have to pay so much. And then as for what got swept and, you know, a favorite project here or there of one senator or the other, gets some funds swept. Keep in mind that if you look on page 17 of the green budget book, and you look down the General Fund appropriations, I took my highlighter and highlighted all the social service expenditures. And out of the \$5.125 billion of this, 34% of those funds were spent on social service programs. I mean, there's Medicaid, there's child welfare, developmentally-- developmental disabilities, public assistance, behavioral health, children's health insurance, new--

**KELLY:** That's your time, Senator.

**MOSER:** Anyway--

**KELLY:** Thank you.

**MOSER:** --it's 34% of the budget is already spent on social service things.

**KELLY:** Thank you, Senator Moser. Senator Aguilar would like to recognize some guests in the north balcony. They are students from the Solling Boarding School in Holzminden, Germany. Please stand and be recognized by your Nebraska Legislature. Senator McDonnell, you're recognized to speak, and this is your final time on the motion.

**McDONNELL:** Thank you, Mr. President. I appreciate Senator Dover going down to the office and bringing up all those, those binders and, and it does give you kind of a perspective of the amount of work. And we're not we're not saying, as Appropriations, all the other committees don't work hard and put a, a, a number of hours in here. We've been talking about this, this bill now for 2 1/2 hours. And again, we can talk for the next 10, 12, 14 hours, whatever, whatever you think is, is necessary, through the General File, Select and, and Final Reading, because we do want to answer all of your questions. But if you look at the process, where it starts, the mid-biennium, with the Governor's team, and the agencies, and Fiscal Office, and the

senators on-- that serve on Appropriations, and the thousands and thousands of hours that we put into it, it just can't do it justice in, in this amount of, of time. So we, we understand. And I-- when I go to other committees and testify, I really do appreciate the work that's going on. And as I'm waiting to testify on my bill, a lot of times I don't understand what's going on, because you, you put so much time into it. And as Appropriations, we do. We put a lot of time into it. And, and I think, like all of us, you get sometimes too close-- the moth that gets too close to the flame sometimes, because you're just working so hard on it. So we, we appreciate-- we want your, your questions, and we want to try to get you your answers. If we can't get them right now, we sure we'll get them as quickly as, as we can. And I know Fiscal Office is there waiting to answer the questions, and, and the amount of expertise they have and the team they've, they've built is, is, is really impressive. And, and I just-- again, I can't thank them enough. So Senator Jacobson started talking about the unemployment insurance. And again, it gets me back to talking about the bill that I introduced on authorized workers. And going back, this became evident during the pandemic that there was some people that had to be laid off, no fault of their own, based on their employer just, at that point, had to shut down for a while because of the pandemic. And their employer had been paying unemployment insurance on that individual. And that individual is legally here, they're paying taxes, they're authorized. Some have a-- Social Security numbers, but at least they all have gone through the federal system with the-- as authorized workers. So at that point, those individuals-- and I appreciate Senator Riepe. We're working on a couple things together. And with that goes anywhere, we'll, we'll see, as, as we-- but I know he's sincere and, and he's, he's trying to come up with a compromise if he can. So that's why I'm bringing this up at, at this time. If we do want to lower the amount that the employer is paying, we could have that, that discussion. But currently, we have employers that are paying in and are asking, when I paid in on these employees, what happened? When they went down to collect unemployment, and they had done everything right, why? Why, if we're the only state that hasn't harmonized with the federal government, why haven't we? And again, as I brought up before, I, I believe it was a mistake. I believe it's a clerical error. You can, you can, you can title it anything you want. Otherwise, if it's not, it's a scam. And the dollars that we're trying to keep, we know that the, the employers pay it in, and on John Doe, Jane Doe, whoever that individual might be, we're never going to pay out. And that's just, that's just wrong. That's fundamentally wrong. And, and the idea of us trying to take care of that, again, hopefully

we can before the end of the session. So lowering the amount of, of the-- what the employer pays in, yes, we could have that discussion. But I think we should also make sure when the employer does pay in on their employees, that we honor that, and we, we harmonize with the federal government like the other states have, throughout our great country, and we make sure those people are, are treated, treated fairly. So back to the budget. Again, we're here to try to answer any of your questions. Again, thousands and thousands of hours have been put in. If we can't--

**KELLY:** One minute.

**McDONNELL:** --get the answer, if we can't get the answer for you immediately, we're sure going to work on it. And if you want to, again, ask us this evening, tomorrow morning, on the mic now, if you want us to prepare for something for tomorrow, please tell us. But we're here, and we're, we're your Appropriations Committee. And again, it's not an easy process, but I stand behind the work we've done and the process that we've gone through, as I have for the last 8 years. Thank you, Mr. President.

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

**McKINNEY:** Thank you, Mr. President. I rise still in support of the motion to indefinitely postpone LB1412, mainly because I think it's great that we're having a great discussion about the budget and what's going in with-- what's going on within the budget, because there's a lot of things going on, a lot, a lot of moving pieces. And I think it's fair to try to discuss these things. I'm just wondering about, again, our priorities as a state. I've received explanations why the Rural Workforce Housing Fund is getting \$20 million, and the Middle income Workforce Housing Fund is only getting \$5. I-- even after listening to why, I still don't believe it's equitable, mainly because last year, there was efforts to put more money into both these funds. And there was a veto of, I think, \$40 million or something like that. It might be less, but there was a veto of money that was going to affordable housing. And I'm just wondering, what changed from last year to this year, because if it wasn't good enough to be in the budget last year, what happened this year? What happened over the interim? And also, why isn't it equitable? Some people have told me that each program or fund has different allocations of money, and one has maybe received more than the other, or something like that. If somebody could give me some historical data on what has went into both

funds over the past 4 years, I would love to see it, from all things that you could get resources from. Whether it's federal dollars or state dollars, grants, or whatever, I would like to see-- oh. Somebody's alarm's going off. But I would like to see a historical breakdown of the Rural Workforce Housing Fund and the Middle Income Workforce Housing Fund. And I would like to see every dollar, since 2020, that was appropriated to each fund, to see if one fund has actually received more than the other. So somebody I'll probably go talk to Fiscal or somebody around here, to see the actual breakdown. I'm not saying anybody did not tell me the truth. I just want to see it with my eyes, whether or not the Middle Income Workforce Housing Fund has received more dollars than the Rural. It might be true. So it might be understandable why there's a difference in the amounts going to Rural. But I would like to see it. And if it's not true, I think both should be funded the same. That's my only-- not, not my only issue with this budget, but that's one of them. We had conversations about the ARPA funds. And my point on that is once those funds are not-- are, are unobligated July 1, 2024, I'm also curious-- maybe we'll have to do it on Select or sometime over the next couple days, to add in an amendment to say, to say that those unobligate-- unobligated dollars shall go into the Economic Recovery Contingency Fund or some-- or, or another fund, just so we could specifically have that--

**KELLY:** One minute.

**McKINNEY:** --so it's not up for debate next year, or into question, that we specifically put language in. Because to some people, intent language is intent language. And depending on the year, those agreements don't matter. So those are my things that I would like to address. So I'll probably go talk to somebody in Fiscal or somewhere else to get a historical breakdown of the Rural Workforce Housing Fund and the Middle Income Workforce Housing Fund. And I want to see every dollar that was appropriated to both funds totaled, to see if there is an actual difference between the two. Maybe there is. And maybe I'll sit down and say, you guys are right. I'm not saying anybody lied to me. I just would like to see it. And I also would like some stronger language in the budget, in statute, that says unobligated dollars goes to north and south Omaha. Thank you.

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

**J. CAVANAUGH:** Thank you, Mr. President. While I've been listening, I appreciate conversation from everybody. And I think there's a lot of good points that are made, a lot of interesting points. I was kind of taken by one of the comments Senator Conrad made a few minutes ago, about-- and I was just trying to find it here. I'm looking through the General Fund transfers in. And Senator Conrad was talking about the Attorney General's-- the sell-- ah, there it is, the State Settlement Cash Fund. And I thought that was really interesting, because it's kind of a microcosm of the whole thing we're talking about here, which is to transfer funds that are intended for one purpose to another purpose. And Senator Conrad went through a couple of the settlements where the funds have come from. And I was just thinking, why do we get this money? Right. So we have a settlement, and she referenced, I think, Juul, which is, I think, a vaping company-- some sort of settlement. My guess is and I don't know this for a fact, but when the Attorney General enters into a lawsuit for whatever deceptive business practices or something, and then gets a settlement, that, that money is meant for the people who were harmed by it. And so that, you know, either goes to programming to help people who had been, you know, taken in by, say, a deceptive business practice, or people who are actually harmed by whatever it is, the, you know-- un-- unsafe equipment or something along those lines. There's lots of these other-- you know, you can have a lawsuit about-- there's a certain type of car right now that is easy to steal with like, a USB or something like that. And those companies that make the car are not recalling it because it's basically cheaper for them, and they're not interested in doing that. So if we were to engage in the lawsuit, which I know other states have engaged in, to receive some sort of settlement from that, I would think that the idea of that settlement would be to help make whole those Nebraskans who are harmed by that, either in the repair to their car or the replacement to a car that was stolen because of the known defect. But it's not meant for property tax relief. It's not meant to backfill our budget, when we have made a tremendous cut in corporate and income taxes for a lot of, you know, higher income earners in the state, and then to balance our budget artificially, which I guess, seems like that's what's happening here. We've got all of these cash funds, which, each one of them has their own, you know, merits to why they exist, and maybe, perhaps have been structured in a way where we have a large amount of money that we maybe don't need to collect, but we-- it, it really is an indication of the fact that we should be doing a better job of either decreasing whatever fee we're assessing against people and spending the money as it was intended, not letting it pile up until we have, in this case,

\$198 million, that people can argue we could take. So that kind of brings me to my other original point, which was the-- Senator Erdman was talking about this, that, you know, we're not in unprecedented great times right now, that we're staring down the potential of bad times. And you can go to page 12 of the green book, and you can see the historical average, where it goes up in revenue and down in revenue. Historical average is 5.3%, which means we take out, you know-- we average over-- we have a couple of years that are in the almost 20%, but to get to 5.3%, on average, a 20% increase--

**KELLY:** One minute.

**J. CAVANAUGH:** Thank you. Mr. President-- has to have a, you know, equal decrease, which means we have potential decreases in revenues coming forward. And then we have-- you know, right now it's 500-- I guess I'm not gonna have time to find it in the budget. I'll push my light again. But we have something about \$500 million above what we need in the cash reserves. And then we'll go, in the future, to \$68 million, I think, if I recall from Senator Clements' briefing this morning. But my question is, if we weren't taking these funds from things like the Settlement Cash Fund and the Unemployment Insurance Fund, would we have a structural deficit in the out years, based off of our revenues and our expenditures? And that is problematic. Right? If that-- we're looking at this and saying, we're not going to have enough money to meet our obligations, and we can't go back to this well, time and again. The \$70 million has taken years to build up on the unemployment fund. That is \$10 million--

**KELLY:** That's your time, Senator.

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

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

**DOVER:** Thank you. Just to switch gears a little bit here. So I think most people-- I've talked to a number of you, and I think a lot of you will remember that we did fund an efficiency study with Kristen Cox, who is, I would say one of the most, most intelligent people I've ever met. And she was very, very refreshing to meet her here. And, I just want to go over quickly, we, we appropriated \$2.5 million per year, basically, for 4 years. And that would be a total of \$10 million, which I thought, boy, that's a lot of money. And so basically, that's what I-- but it's a performance contract. And so in order to get



that-- to draw that full amount of the contract, she would need to find a 3% savings this year. And then next year, '24-25, she would need to find a 6% savings. So what does, what does that mean? So in '23-24, our general funds appropriated were \$5,000,364,490-- excuse me, \$5,364,490,910. And a 3% savings would be \$160,934,727. And then in '24-25, our general funds appropriated was \$5,443,357,580. And in order to perform in the contract to get paid what we appropriated, she would need to find a 6% savings, which would be a total of \$326,601,455. So how does that total up to be-- so basically, you can take the averages and you can take the 3% and the 6% average out, ends up being about 4.5%. So if you look at the total appropriated for both those years, it would be \$10,807,848,490, times by 4.5, ends up being a total savings of \$487,536,182, or basically, a, a half a billion dollar savings, through the efficiency study. And so, you wonder, well, did-- are we paying a lot of money? It seems like a lot of money, if you're thinking \$2.5 million per year over 4 years, for \$10 million. But if you just look at those 2 years of \$2.5 million, \$2.5 million, for a total of-- a total contract amount of \$5 million, that's 1% of the appropriated amount. And I think if she can find a half billion dollar savings, I think that she-- it will be well earned. One thing I would say, too, is, we, we did our-- I mean, I hate-- I don't want to echo what anybody else has said, but we, we did-- we do our budget-- we did our budget last session. Right. And so we did-- do-- we look at deficiencies, and agencies come in and say they need a little more money or whatever it may be. But, but really, we did the budget, so there really shouldn't be many changes. And just so you know, just so you know, conversations we're having in Appropriations was-- you know, we, we tend to put Band-Aids on things. So we run out there and say, we've got this problem. So we put a Band-Aid here and we put a Band-Aid there. And it, it doesn't really end up being a really smooth, well-oiled machine or a wonderful-- a linear process or those kind of things. And that's basically what she was hired to do. So, be quite truthful, when we tried to fix things, I had a little-- I was a little reserved to fund fixes, because I really wanted to see what she was able to do. And, and, and truthfully, in, in the meetings we've had with her-- that I've had with them, was she really believes that she can do as much with less, or she can take care of more people throughout the agencies with the same amount of money. And I yield my time back to the Chair.

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

**LIPPINCOTT:** Thank you, sir. Several questions have been asked regarding clarity and numbers and such, on some of these housing programs that we have. And I would agree with many that it is somewhat confusing. We've got the Rural Workforce Housing Investment Fund, we've got the Middle Income Workforce Housing Investment Fund, we've got the Affordable housing Trust Fund. So what are they? Let's talk about that briefly. And it's in the green-- the Irish green book here on page 40. And I would start at the top, where talks-- in the section titled the Department of Economic Development. And just as a very brief review here, the rural workforce housing bill was started back in 2017, a few years ago, with LB518. It has gone through some evolution, and I'll try to cover that very briefly. In fact-- as a matter of fact, I introduced LB897 earlier on this session, for \$20 million for rural workforce housing, but that's been gobbled up in the Governor's budget, so that's good. Who cares who gets the credit? We just need to get the money where it needs to go to. LB850 amended the earmark relating to the appropriations of the American Rescue Plan, ARPA, and was appropriated by LB1014 in 2022, a couple years ago, for the purpose of issuing grants under the Rural Workforce Housing Investment Act. And then I would drop down to that paragraph, the last 2 sentences, which says it would have the effect of making the program a loan rather than a grant program. So LB850 amends the earmark to make the program work as a grant, which is the original intent of the Legislature. That's all on page 40. Then flip back a few pages onto page 35. And just as a brief overview, of the definition of what those programs are. The Affordable Housing Trust Fund, that is driven by the income of the individuals who want to take residents of the facility. They have to be either 100% qualified of the definition of low-income, according to federal poverty levels, or very low-income. So take, for instance, an individual qualifying for low-income would have an income of \$15,060 per year. Very low-income would be-- qualified, would be \$12,048. And I've got numbers here for a family of 2, family of 3, family of 4. But again, Affordable Housing Trust Fund is driven by the income of its occupants. That's Affordable Housing Trust Fund. Then the rural workforce housing that are for homes of \$250,000 or less with a match of 25% from the local cities, county, the entity that has applied for this rural workforce housing. It's for first class, second class and village cities, so it'd be all towns with the exception of Lincoln and Omaha. And I will come to you in just a moment. That's rural workforce housing. So we talked about the affordable housing, rural workforce housing, now middle income. What qualifies for the Middle Income Workforce Housing Investment Fund? That is driven not by the occupants of the house, but instead, the cost of the house, which

would be no more than \$350,000, with half the award matched by the city or district. Now dropping down to Lincoln and Omaha, down to the middle of the page on page 35 in your green book, it says, in addition--

**KELLY:** One minute.

**LIPPINCOTT:** --in addition to the affordable, rural, and middle workforce funds, through ARPA, housing in Lincoln received \$20 million, housing in Omaha, \$20 million. And then I'll drop down to the bottom sentence. It says, projected fund of the affordable housing at the beginning of fiscal year, this year and next, is estimated to be approximately \$16 million. And I believe that Senator McKinney was asking about that specifically, a few moments ago. The transfers require amending the provisions of the fund to allow trans-- transfer from the Middle Income Workforce Housing Investment Fund. So, again, affordable housing, they should have \$16 million in their fund. Thank you, sir.

**KELLY:** Thank you, Senator Lippincott. Senator Linehan, you're recognized to speak.

**LINEHAN:** Thank you, Mr. President. I am against the amendment to definitely postpone, and I'm supporting LB1412. It doesn't mean that there might not be an amendment later in the conversation that I would vote for or vote against. I appreciate all the work the appropriators have done. I also think that we should have a real debate about the budget. I've been here when-- years when nobody could talk because somebody filed amendments, and they were the only one that got to talk on the budget for 8 hours, so I think this is very healthy. There have been a couple of things that I've heard this afternoon, though, that I, I just want to clarify for the record. Property tax that's not sustainable and-- we had a vote last year on a big property tax bill. And if you turn to page 17 in your green book-- this year, we're a green book-- it lays out the first property tax credit, which was started back in 2007 and 2008. But last year, we increased it. You can see the chart there. And we've increased it more than the last year. On this chart is '26-27, actually and '28. This account, which is what we call tier 1, original Property Tax Credit Fund, or-- I heard today somebody calls it the real property tax credit fund. That was a new name. That will go up to \$475 million in 2028. Now, here is the vote on that bill last year, which was May 25, 2023. There were 44 yes votes and no no votes. That bill also increased the property tax-- I think the approp-- I call it tier 2, but I think the appropriate name

is the Property Tax Credit Incentive Act, because it was part of LB1107, which we increased significantly last year, as well, up from like 500 and some up to-- it gets to 740. Anyway, it's over \$1 billion in tax relief. It's already in the budget, and you already all voted for it. Well, nobody voted against it and most of you voted for it. So I don't think talking about that relief-- what the Governor is proposing is taking that second tier and frontloading it. It wouldn't cost any more money. So when we, we talk about property taxes during this debate-- which, I'm not going to involve myself too much in the budget because I haven't spent a lot of time studying the budget. Again, I'm not saying it's perfect, and there might be an amendment I would support. But when we get up and use words like unsustainable and we can't afford this, it, it irritates me, because we are in such amazing financial shape here. If you look at page 10, we have, at the end of '23-24, our estimate is here that we will have \$914.6 or 0.5-- won't quibble over the change-- million in the Cash Reserve Fund. Almost \$1 billion. And then if you go to page 33, we have the Education Future Fund, which is in addition to the cash fund. And you can read the numbers there. We will have a fund balance, at the end of '23-24, \$677 million, end of '24-25, \$618 million. So it's not like we're not being frugal. And we've increased education funding all across the board. I-- what the Governor is proposing is hard, but the Revenue Committee is working on it. So I would like--

**KELLY:** One minute.

**LINEHAN:** --just one request here. I would like people to not talk about those bills until we bring them to the floor. This is appropriations. The money for-- that, that we've already-- it's a billion dollars, folks, since we got here in-- well, some of us got here in 2017. It's over \$1 billion we've already done in property tax relief. And when I hand out this chart-- let me make sure it's right-- on average, today, in Nebraska, for every man, woman and child, we are paying \$2,234 per person in property taxes. That's after you take out the relief. Again, \$2,234 per person, not per taxpayer, per person. It's too much, guys. That's what's not sustainable. Thank you.

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

**BLOOD:** Thank you, Mr. President. Fellow senators, friends all, I always enjoy when Senator Linehan gets up and speaks-- speak. I don't always agree with her, but she always gives us good information. And the question that came up when I heard her talking today, is if we're

in such good financial shape, then why don't we reconsider how we're spending those funds for the greater good of all Nebraskans, outside of property taxes? And I think that that's the issue. And I've tried to speak on the bills that are included in the fiscal note when I spoke previously. And the fiscal note specifically talked about the Sustainable Water Fund. So I feel like I've tried to stay on track. I do stand in favor of the IPP motion because it's slowing us down. It's giving us time to speak. And as Senator Linehan said, it's good for us to have a real debate and discuss things, not just be killing time. But as I look at the concerns everybody's expressed today-- and you see that I've only had to leave the floor once, because I had a-- to talk to a group. I've listened to the concerns that people had. And I remembered when everybody was so thrilled when we passed LB276, I believe that was the Wishart bill, last year. And that was in reference to statewide behavioral health model. And we were going to be putting \$4.5 million annually that was matched by federal funds, into this programming. And I remember our Governor-- he has this buzzword that he says all the time. It's transformational funding. He says the word transformational a lot. But then the next year, he comes back-- it's very yin and yang, right? The next year, he comes back and he wants to sweep out \$14, \$15 million, wrongheaded decision, in reference to behavioral health. So here we fund it, then we take it away. We saw that when our employees got a raise. Here's a raise. Hey, but you can't work remotely anymore. We saw that at LRC. Hey, here's a raise, and we're going to hire new staff. But, hey, we can't bother to get you the training you want, so you're going to have to tough it out and keep getting assaulted at LRC. I just remember the quote in reference to the behavioral health bill last year. And I went to the press release to make sure I remembered it correctly. So this is a direct quote. It is important that we offer help-- and, Senator Hunt, I hope you're listening to this quote. It is important that we offer help to Nebraskans who suffer from mental health issues and substance abuse problems, said Governor Pillen. This piece of legislation will help to transform mental health and substance abuse services in Nebraska. So this was in reference to the CCBHC. It's about whole person integrated care to communities. Again, I go back to strategic planning. Everything ebbs and flows between Governors, between this body because we have term limits, we have so many special interest groups that seem to have so much power on this floor now, we can't seem to be able to go in the right direction on any one topic. Senator Conrad kind of took the wind out of my sails when she talked about the Attorney General's Office, but she did miss the one bill that was in Judiciary this year, which was a consumer protection bill that

pertained to the use of images of sex trafficking victims. Well, first of all, they already have that power to do something, legally. But now they want to have it in statute so they can benefit, not give the money to victims, but keep the money, just like they've done with all those lawsuits. We're going in the wrong direction. Our budget is going in the wrong direction. You guys have worked so hard, and I know the parameters that were set for you were hard.

**KELLY:** One minute.

**BLOOD:** But my concern is this is not the Nebraska I thought we were headed for. I thought that we were a compassionate Nebraska, that mental health was a key issue. And we were passing, apparently last year, transformative legislation. But then with the same hand that gave you the money, we slapped you with it. So I'm confused and disappointed. Thank you, Mr. President.

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

**DeBOER:** Thank you, Mr. President. Good afternoon, colleagues. I share a number of the concerns that other members do, writ large, about cash transfers and using 1-time fees or 1-time moneys for trying to sustain the program. But I do want to point out 1 specific question I have. If you turn to page 20 in the budget book, the Nebraska Universal Service Fund. This budget, it's actually in LB1413, not LB1412, but we're talking about these things, so I thought I would talk about them. It says that beginning in '24-25, all interest earned on the Universal Service Fund minus any amount transferred to 211 Cash Fund is transferred to the General Fund. This is an ongoing provision not limited to '24-25. So here is an ongoing change. And it's one that I want to draw your attention to, colleagues, because we've had a number of conversations on this floor about broadband and getting broadband out into the entire state. The Universal Service Fund, for those of you who are not on the Transportation and Telecommunications Committee, is used for a number of things. It's used in some ways to build out. We have some programs that it, it helps to build out in those rural areas, but it also is used for sustaining those areas where we have high-cost areas in our state, these very rural areas. And the fund was having lower and lower receipts until a couple of years ago, we changed how we collected funds there. Now it's stable. It's sort of static, the amount we're getting in. But here's the concern I want to flag your attention to, colleagues, and that is that we're going to have a much greater need for those high-cost supports

when we build this broadband out throughout the state. There are places that we are building fiber to in this state that there just isn't any kind of business model, not just for building it out, but also for keeping it going. So one thing that we may not always talk about so much is that once you build fiber to somebody, you don't just get to walk away and sort of wipe your hands free of it. There are all sorts of little component parts. The, the fiber itself, even if it's OK, and we can talk about that in a second, there are all these little component parts to transfer this or that or, you know, all, all different little computer pieces and things like that, that are needed, those things have to be changed every few years. We might have all the fiber in the ground in the world. If we can't keep it going, we're going to be in trouble. This is something that we have committed lots of money to as a state. And to say that we're now going to start peeling away money, even if it's just the interest, which legally is allowed, we can't take the actual money. But if, if we're taking the interest away from the NUSF fund at a time when we are going to have much greater need for it to support those high-cost areas-- this isn't something that my constituents are going to suffer from. But it might be something that your constituents are going to suffer from if you're in those areas where there's high-cost broadband, out in the more rural parts of this state. I want to draw your attention to the fact that we need not just to have a sustained--

**KELLY:** One minute.

**DeBOER:** --NUSF fund, but to be growing our NUSF fund in anticipation of this greater need. There are component parts that have to be replaced every few years, and there is maintenance. There's maintenance to the fiber. You can't just dig it once, put it in and, and walk away from it, because it gets cut. There are problems with it. These things have to be paid attention to. And I am very concerned about what happens, not just you get broadband for 1 week and you're happy about it, you want it to keep going. So I would very much like to discuss this particular change, as this is a permanent taking of the interest from the NUSF fund. And I think that that is counter to the policy this body has set of wanting to long-term sustain Internet throughout this state. Thank you, Mr. President.

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

**DUNGAN:** Thank you, Mr. President. And again, colleagues, I rise still unsure as to how I'm going to vote, I think, on the underlying LB1412



and some of the other amendments. But I wanted to pick up where I left off with my conversation previously, with regards to court interpreters. Members in this body who were paying attention last year and this year probably remember. We've discussed this quite a bit already. So I, I want to walk us through, I think, a little bit of-- to where we came from and where we are now on the issue of the court interpreters. Because it continues to be a really, really, pressing issue that I think we need to address as a body here today, and I'll get to why here in a moment. So you may recall, last session, I brought a bill to the Appropriations Committee asking for, I believe, \$1.2 million to be appropriated to the Supreme Court, the agency of the Supreme Court, spread across the biennium last year and this year, in order to increase the base pay that we pay for court interpreters who provide court interpretation services, both for hard of hearing people, so sign language, but also non-English speaking folks in our court system. And ultimately, that bill was not directly incorporated into the budget, but we as a body voted an amendment into the budget to put about \$400,000, spread across 2 bienniums, in there for the Supreme Court. In my opinion, it was not an ample amount for the increase in their pay, but it was something that we could actually put in the budget and continue to have conversations about, moving forward. Unfortunately, that bipartisan amendment that was added into the budget with, I think, 35ish, maybe higher, votes, was line-item vetoed. We did attempt a veto override, but I understand there wasn't much of an appetite for that last year. And so unfortunately, we left last year, in this biennium, with the court interpreters not being-- or the Supreme Court not being provided the additional funding it needed to increase the base pay for those court interpreters. One thing about our court interpreters that I want to make sure people realize is they don't work for the courts. These are private contractors, essentially small business owners who work through contracts with our court system, in order to ensure that we can provide court interpretation services for folks in our court. The reason we do this is we're actually statutorily required and constitutionally required to do so. Nebraska Revised Statute 25-2401 says, it is hereby declared to be the policy of this state that the constitutional rights of persons unable to communicate in the English language cannot be fully protected unless interpreters are available to assist such persons in legal proceedings. What that ultimately led to was essentially a structure being set up, wherein court interpreters were paid, starting in 2004, if they were certified court interpreters, meaning they had done certain processes and procedures with testing, to be paid \$50 an hour. And if they were a non-certified

court interpreter and simply just registered with the court, they would get \$35 an hour. That was in 2004. They have not received-- or had not received a pay raise at all since 2004, when I brought my bill last year. If you do the math on inflation of the dollars between that money as it was in 2004 and where it was now, simply, I think an \$85 an hour agreement would keep up with inflation. And so that is ultimately what they were seeking, was, I believe, \$85 an hour for certified court interpreters. But unfortunately, because that got vetoed out of our budget, the court interpreters were not able to, at the end of last session, receive any pay raise. Because the Supreme Court was not able to pay for that, given the fact that their cash funds and other funds were already essentially going towards a bunch of other programs, which we'll get more into in a little bit. Because of that, there was, in fact, a work stoppage. I want, I want to say that again, colleagues. There was a work stoppage, where our court interpreters, large chunks of them, were unable to actually make ends meet. So they were not going into court and they were not able to--

**KELLY:** One minute.

**DUNGAN:** Thank you, Mr. President-- to conduct hearings. They were not able to translate, or interpret rather, for attorneys or judges. And it led to weeks of halted cases all across the state, urban and rural. And it was a real problem. I was contacted by attorneys, I was contacted by judges saying, well, how did this happen? Why did this happen? And the answer was we, colleagues, were unable to provide the funding that they needed to increase their pay. So I know I'm running out of time. I guess I'll leave you on a cliffhanger. I'm probably not going to get to talk again. But that's where we left ourselves last session, was our court interpreters were not able to go to work. There were hearings that were not happening. And I hope we can address it this session. Thank you, Mr. President.

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

**BOSTELMAN:** Thank you, Mr. President. Good afternoon, colleagues. Broadband? Broadband? Did I hear broadband? Senator DeBoer, did you bring up broadband? I think Senator DeBoer, DeBoer did. I've never talked about the broadband on the mic before, I don't think. Well, maybe I have once or twice. I agree with Senator DeBoer, what she was talking about. I just want to echo what she was saying. The USF funds [INAUDIBLE] show the interest coming off of that is critically important to broadband, especially in rural Nebraska. We're doing a

lot of-- the Bridge Act, capital projects, speed funding, other funding is coming into the state, tens of millions of dollars that we're utilizing to build broadband across the state. And the USF funds are out there, and the USF funds are out there as part of some clawback money that's there that-- from those that didn't build out. But it's also there-- the most important thing with that is you may look at, at that-- number and think it's a large number. But as we're building out across the state, there has to be upkeep and maintenance on all these facilities. So we don't want to build a state-of-the-art broadband facility if you will, and then not have any funds to make sure it's maintained and upkept, upkept. So I think we'll be talking about here, on another bill we have on the agenda I have here, a little bit later, but broadband-- it's that word, broadband. And it's very important to Nebraska. It's very important to our economy in Nebraska. So even though it's on, as Senator DeBoer said, LB1413, and we're talking about different bills-- different things today, that is something we need to take a look at. And I believe there's probably going to be amend-- amendment coming up on that, on LB1413, which, we'll talk about it again. But it is a very important opportunity to discuss that. Bottom line, though, is saying that I want to thank the Appropriations Committee, Chairman Clements and, and those members on the Appropriation Committee, for all the hard work that they did do on that. It's not an easy, easy job to do. They have a lot of work that they sit through and do. Throughout the starting of a session, for those of you who aren't aware, they have probably the most bills and most time spent, next to Judiciary or HHS. And I appreciate all the work that they did and they do. I do not stand in support of the IPP motion. I do stand in support of LB1412, and I believe there may be an additional amendment or 2 that will come to that. But I could not resist, with Senator DeBoer, DeBoer, speaking of broadband, the importance of the USF funds to broadband. Thank you, Mr. President.

**KELLY:** Thank you, Senator Bostelman. Mr. Clerk, for items.

**CLERK:** Mr. President, I have a communication from the Governor. Engrossed LB992e and LB992A were received in my office on March 7, 2024 and signed on March 12, 2024. These bills were delivered to the Secretary of State on March 12, 2024. Sincerely, signed Jim Pillen, Governor. Additionally, your Committee on Education, chaired by Senator Murman, reports LB1329 to General File with committee amendments. Series of motions to be printed from Senate-- and amendments to be printed from Senators Cavanaugh, Clements to LB1412. Additionally, amendments to be printed from Senator Cavanaugh, and motions from Senator Cavanaugh and Clements to LB1413. And series of

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Floor Debate March 12, 2024

Rough Draft

amendments from Senator Murman to LB1392 [SIC-LB1329]. New A bill, Senator Conrad, LB43A. It's a bill for an act relating to appropriations; to appropriate funds to aid in the carrying out of provisions of LB43; and to declare an emergency. Notice of hearing from the Education Committee. Name adds: Senator DeBoer, name added to LB857, LB876, LB829 [SIC-LB892], and LB934. And Senator McDonnell, name added to LB1408. Finally, Mr. President, a priority motion. Senator Holdcroft would move to adjourn the body until Wednesday, March 13, 2024 at 9:00 a.m.

**KELLY:** Members, you've heard the motion to adjourn. All those in favor, say aye. Those opposed, say nay. We are adjourned.