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Business and Labor Committee January 26, 2026
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IBACH: I'm going to ask everybody to take a seat, please. We're going to get started. We're about five minutes tardy anyway. Welcome to the Business and Labor Committee. I'm Senator Ibach from District 44. And I do not serve as chair of this committee, but I serve as the vice-vice chair of the committee. The purpose of the public hearing is an information-gathering endeavor in which senators on the committee are seeking information about the proposed legislation that they do not know or have not thought about. It allows individuals representing themselves or a group to share their unique perspectives on a proposed measure. It also serves as a record about the proposal for future historical and legal purposes. A key component of the process is the ability for senators to engage directly with testifiers, to ask questions, and elicit clarification on the information provided. The committee will take up the bills in the order posted. If you're planning to testify today, please fill out one of the green testifier sheets for each bill that you're testifying on. Those are found at the door. These are at the table at the back-- are at the back of the room. Be sure to print clearly and fill it out completely. When it is your turn to come forward to testify, give the testifier sheet to the page or to the committee clerk. If you do not wish to testify but would like to indicate your position on a bill, there are also yellow sign-in sheets back at the table for each bill. These sheets will be included in-- as an exhibit in the official hearing record. When you come up and test-- to testify, please speak clearly into the microphone. Tell us your name and please spell your first and last name to ensure we get an accurate record. We will begin each bill hearing today with the introducer's opening statement, followed by proponents of the bill, then opponents of the bill, and finally by anyone speaking in the neutral capacity. We will finish with a closing statement by the introducer if they wish to give one. We will be using a three-minute light system for all testifiers. When you begin your testimony, the light on the table will be green. When the li-- yellow light comes on, you have one minute remaining. And the red light indicates your time has ended. Questions from the committee may follow. Also, committee members may come and go during the hearing. There has-- this has nothing to do with the importance of the bills being heard. It is just part of the process, as senators may have bills to introduce in other committees. A few final items to facilitate today's hearing. If you have handouts or copies of your testimony, please bring up at least 12 copies and give them to the page. If you do not have enough copies, the page will make sufficient copies for you. Please note that thumb drives, CDs, DVDs, oversized documents,

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books, lists of signatures, and similar items will not be accepted as exhibits for the record. Please silence or turn off your cell phones. You may see committee members using their electronic devices to access more information. Verbal outbursts or applause are not permitted in the hearing room. Such behavior may be cause for you to be asked to leave the hearing. And finally, committee procedures for all committees state that written position comments on a bill to be included in the record must be submitted by 8 a.m. the day of the hearing. The only acceptable method of submission is via the Legislature's website at legislature.nebraska.gov [SIC]. Written position letters will be included in the official hearing record, but only those testifying in person before the committee will be included on the committee statement. I will now have the committee members with us today introduce themselves, starting on my right with Senator Meyer.

F. MEYER: Senator Fred Meyer, District 41.

SORRENTINO: Senator Tony Sorrentino, District 39: Elkhorn and Waterloo. And I serve as the vice chair of this committee.

IBACH: Yes, he does.

McKINNEY: Senator Terrell McKinney, District 11.

HANSEN: Senator Ben Hansen, District 16.

IBACH: And son-- Senator Sorrentino does serve as vice chair, but he's first up on the dock, so we are giving him a get-out-of-jail-free pass today. Also assisting the committee today, today: to my right is legal counsel, Thomas Helget; and to my far right is committee clerk, Julie Cash. And we have two pages for the committee today, and would you stand and introduce yourselves?

MADDIE BANKS: My name is Maddie. I'm a sophomore at the University of Nebraska-Lincoln. I'm studying political science on the pre-law track. And I'm from Rochester, Minnesota.

LUKE LAWTON: My name is Luke Lawton. I'm a senior at the University of Nebraska-Lincoln, studying business and law. I'm from Omaha, Nebraska.

IBACH: Perfect. And with that, we will start today's hearings with LB747 and invite Senator Sorrentino to come up and give us your opening statement. Senator Sorrentino.

SORRENTINO: Thank you. Good afternoon, Vice-Vice Chair Ibach and members of the Business and Labor Committee. My name is Tony Sorrentino, T-o-n-y S-o-r-r-e-n-t-i-n-o. And I represent Legislative District 39, which is Waterloo and Elkhorn in Douglas County. I am here today to introduce LB747, a bill designed to update and modernize several programs administered by the Commissioner of Labor through the Labor Standards Division. Specifically, LB747 makes targeted updates on Nebraska's child labor laws, the Wage Payment and Collection Act, WPCA, and Employees Classification Act, the ECA, and the Contractors Registration Act, abbreviated as CRA. The overarching purpose of this legislation is to reduce unnecessary regulatory burdens, streamline compliance, and modernize enforcement practices across the Department of Labor's programs-- excuse me-- while maintaining strong worker protections and improving administrative efficiency. First, LB747 modernizes Nebraska's child labor laws by reducing administrative burdens on employers who hire individuals under the age of 16. The bill repeals the requirement that all employment certificates be submitted to the Department of Labor prior to a minor beginning work. Instead, employment certificates would be required to be submitted only upon request by the department. This change aligns Nebraska with the practices of many other states and also repeals the requirement that school districts submit all employment certificates to the Department of Labor. Employers would still be required to retain employment certificates for at least one year after a minor's employment ends. This measured approach preserves the department's ability to investigate an-- any alleged violations while significantly reducing administrative burden on employers and school districts. By eliminating the requirement that every employment certificate be sent to and reviewed by the department, LB747 allows staff time and resources to be redirected towards other labor enforcement priorities rather than administrative cataloging. Second, LB747 makes updates to the Wage Payment and Collection Act. The bill removes the classification of failure to provide a wage statement as a criminal infraction under Nebraska Revised Statute 29-431. This provision has never been enforced through criminal citations. Instead, the bill establishes enforcement through administrative citations and penalties, which is consistent with how all other WPCA violations are handled. Additional-- additionally, while the WPCA currently authorizes the Commissioner of Labor to issue subpoenas, LB747 clarifies enforcement by allowing the commissioner to seek a court order when an individual or an entity fails to comply with the subpoena. This authority is a standard enforcement tool used by administrative agencies and mirrors

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existing authorities under other labor statutes administered by the Department of Labor. In short, these changes align WPCA enforcement with the Contractor Registration Act and the Employee Classification Act, which I'll be speaking about momentarily. Third, LB747 updates the Employee Classification act. The bill repeals the statutory requirement to maintain a dedicated hotline for reporting ECA violations. The Department of Labor will continue to accept and investigate complaints through its online complaint form, which remains available on the department's website. Complaints may also still be submitted to the department through the phone line for the Labor Standards Division. This legislation just removes the requirement that the department have a dedicated hotline for reporting ECA violations. LB747 also clarifies that the Commissioner of Labor may initiate investigations into potential ECA violations as necessary to ensure compliance rather than limiting investigations, only the complaints received through the hotline or the website. Similar to the WPCA amendments, LB747 grants subpoena authority under the ECA and authorizes the commission to seek out court enforcement when subpoenas are not complied with. Finally, LB747 makes revisions to the Contractor Registration Act. The bill repeals the current fee exemption. I'll say that again. The bill repeals the current fee exemption for certain contractors, including those who are self-employed, pay less than \$3,000 in wages, or perform water, well, or septic tank system work. Removing these fee exemptions established a uniform registration requirement across the construction industry and strengthens the integrity of Nebraska's contractor registration system. Under LB747, all contractors would complete the standard annual registration and pay the \$25 fee. This change also eliminates the need for contractors to submit fee exemption affidavits, allowing the Department of Labor to reallocate staff time and the resources currently spent reviewing those filings. The proposal expected to generate about \$81,250 in additional annual revenue, with a one-time system update of \$4,800 to remove the exemption from the online registration platform. In summary, LB747 establishes consistent enforcement and subpoena authority across multiple labor programs, aligns enforcement practices with existing Department of Labor procedures, and reduces unnecessarily administrative tasks. It simplifies compliance for employers, improves internal efficiency, and allows the Department of Labor to better focus its resources on meaningful enforcement. Thank you. And I'm happy to take any questions. And if I can't answer them, there are folks in the Department of Labor who may be able to.

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IBACH: Very good. Thank you, Senator. Are there questions from this committee? Senator McKinney.

McKINNEY: Thank you, Vice Chair Ibach. Thank you, Senator Sorrentino. My question-- I'm looking at page 8 at the bottom of the page where the department wouldn't have to operate a hotline or website for reporting. If somebody is in violation, where would that be reported if this bill passes?

SORRENTINO: That's a good question, and I'm going to let the Department of Labor right behind me answer that.

McKINNEY: All right.

SORRENTINO: Appreciate it.

McKINNEY: Thank you.

IBACH: Thank you, Senator McKinney. Senator Hansen.

HANSEN: Thank you, Vice-Vice Chair Ibach.

SORRENTINO: Vice-Vice Chair--

IBACH: I really don't--

HANSEN: Never said that ever in the eight years I've been here. I've also never heard the word "contumacy." Is that how you say it? It's in your bill. In case of contumacy by--

SORRENTINO: Well, it could be--

HANSEN: I had to look up that word.

SORRENTINO: It could be a misspelling.

HANSEN: No, I think it's right. Because it's-- that's great. I-- I'm-- if you can't answer, some-- I'm sure something behind you can, about what-- the Contractor and Professional Employer Organization Registration Cash Fund. What is that used for?

SORRENTINO: I know part of what it is used for. And rather than give you a halfway, incomplete answer-- for those who are not-- professional employer organizations, or PEOs, that-- they hire people and then farm them out to other organizations. The more I think about

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it-- I'm-- I think-- I may let the Department of Labor answer that one.

HANSEN: Because that's where the \$81,000, that's--

SORRENTINO: Right.

HANSEN: --that's going to be--

SORRENTINO: \$81,250.

HANSEN: I'm just curious what it's used specifically for.

SORRENTINO: Yea. I, I think DOL can give you a better answer.

HANSEN: Thanks.

SORRENTINO: Thank you.

IBACH: Thank you, Senator Hansen. Any other questions from the committee? Seeing none. Thank you. You'll stick around to close?

SORRENTINO: I will.

IBACH: OK. Perfect. Now we will have anyone that's testifying as a proponent to LB747. Welcome.

KATIE THURBER: Thank you. Good afternoon, Vice-Vice Chair Ibach and members of the Business and Labor Committee. My name is Katie Thurber, K-a-t-i-e T-h-u-r-b-e-r, Commissioner of Labor. I appear before you today in support of LB747. And I want to thank Senator Sorrentino for introducing this legislation on behalf of the department. LB747 makes targeted updates across four programs administered by the department's Labor Standards Division. While the senator outlined the statutory changes, I want to emphasize the practical impact of this legislation, which reduces unnecessary administrative steps, harmonizes our enforcement tools without being overly burdensome for employers, and allows the department to focus resources where they have the greatest impact. In the area of child labor, labor, LB747 removes the requirement that every employment certificate be submitted to the department. This change aligns Nebraska with many other states and significantly reduces paperwork for employers and school districts. Importantly, we retain full access to these certificates when needed for investigations, allowing us to maintain strong protections for minors while improving

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efficiency. On average, the department catalogs approximately 2,500 child labor certificates a year. Removing this requirement allows the department to reallocate resources for other programs. The bill also modernizes the Wage Payment and Collection Act by clarifying the department's authority to seek enforcement of administrative subpoenas and changes a criminal infraction for an employer's failure to issue a wage statement to an administrative penalty. This is how all other violations of the WPCA are treated. These updates bring the act in line with our other labor programs and ensure we have consistent, practical tools to enforce wage laws. I want to reiterate that this is the same subpoena authority the department already utilizes in both the Employment Security Law and the Contract Registration Act. This bill takes existing language and applies it uniformly to other programs we administer. For the Employee Classification Act, LB747 removes the requirement the department maintain a dedicated hotline for suspected violations of the ECA. The department will continue to receive complaints through online complaint forms, email, and through a general phone line established for the Labor Standards Division. The legislation also confirms the department may-- I'm sorry-- may initiate investigations proactively and provides consistent subpoena authority. Finally, LB747 harmonizes the Contractor Registration Act by eliminating the current annual registration fee exemptions within the law for those self-employed contractors that do not pay wages to employees in excess of \$3,000 and those contractors engaged in the construction of water wells or septic sys-- sypt-- systems. In Nebraska, over 20,000 contractors submit registrations under the CRA, and approximately 3,250 annually claim the \$25 fee exa-- exemption. In lieu of paying \$25, these contractors must submit a notarized affidavit within the-- de-- to the department. The department reviews, catalogs, and maintains a database of these affidavits and fees ex-- exemptions. Removing this exemption creates a uniform registration system and allows the department to allocate staff resources more efficiently. In short, LB747 provides the Department of Labor consistent enforcement tools and reduces administrative burdens. These updates allow us to operate more efficiently and focus on meaningful enforcement. Thank you for your time. And I'm happy to answer any questions.

IBACH: Thank you, Director Thurber. Are there questions from the committee? Senator McKinney.

McKINNEY: Thank you, Senator Ibach. And thank you. Just on the conversation of, like, the elimination of the hotline and things on

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the website, how would somebody know to go to this new process if this was to pass?

KATIE THURBER: Yes. So what we're trying to do is make it one process for all of the system complaints. So whether you're complaining about a contractor issue, a wage issue, a child labor issue, or employee classification issue, you can come and just do one form. And under the current law, we have to have a separate process for the ECA violations alone. So we're just trying to make it so that, no matter what form, we can investigate it.

McKINNEY: OK. But how would somebody know of the change? I guess--

KATIE THURBER: Yeah.

McKINNEY: Let's say a person filed a complaint last year and they wanted to do another one in 2026. How would they know?

KATIE THURBER: We'd be able to redirect them on our website. We wouldn't take anything down immediately.

McKINNEY: OK. Thank you.

KATIE THURBER: Yes.

IBACH: Thank you, Senator McKinney. Are there questions? Senator Hansen.

HANSEN: Can you answer what the fund is for?

KATIE THURBER: Yeah, I can. So we use it for administrative costs for our professional employee organization group, our contractor registration, and a few other. We've been expanding which groups are cash funded throughout the years.

HANSEN: OK.

KATIE THURBER: But it goes to em-- employee costs, essentially.

HANSEN: And a random question you may not know. When was the exem-- when were the exceptions created?

KATIE THURBER: Yeah. When the law was initially passed, those exemptions existed. And to be fair, the fee has not always been \$25. And I don't know what it was when the law was initially passed, but that was done at the time the original bill was passed.

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HANSEN: Would-- the original bill, do you know if they had to create one full-time employee to, to deal with all of these exemptions?

KATIE THURBER: They had to create quite a few employees because it was a completely new system at that time. We didn't have a contract registration system.

HANSEN: So that means you'll have to lay off people?

KATIE THURBER: So actually, we keep her very busy. And so if you're watching, you're not losing your job. We would like to better utilize her strengths.

HANSEN: OK. That's a good answer. All right. Thank you.

KATIE THURBER: You're welcome.

IBACH: Thank you, Senator Hansen. Other questions? Seeing none. Thank you very mu-- I thought he was gonna ask you to define contumacy.

KATIE THURBER: He let me off easy.

IBACH: He left you off. Thank you very much, Director.

KATIE THURBER: Thank you.

IBACH: Are there other proponents for LB747? Other proponents. Seeing none. Is there anybody here in opposition? Any opponents to LB747. Seeing none. Is there anyone here in the neutral position for LB747? Welcome.

RYAN McINTOSH: Thank you. Vice Chair Ibach, members of the Business and Labor Committee, my name is Ryan McIntosh, R-y-a-n M-c-I-n-t-o-s-h. And I be-- appear before you today as the State Director and registered lobbyist for the National Federation of Independent Business in a neutral capacity for LB747. I'm also testifying on behalf of the Nebraska Chamber of Commerce and Industry, Greater Omaha Chamber of Commerce, and the Lincoln Chamber of Commerce, and the Nebraska Grocery Industry Association. We've received a fair amount of feedback so far on this bill. We've had a lot of our concerns addressed. And overall, it does contain several positive pro-business positions. Specifically, we support changes in Sections 2, 3, and 4, which make it easier to hire young people. We also support removing the language in Sections 5 and 7. However, we do have concerns with Sections 6 and 9 which expand DOL authority

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under the Wage Payment and Collection Act. It's not clear to the broader business community what the problem is that these changes are trying to address. And so we would ask the committee just to hold onto this bill for a little bit while we continue to work through these provisions with Senator Sorrentino and the department. Thank you.

IBACH: Very good. Are there questions for the testifier? Any questions from the committee? Seeing none. Thank you very much. Other folks that want to testify in the neutral position? Anybody else in neutral? All right. Seeing none. That will conclude our hearing on LB747. Oh, sorry, Ton-- yes. Senator Sorrentino, would you like to close?

SORRENTINO: I will waive close. Thank you.

IBACH: OK. Waive close. Thank you very much. Seeing no other testifiers. And you're going to waive. Letters today, we had no letters in support or in opposition for LB747. So that will close our hearing. And I will turn the mic back over to Senator Sorrentino, who is the actual vice chair of this committee.

SORRENTINO: So we have next up on the agenda is LB864 as we welcome Senator Prokop. Welcome, Senator.

PROKOP: Thank you, Vice Chair and members of the committee. It's good to be with you this afternoon. For the record, my name is Jason Prokop, spelled J-a-s-o-n P-r-o-k-o-p. And I have the privilege of representing Legislative District 27. Today, I present for your consideration LB864. This bill has been brought at the request of the Nebraska Department of Labor. LB864 would shift the responsibility for administering the InternNE program from the Department of Economic Development to the Department of Labor. The Nebraska Department of Labor requested this legislation as part of its ongoing efforts under Governor Pillen's Good Life, Great Careers Initiative. That initiative instructed the Department of Labor to conduct a review of Nebraska's workforce programs. In my conversations with the Department of Labor, what they have identified is the clear need for a more coordinated, strategic approach to workforce development across state government. To that end, the department identified the InternNE program as one of those-- of one whose mission aligns closely with the department's core responsibilities. As you may recall, the committee conducted an interim study that I brought last year in September pursuant to LR211, which reviewed the InternNE's

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effectiveness in retaining students in Nebraska and its overall impact on workforce development. Building on the findings of that study, I believe the profo-- the proposed transfer aligns the program with the agency best positioned to advance those goals. Because the department already oversees several initiatives aimed at developing Nebraska's future skilled workforce, assigning the InternNE program to the Department of Labor would strengthen coordination with the programs already in place. In summary, the Department of Labor is ready to take on administration of the InternNE program and is dedicated to providing a seamless transition. This would conclude my testimony. I know the Commissioner of Labor will, will be coming up right behind me. And I'm happy to answer any questions that you all may have. Thank you.

SORRENTINO: Thank you, Senator. Are there any questions for Senator Prokop from the committee? Seeing none. Thank you. Will you be sticking around for close?

PROKOP: Yes.

SORRENTINO: Thank you. Are there any testifiers who will be testi-- testifying as proponents for LB864, please? Good afternoon, Ms. Thurber.

KATIE THURBER: Good afternoon. Thank you. Good afternoon, Vice Chair Sorrentino and members of the Business and Labor Committee. My name is Katie Thurber, K-a-t-i-e T-h-u-r-b-e-r, Commissioner of Labor. I appear before you today in support of LB864. I want to thank Senator Prokop for introducing this legislation on behalf of the Department of Labor. LB864 transfers administration of the InternNE program from the Department of Economic Development to the Department of Labor. The InternNE proper-- program is designed to provide financial assistance to businesses in Nebraska in an effort to create new internships and develop Nebraska's workforce. As part of Governor Pillen's Good Life, Great Careers Initiative, the Department of Labor was tasked with creating a comprehensive inventory and assessment of workforce development programs administered by the state of Nebraska and to develop a comprehensive and strategic workforce development plan to address Nebraska's critical workforce needs and support future economic growth for the state. While we continue to partner with the Governor's Office on developing a comprehensive and strategic plan to address Nebraska's future workforce needs, the department identified the InternNE program as one whose mission aligns closely with the Department of Labor's core responsibilities.

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As indicated, the program connects students and recent graduates with paid, meaningful work experience with helping employers build a talent pipeline. This purpose fits squarely within the department's focus on workforce development, labor market alignment, and employer, employer engagement. Transferring InternNE to the Department of Labor strengthens statewide workforce coordination, reduces fragmentation, and ensures programs are aligned to meet Nebraska's current and future labor needs. The department already administers multiple initiatives that connect Nebraskans to employment opportunities and supports business across the state. Housing InterNE within this structure will improve integration with existing programs. Importantly, LB864 is an administrative transfer only. Does not change the intent or structure of the program. However, it does strike a provision of current law requiring the Department of Economic Development to execute a MOU with the Department Labor for the exchange of labor data associated with the program. If LB864 passes, that particular provision would become unnecessary. The Department of Economic Development supports this realignment, recognizing that it allows each agency to focus on its core mission while continuing to collaborate on shared workforce and economic goals. The Department of Labor is prepared to assume responsibility for InternNE and is committed to ensuring a smooth transition for employers, students, and educational institutions. That concludes my testimony. And I'd be happy to answer any questions you may have.

SORRENTINO: Thank you. Are there any questions for Ms. Thurber? Seeing none. Thank you.

KATIE THURBER: Thank you.

SORRENTINO: Are there other testifiers who will be testifying as proponents of LB864?

JENNIFER CREAGER: Good afternoon, Vice Chair Sorrentino, members of the committee. For the record, my name is Jennifer Creager, J-e-n-n-i-f-e-r C-r-e-a-g-e-r, the registered lobbyist for the Greater Omaha Chamber. I'm also appearing today on behalf of the Nebraska Chamber of Commerce and Industry, the Lincoln Chamber of Commerce, and the Nebraska Economic Developers Association. Thank you, Senator Prokop, for bringing this bill. This committee has heard a lot about InternNE in the last year. There were a couple bills last year. There was also an interim study. We obviously think this is still a very valuable effort and has great statewide importance. From

the Omaha Chamber perspective, reconstituting the InternNE program was one of our talent development recommendations in our recently released Omaha COMPETES report. We know from feedback from all of you that some changes in the long term need to be made to the program, and we've heard that on ways to improve its delivery. We really think fir-- the first step in that is moving the program, the-- excuse me-- the administration of the program to the Department of Labor. We're very appreciative of the commissioner's willingness to accept this program, and we're confident in her ability to improve any needed improvements in the program. We think it makes sense, as she said, in light of the great consolidation of workforce dollars and activities within DOL that it will be a better long-term home for the program. We do understand that this move currently is administrative only in nature and this does not come with any funding. Understanding the current budget constraints, that does make sense. However, it's our hope in the long term return funding-- to return funding to the program. We ask the committee to advance this proposal. Thank you.

SORRENTINO: Thank you. Are there questions of Ms. Creager? Senator Ibach.

IBACH: Thank you very much, Vice Chair Sorrentino. And I should have asked Director Thurber this question. I wasn't on my game yet. Do you have any stats on the impact that this program makes on either the Chamber or any of the programs that you implement?

JENNIFER CREAGER: I mean, I think-- I'm not going to remember any of the data off of my-- the top of my head, I know. Anecdotally, when we talk about what do employers need to build pipeline, internships is always the top of the list. I'll be happy to follow up with you with specific numbers, but-- and when we were doing this Omaha COMPETES work over the interim, this was the kind of the top thing that wanted-- people-- our group felt made the biggest impact in order to develop a pipeline of current workforce. So I'll follow up with you with actual data, but I know for a fact that, that it-- in-- continuing some sort of internship program on a statewide basis is probably the top of our list when it comes to talent development.

IBACH: And how do you work-- because you represent the Chamber, how do you work with different manufacturers or industries to coordinate those internships? Because I know a lot of businesses have their own internship program internally.

JENNIFER CREAGER: Yeah.

IBACH: Do you work with any of those groups or--

JENNIFER CREAGER: Yes, but I think that's why some kind of statewide coordination is so important, right? Because then it's just very fragmented. Students aren't sure where to look. Universities aren't sure where to send people. There is a platform called Handshake that is pretty univers-- is-- I think it's-- obviously I'm not a student, but I think it's a pretty universal technology platform that students know that they can post on. More and more employers I think are realizing they can look for opportunities using that platform, so. We would encourage the department going forward to continue utilizing that program. It seems to be the best way to prevent that fracturing by industry. But, for sure-- and, I mean, when you talk about different industries, obviously in manufacturing, there's also a need for apprenticeships too. So it might be-- some company may prefer an apprenticeship program over an internship program. But I think they're similar enough that you just need to-- ways to build those talent pipelines to fill their future workforce needs.

IBACH: Thank you. I appreciate your expertise on it because I think you see it on a, on a very specific--

JENNIFER CREAGER: Sure.

IBACH: --kind of funneled-in approach, so I appreciate that.

JENNIFER CREAGER: Sure.

IBACH: Thank you.

JENNIFER CREAGER: Mm-hmm.

IBACH: Thank you, Vice Chair.

SORRENTINO: Are there further questions for Ms. Creager? If not, thank you for your testimony.

JENNIFER CREAGER: Thank you.

SORRENTINO: Do we have any other testifiers who will be testifying as proponents for LB864? Seeing none. Do we have anybody testifying in opposition to LB864? Seeing none. Is there anybody who would like to testify in a neutral position for LB864? Seeing none. Senator Prokop, you're free to close.

PROKOP: Thank you very much, and thanks to the committee for the time this afternoon to hear this bill. I also want to express my appreciation to the Department of Labor for their collaboration on this. I think, Senator Ibach, getting kind of directly to your point that you're trying to raise with your question is, you know, we're-- we've all been hearing about brain drain over the last several months and how big a issue that is for our state. From my perspective, this is one of those key components of keeping our young people here. I know you asked for a statistic as far as successes with the program. So the program actually goes back to 2011, and there was 3,700 participants in it between 2011 and 2021. And then when the state put funding in it in 2022, \$20 million, about another 1,500 internships, paid inter-- ter-- paid internships were, were-- took place. And what we've seen from that is that, according to CPAR, that-- and NSWERS, that showed that paid internships and workforce opportunities create professional and social ties with the state and pert-- predict at least a 50% probability of talent retention. So we're seeing great return on investment with the intern program. Like has been mentioned, the funding for the program was, was cut last year as part of just overall budget, budget issues that we worked through. But I think with the shift to the Department of Labor from the Department of Economic Development, it aligns with those programs and hopefully opportunities for, for some funding in the future. So I would conclude with that. And happy to take any questions.

SORRENTINO: Any questions for Senator Prokop? Seeing none. Thank you.

PROKOP: Thank you.

SORRENTINO: We had one comment online; it's a proponent position for this bill. That concludes our testimony on LB864. We will now move to LB1015 with Senator Ibach. Welcome, Senator Ibach. And you are free to open.

IBACH: Thank you, Vice Chair Sorrentino. Good afternoon, Vice Chair Sorrentino and fellow members of the Business and Labor Committee. My name is Teresa Ibach, T-e-r-e-s-a I-b-a-c-h. And I'm here today to introduce LB1015 to you. This bill is brought at the request of the Nebraska Department of Labor. LB1015 creates the Business Innovation Cash Fund and establishes a stable, ongoing source of funding for two key areas in Nebraska's economic strategy: workforce development and business innovation. The bill uses an existing revenue stream within the em-- unemployment insurance system to support both efforts without increasing taxes or relying on general funds. Under current

law, Nebraska's unemployment insurance system collects a combined tax. That combined tax is made up of contributions remitted to the Unemployment Trust Fund as well as the state unemployment insurance tax, which currently is used to fund the Workforce Development Program Cash Fund, whose primary purpose is the-- to fund workforce development grants. As stated, LB1015 would create the Business Innovation Cash Fund. The purpose of this newly created cash fund would be to fund the various grants and programs of the Business Innovation Act, which is administra-- administered by the Department of Economic Development. This legislation directs Commissioner of Labor to annually designate the percentage and proportion of the state unemployment insurance tax that will be distributed between the Workforce Development Program Cash Fund and, and the Business Innovation Cash Fund. This structure ensures that both workforce development grant initiatives and Business Innovation Act programs have a consistent and predictable funding source. The bill also adds new reporting elements to improve the state's ability to track the outcomes of Business Innovation Act investments. By incorporating certain data points into the quarterly combined tax reporting process for those individuals receiving funds from the Business Innovation Cash Fund, the state will have more timely and consistent information about job creation and business activity associated with these programs. This concludes my testimony. While I'm happy to answer any questions, the Commissioner of Labor will also be testifying and will be available to answer any specific, technical questions that you have. Thank you, Vice Chair Sorrentino.

SORRENTINO: Thank you, Senator Ibach. Are there questions from the committee for Senator Ibach? All right. Seeing none. Thank you for your testimony. Will you be here to close?

IBACH: Yes. Thank you.

SORRENTINO: Thank you. Are there testifiers who will be testifying as proponents of LB1015? Yes, there are. Welcome back.

KATIE THURBER: Thanks.

SORRENTINO: Commissioner Thurber.

KATIE THURBER: You get me a few times today. Vice Chair Sorrentino, members of the Business and Labor Committee, my name is Katie Thurber, K-a-t-i-e T-h-u-r-b-e-r, Commissioner of Labor. I appear before you today in support of LB1015. I want to thank Senator Ibach

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for introducing this legislation on behalf of the department. LB1015 creates the Business Innovation, BIA, Cash Fund and provides for sustained, dedicated funding to this crucial workforce program administered by the Department of Economic Development. Nebraska has a combined tax rate that sets the rate each covered employer is taxed for purposes of the unemployment system. The combined tax rates consist of contributions which go to the Unemployment Trust Fund for the payment of unemployment benefits and the state unemployment insurance tax, SUIT, which is deposited into the Workforce Development Program Cash Fund. Under LB1015, funding the BIA Cash Fund will come from the already existing SUIT tax. Each year, the Commissioner of Labor would designate the percentage and proportion of SUIT to be allocated to the workforce cash fund and the BIA Cash Fund. With this approach, we'll be able to fund both workforce development and BIA. As of September 30, 2025, we had \$584 million available to pay unemployment benefits. Based on a fund analysis, we increased the portion of the combined tax that goes to workforce development. In 2025, 4-- \$5.7 million was allocated to workforce development, and we anticipate nearly doubling that amount in 2026. We recognize that even \$10 million is insufficient to fully serve both programs. Therefore, we have proposed separate legislation to amend the Commissioner of Labor's authority to increase the percentage of the combined tax rate that can be designated to SUIT from 20% to 50%. This would provide sufficient funding for both programs to thrive. Both workforce development and BIA investments have made a tremendous impact in Nebraska. Through workforce development grants, we have created a manufacturing apprenticeship program to build a workforce pipeline for all of Nebraska's manufacturers that may serve as a model for how to develop talent across the country. We've created two veterinarian programs to ensure our pro-- producers have the services they need for healthy herds, expanded Nebraska's JAG program, supported the trades through the Builders of the Future program, and helped justice-involved individuals gain a fresh start for the-- at the Heart Ministry. For BIA programs, research has found 2,386 direct jobs have been created, with an average wage of \$76,498. Each dollar of BI-- BIA funding has resulted in \$15.90 in revenue. The annual economic impact of the BIA has surpassed \$1 billion. Finally, LB1015 introduces data requirements that help measure programs' impact by requiring employers to report details like job title, start date, and zip code in their quarterly ti-- tax filings. Having programs focused on new business and workforce development supports the Good Life, Great Careers Initiative. Funding these programs with an existing revenue

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stream means we reduce reliance on general funds while fully supporting Nebraska's growth and opportunity. The good life is truly open for business. This concludes my testimony. And I'd be happy to answer any questions you may have.

SORRENTINO: Thank you, Ms. Thurber. Are there questions from any member of the committee of Ms. Thurber? Seeing none. Thank you for your testimony.

KATIE THURBER: Thank you.

SORRENTINO: Are there testifiers who will be testifying as proponents-- thank you-- of LB1015?

RICHARD BAIER: Good afternoon, Committee Chair Kauth, members of the committee. For the record, my name is Richard Baier, R-i-c-h-a-r-d; last name is B-a-i-e-r. While you probably know me as a registered lobbyist for the Nebraska Bankers, I'm actually appearing before you today as the former board chair for Invest Nebraska. My goal is to-- in support of LB1015. I want to thank Governor Pillen and Senator Ibach for pursuing ways to provide increased funding for the BIA program. I want to take you through a little history on the BIA. The roots of the program go back to a com-- a study that was conducted by the Battelle Technology partnership in 2010. This comprehensive review of the state's economic development strategy identified a number of shortcomings and offered policy solutions to address these statewide challenges. In response to the Battelle study, this Legislature adopted then-Governor Heineman's Talent and Innovation Initiative in 2011. This effort included programs like the Site and Building Fund, InternNE, research and development tax credits, and finally the BIA. The purpose of the BIA is to encourage and support the transfer of Nebraska-based technology and innovation in both urban and rural Nebraska, with a focus on high-tech, high-growth small businesses and entrepreneurship. Prior to the implementation of the BIA, Nebraska was routinely ranked 49th or 50th in the country in terms of both angel and venture funding. The 2024 Nebraska Venture Report which was recently released included-- and is included in your materials today-- indicates that we have made significant progress. For example, in 2012, we had \$21.7 million in venture capital investments. That number grew to \$498 million by 2022 and has not dipped below \$100 since 2019. Similarly, the report highlights how Nebraska's venture capital growth exceeded surrounding states when calculated using state gross domestic product numbers. I've also handed out for you information from the Bureau of Business Research

that highlights the impacts of the program, as mentioned by the labor director. I would point out that, to date, the state has invested \$56.8 million since inception in the program. But today, the impact exceeds \$1.1 billion to the state of Nebraska. The research findings are clear, they speak for themselves, and this program works. Again, while I do want to thank Senor-- Senator Ibach and the Governor for pursuing these funds, I do wanna just echo two quick flags. The first of those would give full authority to the director of the Department of Labor to both annually establish the funding levels and to conduct program evaluation. Because of the importance of, of the program to the state's economy, I would suggest the Legislature should be making this funding determination. Similarly, since the inception of the Department of Economic Development has successfully reviewed the BIA and its impact, as outlined in the materials I just gave you, DED staff are comfortable working with entrepreneurs and early-stage companies who are a unique breed in Nebraska's ecosystem. Shifting program oversight to DOL may cause cre-- confusion and will take the program outside of the state's over ec-- overall economic development strategy. Secondly, and, and mo-- maybe just as importantly, the-- to bill-- and I apologize. If you'd like to read that, I'd--

SORRENTINO: If you'd like to continue, if you could wrap up.

RICHARD BAIER: Thank you, Tony. Appreciate it. The second one really is on the new quarterly reporting. If any of you have worked with early-stage startup companies, they are focused on growth. The last thing we want to encourage them to do is have to sta-- stop, call timeout, and fill out a government form on a quarterly basis for things that are already being reported on an annual basis through Department of Economic Development. So again, I would just issue those two cautions. But again, thank you for allowing me to be before you today and share both some history and some of the impacts of the BIA program. And I'd be happy to take any questions.

SORRENTINO: Thank you, Mr. Baier. Are there questions from the committee of Mr. Baier? Yes, Senator McKinney.

McKINNEY: Thank you. And thank you, Mr. Baier. Moving the BIA program under DOL, I just have a question knowing that a lot of-- you spoke of the venture funding that has occurred in our state, but I also am aware that it's been very low especially for minority businesses in the state that have received venture funding and any type of support. So how do you see that changing under the Department of Labor?

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RICHARD BAIER: Well, I, I can't speak for the Department of Labor, Senator. I, I would tell you that most recently this body actually reduced the funding that was provided for microenterprise lending during the last legislative cycle, and that's where a lot of those dollars were focused originally. So we actually took a product that was working and pulled it out of the ecosystem in minority communities, and I think that's a huge strategy-- tragedy. I would also tell you-- I know you and I have talked a number of times that our banks in Nebraska are doing a number of activities in north and south Omaha trying to increase lending. So it isn't just this program, but it's a variety of other factors as well. But again, I can't speak for the Department of Labor. I'd leave that up to them. That's a great question.

McKINNEY: I was just kind of just-- the question is kind of agency comparison of--

RICHARD BAIER: Yeah.

McKINNEY: --efficiency and better implem-- implementation and outreach.

RICHARD BAIER: Yeah. I-- Senator, I think that the challenge in my mind is that some parts of the program are still going to go through DED, and then you're going to have to report to Labor and report to DED. What we're doing is creating duplicate bureaucracy for those startup companies and small business.

McKINNEY: That scares [INAUDIBLE].

RICHARD BAIER: It scares me, quite frankly, as somebody that's worked with a lot of small businesses over the years. So I think you're gonna hear from some of these young companies shortly. They can probably tell you the impact that that might have to them.

McKINNEY: All right. Thank you.

RICHARD BAIER: You bet.

SORRENTINO: Are there further questions of Mr. Baier from the committee? Yes, Senator Meyer.

F. MEYER: Thank you for being here. Just one kind of question. Have you done a lot of or-- done a lot of research on where in that

startup process investing is the most effective? Is it the first idea or market expansion or market awareness?

RICHARD BAIER: So-- Senator, I tell you, one of the things whe-- when the BIA was built, we really took into consideration sort of the entire life cycle of a startup company. So for example, one component of the BIA is prototyping grant. So that in-- inventor in your district who has a great idea, the state through DED now offers prototyping grants that will help them do their initial research. It also has a separate component to match university research. So if somebody has an idea, they get a prototyping, they build it using the state grant, and then they take it to the university to finalize the research component of that, that's really important. And then that's when you start to pursue funding to really scale the business. You know, most of the programs we have through the BIA are really sort of early to mid stage. We don't get to that venture piece so much. And that's still a weakness in Nebraska that we have to continue to tackle. Although we've gotten a lot better, we still have a long way to go.

F. MEYER: Thank you.

RICHARD BAIER: You bet.

SORRENTINO: Are there further questions for Mr. Baier? If not, thank you for your testimony.

RICHARD BAIER: Thank you. Appreciate it.

SORRENTINO: Do we have other testifiers who will be testifying as proponents of LB1015? Welcome.

LAUREL OETKEN: Thank you. Chairwoman Kauth and Vice Chair Sorrentino and the members of the Business and Labor Committee, my name is Laurel Oetken, spelled L-a-u-r-e-l O-e-t-k-e-n. And I'm the CEO of Open Range, a nonprofit organization that serves as a backbone for Nebraska's startup and innovation ecosystem. We launched in 2025 to work alongside founders, entrepreneurial support organizations, corporations, and public partners to strengthen coordination, elevate what's already working, and help to ensure Nebraska's innovation economy is accessible and competitive statewide. I'm here to testify in support of LB1015, specifically the provisions that strengthen and modernize the Business Innovation Act. Since its passage in 2011 as a part of the Nebraska Talent and Innovation Initiative, the BIA has

become one of Nebraska's most effective tools for supporting early-stage companies, advancing technology commercialization, and driving high-wage economic growth. Over the past decade, BIA programs have helped hundreds of Nebraska's startups bridge critical inflection points for growth by providing prototype funding, matching federal research awards, academic R&D support, and seed investment. According to the 2024 Annual Economic Impact Analysis of Nebraska Business Innovation Act Programs Report-- which was created by the Nebraska Department of Economic Development-- programs under the BIA have collected and awarded roughly \$56.8 million in state funding and unlocked nearly \$654 million in follow-on private investment for startups in our state. Supported companies have generated nearly \$1.2 billion in annual economic output and created nearly 2,300 high-skill, high-wage jobs statewide. These impacts are not abstract, and they represent real growth, real jobs, and real revenues flowing back to Nebraska communities. As examples of the BIA's impact locally, Set Your Sites, a Lincoln-based company mod-- that modernizes campground reservation management, used a BIA prototype grant and matching investment to scale its product nationally. Fast forward, a central Nebraska startup based in Kearney has leveraged BIA support to develop and commercialize its design, creating quality jobs in a growing rural community. You'll hear a few other examples today of startups that are building, scaling, and creating jobs-- all here a testament to the BIA. From our work directly with founders and ecosystem partners, we see how essential this early support is. The BIA helps close financing gaps, oft-- and often will determine whether a company grows in Nebraska or relocates elsewhere. It's also a strong signal to entrepreneurs and investors alike that our state is committed to long-term innovation and economic competitiveness. LB1015 builds on proven success of the Nebraska Business Innovation Act. Chairperson Kauth's LB847, also heard later today in the hearing schedule, supports a technical funding mechanism that also will continue to support the BIA long term. Both bills he-- help to strengthen how this program is funder-- funded and administered and ensure that the BIA can continue to su-- drive results long term. Thank you to Senator Ibach for bringing this bill. And for the many reasons mentioned above, I urge the committee to advance LB1015. Thank you for your time today.

SORRENTINO: Thank you for your testimony. Are there questions from the committee of Mis-- Ms. Oetken? Seeing none. Thank you for your testimony.

LAUREL OETKEN: Thank you.

SORRENTINO: Are there other testifiers who will be testifying as proponents of LB1015? Good afternoon.

KIM PRESTON: Good afternoon. I can be thankful the chair is warm. Good afternoon, Chairman Kauth, Vice Chairman Sorrentino, and members of the Business and Labor Committee. My name is Kim Preston, K-i-m P-r-e-s-t-o-n. I am the Lending Services director at the Center for Rural Affairs. And I'm testifying in support of LB1015, which proposes to create the Business Innovation Act Cash Fund. Providing with my testimony is a copy of the Microenterprise Impact Report. It's the first to be completed in nearly 20 years. The Business Innovation Act, or BIA, which includes the Microenterprise Assistance Program, is a cornerstone of investment in Nebraska. As a founding member of the Nebraska Small Business Collaborative, my organization works alongside Catholic charities, Community Development Resources of Nebraska, and the Nebraska Enterprise Fund to provide technical assistance and loans to entrepreneurs who may not qualify for traditional bank financing. For more than three decades, the Center for Rural Affairs has worked to strengthen Nebraska's small business economy, ensuring rural communities are equipped with the resources they need to succeed. Small businesses account for more than 90% of the state, driving economic vitality by creating jobs, fulfilling community needs, and keeping dollars circulating locally. Across the past two fiscal years, the collaborative placed 630 loans and leveraged the state's \$2.95 million lending capital investment into nearly \$16 million of total loans placed with microenterprises across Nebraska. During the same two years, the partners also provided 28,000 hours of one-on-one business and finance coaching and nearly 750 group training sessions that reached nearly 10,000 participants. Through the Microenterprise Assistance Program, the center has been able to support small businesses such as a mobile coffee shop, various restaurants and food trucks, and a memory, a memory care facility for patients suffering from dementia. This demonstrates the funding's human impact. We do want to note the clause requiring recipients to submit reports on such forms and in such a manner as the Commission of Labor may require. The implications of this clause are unclear, and we recommend the senators clarify the scope and method of reporting that may be required to ensure is reasonable and does not place an undue burden on the BIA program participants. I urge the committee to support the BIA and the Microenterprise Assistance Program through LB1015. Doing so will continue investing in small business, driving growth, sustaining communities, and building a strong Nebra-- Nebraska for all. Thank you to Senor--

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thank, thank you, Senator Ibach, for introducing this bill. And thank you to Governor Pillen for prior-- prioritizing economic development in our state. I appreciate the committee's time. And I'm happy to answer any questions.

SORRENTINO: Thank you for your testimony. Are there questions from the committee of Ms. Preston? Yes, Chairwoman Kauth.

KAUTH: Thank you, Vice Chair Sorrentino. I had a question about the assisted living facility. Can you tell me a little bit about that? And then I'll have a follow-up question.

KIM PRESTON: That is actually a program-- or, a business that was helped by one of our partners, so I can't speak directly to it. I believe it's Nebraska Enterprise Fund that worked with that [INAUDIBLE].

KAUTH: And then how do you promote-- so if, if somebody has an interesting startup and it's successful and they're getting these grants to get going, how do you share that with people so that other areas can do the same thing and, and duplicate the efforts?

KIM PRESTON: So-- like marketing for our services or--

KAUTH: Well-- and just in general. How, how does the information about what is working and that-- again, the, the memory care facility caught my attention.

KIM PRESTON: Sure. OK.

KAUTH: So how would we-- how would we let people know that this-- they had a program that worked and was successful?

KIM PRESTON: So what we've done in the past, when we report this program and our work to the Department of Economic Development, we-- each of our partners shares as-- at least one or two success stories along with it.

KAUTH: Thank you.

KIM PRESTON: And these are all success stories that have been shared.

SORRENTINO: Are there additional questions? Senator McKinney.

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McKINNEY: Thank you. How does somebody who isn't paying attention to politics or what's going on in the world find out about these opportunities?

KIM PRESTON: So I can't speak directly how our other programs market themselves, but we often will share our stories on our blog and on our website as well as any other media opportunity that we have. We typically write six success, six success stories a ye-- a year that we do share throughout our state. And then also through the SBA, they receive our success stories as well.

McKINNEY: Thank you.

KIM PRESTON: Mm-hmm.

SORRENTINO: Are there additional questions for Ms. Preston? Seeing none. Thank you for your testimony.

KIM PRESTON: Thank you.

SORRENTINO: Are there additional testifiers who will be testifying as proponents of LB1015? Welcome.

ERIC DINGER: Hi. I'm Eric Dinger. Thanks for having me, Chairperson Kautts [SIC] and the Business and Labor community. I'm happy to be here. I am, as Richard describes, one of the--

SORRENTINO: Could you please spell your first and last name?

ERIC DINGER: Oh, yeah.

SORRENTINO: Thank you.

ERIC DINGER: It says right here I'm supposed to do that. As Richard said, I am one of the rare breed. Eric Dinger is my name, E-r-i-c D-i-n-g-e-r. And I'm the co-founder of a technology company based just south of Lincoln in Roca, Nebraska. And I'm here today representing the Lincoln, Omaha, and Nebraska Chambers of Commerce in support of LB1015. Landoption is a beneficiary of this Business Innovation Act program. And as a recipient of the prototype grant, I've seen how this program serves as a critical bridge for Nebraska-founded companies. At Landoption, we're building AI software to help farmers and ranchers access new income from grants, sustainability, and conservation programs. I think we're the exact kind of program that this bill is designed to champion:

Nebraska-based, ag-focused, and technology. I often say that entrepreneurs are the engine house of Nebraska's economy and any local economy. BIA has been, I think, fuel for that engine house for over a decade. And since 2021, it's proven that when we invest our-- in ourselves and these entrepreneurs we see a massive return. And you've heard others testify to something like a 15-to-1 return. I think continuing to lean into the Business Innovation Act we strengthen our ability to keep more of our production and consumption of the things we create here in Nebraska. We're not just, and we shouldn't be, a progra-- a state that just grows ingredients and exports talent to the rest of the world. We should be he-- we should be developing the technology and processes and companies that leverage them here. Supporting LB1015 ensures that we continue to capture that value, that we anchor high-paying jobs here in the state, and that we keep our brightest minds working on Nebraska's problems. It's about making sure that the next big ag tech thing or the next big startup sits in Roca, Nebraska rather than somewhere else in another state. I said that specifically for Senator Dorn because I know he co-sponsored this. I want to sank-- thank Senator Ibach and Governor Pillen for their work to protect this program. We're grateful for the track record, and we're hopeful that it can be recognized and, and preserved here. I'd be remiss to say on behalf of the chambers that the funding mechanism represents a place where there isn't consensus. Moving this to the SUIT tax, there-- there are strong feelings in the business community that we want to keep this program going and that the statewide benefits it provides should possibly come from the General Fund. So our collective testimony on that is that we'd like to see the BIA continue, but we, we would like to, to continue to talk about where the funding comes from and, and think that something that this is-- that's this broadly applicable should be funded out of the General Fund. With that, I'm happy to answer questions.

SORRENTINO: Thank you. Are there que-- me-- are there questions of Mr. Dinger from the committee? I have one.

ERIC DINGER: Yes, sir.

SORRENTINO: If you can give me the elevator speech real quick. What exactly does Landoption do?

ERIC DINGER: Yeah. So we help farmers do what we call play the program game. There are dozens and dozens of different farm and, and ranch programs out there, from sustainability and conservation, from

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grants to carbon programs and regenerative ag programs. And they're all confusing, hard to understand, hard to juggle, hard to play off of each other. And so we built technology that helps those producers take ad-- best advantage of the ones that make most sense for them.

SORRENTINO: Thank you.

ERIC DINGER: Yep.

SORRENTINO: Seeing no other questions. Thank you for your testimony, Mr. Dinger.

ERIC DINGER: Thank you.

SORRENTINO: Are there additional testifiers who will be testifying as proponents of LB1015? Seems like there is. Good afternoon.

TAYLOR KORENSKY: Hello. Chairperson Kauth and members of the Business and Labor Committee, my name is Taylor Korensky, T-a-y-l-o-r K-o-r-e-n-s-k-y. I'm the CEO of VisionSync based in Omaha, a strategic planning software company built on technology licensed from the University of Nebraska Medical Center. I own two other Nebraska-based businesses as well: a software startup and AppSky, a software development company. I've received two prototype grants, an academic R&D grant, served on two SBIR and STTR applications, and helped prepare over 50 applications for other companies for the DED programs for the BIA. I've spent over a decade working on economic development in Nebraska originally as a UNO student who chose to stay and build businesses here rather than leave. I care deeply about this program because my businesses would not be close to hitting the milestones that we've achieved without it. The BIA should be held up as an example of how economic development funds can be securely deployed directly to entrepreneurs. It creates a stake in the game on both ends. Entrepreneurs bring private capital and prove work is complete before receiving any state dollars. That reimbursement structure drives accountability. It gives founders a reason to move here, hire here, raise money here, and scale in Nebraska. This program funds an entire ecosystem. Every prototype grant pays software engineers, attorneys, accountants, marketing firms, designers. The UNL data shows every dollar generates over a-- \$11 in private capital. BIA-supported companies produce \$27 million annually in state and local taxes. Over 2,300 jobs have been created and has a \$1.17 billion economic output. This is not a burden on taxpayers. It's a 10-to-1 return. In 2025, VisionSync received the first portion

of a prototype grant for \$75,000. We were preparing to reapply when funding was frozen at the end of 2025. That uncertainty cost us. We had to cut our team nearly in half, and those developers left Nebraska permanently. LB1015's dedicated cash fund solves that problem. But I still have two concerns. First, Section 4 gives DOL annual authority to set funding levels. That creates uncertainty that this bill is supposed to fix-- and I've experienced personally in the last few years. I urge the committee to establish statutory program minimums with expected growth to the program, not leaving funding to annual agency decisions based on external factors. Second, Sections 7 and 8 add quarterly reporting requirements. This reimbursement model already requires proof of work in matching private capital, and that-- that's the accountability that it needs. Additional quarterly paperwork creates friction without additional oversight. I urge the committee to advance LB1015 with these amendments. And happy to take questions. Thank you.

SORRENTINO: Are there questions from the committee of Mr. Korensky? Seeing none. Thank you for your testimony.

TAYLOR KORENSKY: Thank you.

SORRENTINO: Do we have further testimo-- or, testifiers that would be testifying as proponents of LB1015? Do we have any testifiers who will be testing in opposition to LB1015? Do we have testifiers who will be testing in neutral against LB1015? If not, Senator Ibach, do you wish to close?

IBACH: I do. Thank you. I think we-- I think we have raised a lot of really good, good testimony-- a testimonial experience. I appreciate Dire-- or, Director Baier's comments on shifting the oversight could shift the engagement. I-- of course, we do not want to do that. And the quarterly reporting has come up a couple of times, so I'm hoping that Director Thurber's taken note of that concern that those two brought up. I think when you look at the return on investment-- I think we had two or three different examples of, of inputs, and the latest one was, for every dollar spent, we get \$11 on return. I think that that proves that it's, it's a good investment for our state and it's a, it's a trustworthy path to move it over into the Department of Labor. So with that, I would thank Director Thurber and those who testified today. Thank you, committee. If there are any questions, I can try and answer them. Otherwise, I think this has been a really good discussion.

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SORRENTINO: Are there questions from the committee of Senator Ibach? Seeing none. That concludes our testimony, LB1015. There was one online comment in an opposing position. Thank you. And as we move to LB-- LB921, I will pass the chairmanship back to Chairwoman Kauth. Thank you.

KAUTH: Good afternoon, Senator Ibach. Would you like to begin?

IBACH: Thank you very much. Good afternoon, Chairwoman Kauth and fellow members of the Business and Labor Committee. My name is Teresa Ibach, T-e-r-e-s-a I-b-a-c-h. And I'm here today to introduce to you LB921, which adopts the Nebraska Worker Adjustment and Retaining Notification Act, better known as the WARN Act, and makes minor changes to the Non-English Speaking Workers Protection Act. Following the announcement of the closure of the Tyson plant in Lexington, many co-workers contacted me asking for Nebraska to do-- to adopt a state version of the federal WARN Act, as other states have done this in the past. Pursuant to federal law, businesses with 100 or more employees must submit a WARN notice when the business experiences a shutdown affecting 50 or more employees during a 30-day period or when 500 or more employees or 33% of the workforce will permanently lose employment. There are various exceptions to this notice such as if the closure is in response to a strike or lockout, but generally, if mass layoffs occur, notice must be given. LB921 was drafted based upon Iowa's WARN Act. Under LB2-- LB921, if an employer has a mass layoff event or a closure affecting 25 or more full-time employees, notice must be given to the employees in the Department of Labor. There are some exceptions provided, but generally you must provide notice. As drafted, it requires 60 days' notice, but I have submitted a floor amendment which would require 90 days' notice. LB921 also makes minor changes to the Non-English Workers Protection Act. If 10% of the staff at any given company speaks the same non-English language, they already-- already required to provide an individual to translate and to serve as a referral agent to the community services. LB921 adds some responsibility to the individual who serves as a referral agent, such as developing and maintaining a list of contact persons and agencies of the services in the community and to assist the employee in working with and through those services. LB921 promotes transparency. Being laid off can be one of the most stressful things that happen to an employee and their family, and LB921 can help mitigate that stress by providing advanced notice of the mass layoff regardless if the thre-- federal threshold has been met. In addition, mass layoffs also affect the local community. By providing additional notice of such layoffs, state and local

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officials can respond more proactively, and resources can be diverted to the community to assist the situation much quicker than there, than there be a need, like we have seen in Lexington. 25 jobs may not seem like a lot in Lincoln or Omaha, but, in smaller communities, losing 25 jobs or more can be a massive hit, and we should treat it as such. There will be a lot of good testimony for and against the bill. Some say LB921 doesn't go far enough, and some may say LB921 goes too far. I think we can do some good things with this legislation. And I would welcome the opportunity to work with proponents and with opponents to see if we can come to some agreement to provide greater protections for employees who may be facing a mass layoff event in the future in our state. Thank you, Chair Kauth. I would be open to any questions, but I do have folks following me that might be able to answer them better.

KAUTH: Thank you very much, Senator Ibach. Are there any questions from the committee? Seeing none. Will you stay to close?

IBACH: I will. Thank you.

KAUTH: Wonderful. First proponent. Don't be shy.

ROSE GODINEZ: Good afternoon. It's good to see you all. My name is Rose Godinez, spelled R-o-s-e G-o-d-i-n-e-z. And I am here to testify in support of LB921. I want to begin by thanking Senator Ibach for introducing this legislation and for the intentional way she has connected with the Lexington community. I have personally witnessed her candor, care, and advocacy. And I am deeply grateful for the time she took to listen to Tyson workers and the Lexington community leaders. Some of you may know me as a former lobbyist and attorney who has testified before this committee. Today, however, I am here as a constituent of Nebraska, and, more importantly, as a formal resident of Lexington. I was raised in Lexington. I went to elementary school through high school there while my parents worked at the Tyson plant. Lexington is my hometown. It is the town that raised me, and it's one I care for very deeply. Just before Thanksgiving, 3,200 people and their families in Lexington learned that the town's major employer, Tyson, would be laying them off in just two months. To say this announcement came as a shock is an understatement. Lexington has had a major meatpacking employer for 35 years and all of a sudden that employer decided to pick up and leave. As a business owner myself, I understand that businesses sometimes shut down due to unforeseen circumstances or loss in sales. But the truth is, Tyson will be OK. Tyson reported \$54.4 billion in sales in

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fiscal year 2025. A 2.1% increase from the prior year. It is the workers and ranchers who were left behind. It is the town that depended on that income. It is the state that depended on that income that is now bearing the real consequences of Tyson leaving. In the week following Tyson's announcement, workers were given little more than notice that the plant was shutting down. Without information about their rights and without copies of their employee handbooks or policies, without information about where they could access those-- in fact, when workers later attempted to access those policies, they learned that the company's intranet site had been shut down. In response, I, along with several volunteer attorneys who graduated from Lexington High School, created a Know Your Rights page and presentation. At that in-person presentation where nearly 500 workers showed up, their most pressing concern was not, how do I sue Tyson, how can we advocate-- it was, how can we advocate for Tyson to stay? How can we prevent this from happening? How can we get more time? If you don't know the Lexington community, I'm here to tell you they are hardworking, resilient, and they show up for one another when it matters. That's Lexington, and there is no better proof than that than this bill before you today. This bill came from the community. And while you don't see these seats filled with Tyson workers today, that's not from a lack of desire to be here. It's because my people don't have the privilege of being here when I came today because they are scrambling to find new jobs, applying for unemployment, securing health insurance, meeting their mortgage payments, pay their electricity, get their children to school, et cetera. You get the point. Yet this same group came together over Thanksgiving weekend and wrote a letter to Senator Ibach-- a stack of letters-- which Senator Ibach can vouch for. Lexington advocated for this bill not for itself-- because it's too late for Lexington-- but for every other Nebraska community that depends on a major employer to survive. I also have some ideas for amendments. I realize I'm short on time. If I could go over those.

KAUTH: Thank you. Would you like to finish your statement?

ROSE GODINEZ: Sure. Thank you so much. With that, I welcome additional amendments to this bill. And an-- open discussion about how we can work together to advance it to help our other communities that may be impacted by employers that leave. A coup-- I have five here and I have-- someone separately will bring up a couple others. Offering some alternative employment-- en-- ensuring that alternative employment that is offered be at the full time at the same rate of pay. So Tyson right now is offering employment in some other plants,

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but there's no guarantee that it's at the same rate of pay or a higher rate of pay. Second, requiring not-- notice not only to employees and their representatives but, similar to the federal WARN Act, also to local elected officials. So I've spoken to some officials in Lexington. They also got really short notice, just hours before the announcement. So I think adding that part similar to the federal WARN Act. Adding privacy protections for the sharing of names and addresses of workers-- just to ensure workers should have control over how their information is shared. Adding a section requiring notice to include where employers can access their employee handbooks, personnel policies, employment-related policies. When I did that presentation, those were the most common questions. What's going to happen to my PTO? What's gonna happen to my vacation pay? That should be something that should be provided and the company should be transparent about. Lastly, I would strongly suggest considering a severance pay requirement for at least two months at the employee's rate of pay, consistent with approaches in other states. Other states that have many state-based WARN Acts have included some severance pay. And sometimes it's based on a specific industry. So it, it could be-- I think in, in-- I can't remember the state off the top of my head, but they did it for the auto industry because that was what was prevalent in the state. So thank you for considering these amendments I have laid out. I am happy to work with the committee and Senator Ibach, of course, on those. And for those reasons, I urge the committee to advance this bill to General File.

KAUTH: Thank you very much. Are there any questions from the committee? No? Thank you very much for your testimony.

ROSE GODINEZ: Thank you.

KAUTH: Next proponent. Good afternoon.

NICK GRANDGENETT: Good afternoon, Business and Labor Committee. My name is Nick Grandgenett, spelled N-i-c-k G-r-a-n-d-g-e-n-e-t-t. I'm a staff attorney with Nebraska Appleseed testifying in support of LB921. Nebraska Appleseed also appreciates Senator Ibach for bringing this bill and creating a moment where we can have an important conversation and also strengthen Nebraska law to care for, for workers. As the prior testifier mentioned, we do have some additional amendments we would like to share with the, the committee. I'll let you read our full testimony if you'd like, but just for the sake of time, I'll just kind of hit kind of our suggestions for amendments. The first would just be to, when notice is given to an employee, just

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to specify that notice should also be provided in a conspicuous location in a language that is understood by the employees. The idea here is to ensure that not only is it being delivered personally to the workers but also-- and just a-- in a location in the facility that's common to a lot of people, whether it's, like, a break room or a lunch facility, and then also ensuring that it's in a language available that they understand. I think right now on NDOL's website, those WARN notices are only available in Linguish, so-- in English, so I think expanding that to common languages could be helpful. Second, in Section 7, where a Spanish language interpreter is required to comply with the act, I think the current language asks that NDOL create a new Spanish language list of interpreters. We would just simply suggest using the statewide registry of interpreters, which is created by the Nebraska judicial branch. The interpreters on there are really good. They, they have a variety of different qualifications and levels of expertise. Some of them are qualified to go into court and do, like, legal proceedings. So if the employer needs to explain something more complicated, something more legal in nature, they could be a good resource for the facility, for the plant. Third, just increasing the penalties to \$100-- or, increasing them from \$100 per day. Our concern with that is if the employer is going to act in bad faith and they don't want to comply with the act, if they're going to just take \$100 of penalties per day for 90 days, they could basically kind of buy their way out of the act with \$9,000. And then also trying to shift that money out of the-- into some kind of fund that would benefit workers more generally. And then fourth and finally, just including protections against retaliation. Usually when there's labor law statutes like this in place, there's some kind of provision in there to protect workers if they're retaliated against, if they exercise their rights under the act. So with that, we would just ask the committee to advance LB921 to General File. And I'm happy to answer any questions. Thank you.

KAUTH: Thank you for your testimony. Are there any questions from the committee? Seeing none. I appreciate you being here.

NICK GRANDGENETT: Thank you.

KAUTH: Next proponent. First opponent.

RYAN McINTOSH: Good afternoon, Chair Kauth, members of the Business and Labor Committee. My name is Ryan McIntosh, R-y-a-n M-c-I-n-t-o-s-h. And I appear before you today as a registered

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lobbyist and the State Director of the National Federation of Independent Business. I'm also testifying on behalf of the Nebraska Grocery Industry Association, the Nebraska Chamber of Commerce and Industry, the Greater Omaha Chamber of Commerce, and the Lincoln Chamber of Commerce. Our organizations represent thousands of businesses and employers across Nebraska, both large and small. And we are deeply concerned about the impacts of this bill. LB921 affects employees with fewer than 25-- with as few as 25 employees as opposed to the federal WARN Act that applies to businesses with 100 or more employees, thereby imposing complex notification requirements on much smaller businesses that often lack HR or legal departments. The bill also requires 60 days' written notice to all affected employees and the Department of Labor before closing. For many Nebraska businesses, this is just not possible. Many business closures and layoffs arise from sudden, unforeseeable circumstances such as the loss of a major client, a natural disaster, or supply chain issues. While LB921 includes some exceptions for such instances, these are very narrowly construed. Additionally, the threat of daily civil penalties for noncompliance raises the risks of doing business in Nebraska, potentially discouraging investment, deterring business startups, and accelerating closures or relocations to other states. Businesses weigh the regulatory climate when deciding whether to expand or relocate. LB921 would make Nebraska one of the states-- one of most restrictive states for business closure and layoffs, harming our state's ability to attract and retain employers. While we support efforts to ensure employees are treated fairly and have opportunities to adjust to business changes, policies like LB921 must strike a balance with the viability and adaptability of Nebraska businesses. As written, this contains substantial costs and risks to Nebraska's businesses. And we would encourage the committee to indefinitely postpone this bill. Thank you.

KAUTH: Thank you, Mr. McIntosh. Are there any questions from the committee? I have one.

RYAN McINTOSH: Yeah.

KAUTH: What would the higher employee thresholds that you would recommend be?

RYAN McINTOSH: Well, the federal act is 100, so I, I at least would, would recommend no lower than that.

KAUTH: OK. Thank you.

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RYAN McINTOSH: Anything else?

KAUTH: Nope.

RYAN McINTOSH: Thank you.

KAUTH: Have a good afternoon. Next opponent. Going once, going twice. Are there anyone who wish to testify in the neutral? No? Senator Ibach, would you like to close?

IBACH: My LA wanted me to mention that we copied this from Iowa, so. Anyway, appreciate Rosa and, and the folks from Lexington who really have embraced the challenge. They went to work immediately after the announcement. And I did have, I think, 972 letters from folks in Lexington that asked for a lot of the things on their list that they recommended today. This was one way that we thought that we could introduce this and, and come up with some solution by maybe increasing some of these thresholds. Anyway, appreciate Mr. McIntosh's comments as well. I've heard from a few other businesses, including agriculture, that 25 may be-- the threshold may be too low, and I can appreciate that. I'm, I'm in agriculture myself. I think there's a way that we can modify and, and speak to some of those issues. But for the most part, I just think it's very important that we raise awareness of this issue, especially in light of the Lexington issue and, going forward, protect any other cities or villages that may under-- may have to go through similar events like the Tyson closing and just make sure that we've armed ourselves with some solutions prior to that happening in other communities. With that, I appreciate your time. I'd be happy to answer any questions. And I thank you for your time.

KAUTH: Thank you very much, Senator Ibach. Are there any questions? Seeing none. Thank you.

IBACH: Thank you.

SORRENTINO: Our next bill is LB--

KAUTH: LB847.

SORRENTINO: There were-- we did have some online comments on LB921. There were 9 proponents, 2 opponents, and 1 neutral. Our next bill is LB847. Welcome, Chairwoman Kauth.

KAUTH: Thank you very much, Vice Chair Sorrentino. We're playing musical chairs today. Vice Chairman Sorrentino and members of the Business and Labor Committee, my name is Kathleen Kauth, K-a-t-h-l-e-e-n K-a-u-t-h, senator for District 31. I appear before you today in support of LB847. This bill was brought at the request of the Nebraska Department of Labor. LB847 represents an important step forward in strengthening Nebraska's workforce system and preparing our state for long-term economic growth. This legislation establishes the Nebraska Office of Registered Apprenticeship within the Department of Labor, allowing our state to operate as a state apprenticeship agency state rather than leaving oversight of registered apprenticeship programs in Nebraska to the United States Department of Labor. By doing so, Nebraska gains the authority to register apprenticeship programs, approve sponsors, and issue credentials directly, which allows Nebraska to shape an apprenticeship system that reflects our own workforce priorities and respond much more quickly to the needs of Nebraska employers and workers. LB847 executes Governor Pillen's Good Life, Great Careers Initiative, which calls for a modernized, coordinated approach to workforce development with the goal of establishing 6,000 new apprentices by the end of 2030. Apprenticeships are one of the most effective tools we have for growing our own talent pipeline. They give Nebraskans a chance to earn a wage while gaining skills and provide employers with a steady pipeline of workers trained to industry standards. Additionally, the bill strengthens the Workforce Development Program Cash Fund to ensure Nebraska can continue investing in high-impact workforce initiatives. Specifically, it gives the Commissioner of Labor the authority to increase the percentage of the unemployment combined tax rate that can be designated as state unemployment insurance tax, otherwise known as SUIT, which is deposited to the Workforce Development Program Cash Fund for use on workforce development grants. Currently, the Commissioner of Labor can designate no more than 20% of the combined tax rate as SUIT. LB847 would give the commissioner the authority to increase that percentage to 50%. Not mandating-- giving her the authority to do so if needed. Let me be clear that LB847 does not increase taxes on Nebraska businesses. It merely provides flexibility to the Commissioner of Labor in determining what portion of the existing combined taxes go to the Unemployment Trust Fund and what portion goes to the Workforce Development Ca-- Program Cash Fund. Ultimately, LB847 provides a statutory foundation for a modern, state-driven apprenticeship system that supports Nebraska businesses, strengthens our talent pipeline, and advances our long-term economic

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future. I urge your support for this key piece of workforce legislation. And that concludes my testimony. I'm happy to answer any questions. And I believe we have people behind me who will be testifying as well.

SORRENTINO: Thank you, Chairwoman Kauth. Are there questions from the committee of Chairwoman Kauth? Yes, Senator McKinney.

McKINNEY: Thank you, Sorrentino. And thank you, Chairwoman Kauth. So I was looking at the fiscal note and it said no fiscal impact for DOL. So-- then it's coming from cash funds?

KAUTH: So it-- what it is coming from is the unemployment insurance tax. And so it's going to shift-- it gives the flexibility to say, OK, here's this pot of money that comes in from the unemployment. They right now can give no more than 20% of that fund to this program. It would allow them to look at what they're bringing in, what they're spending and say, OK, well, we could actually increase that between 20% and 50% and put more over here if they see a need for it. So it's not gonna change the actual amount of cha-- taxes that come in, just what is done with the taxes that we're already getting.

McKINNEY: OK. Thank you.

SORRENTINO: Are there further questions for Chairwoman Kauth? Seeing none. Thank you for your testimony. I assume you'll stick around to close.

KAUTH: Of course.

SORRENTINO: Thank you. Are there proponents-- testifying in pro-- in-- as proponents for LB847? Welcome. Welcome, Commissioner Thurber.

KATIE THURBER: Thank you. Good afternoon, Vice Chair Sorrentino and members of the Business and Labor Committee. My name is Katie Thurber, K-a-t-i-e T-h-u-r-b-e-r, Commissioner of Labor. I be-- appear before you today in support of LB847. I want to thank Senator Kauth for introducing this vital piece of legislation on behalf of the department. LB847 represents a major step forward in modernizing our state workforce system. This bill creates the Nebraska Office of Registered Apprenticeship within the Department of Labor and increases the funding available for workforce development. By prioritizing both apprenticeship and funding for workforce development, LB847 des-- demonstrates Nebraska's commitment to

building and keeping a skilled workforce. The Office of Registered Apprenticeship provides the administrative structure required under federal law for Nebraska to operate as a state apprenticeship agency state, or SAA, giving our state the authority to register apprenticeship programs, approve sponsors, and issue apprenticeship credentials directly. This shift's position-- this shift positions Nebraska to take greater ownership of its apprenticeship system and to respond more quickly and effectively to the need of Nebraska employers and workers. Nebraska's not alone in pursuing this direction. Approximately 30 states have already sought and received SAA status from the U.S. Department of Labor, including Iowa and Kansas. Becoming a SAA allows Nebraska to identify, prioritize, and support the registered apprenticeship programs that have the greatest impact on our state's workforce needs. Instead of a one-size-fits-all federal approach, Nebraska can focus its efforts on the industries that drive our economy, such as manufacturing, construction, health care, agriculture, transportation, and emerging technology sectors. It also allows us to expand youth and pre-apprenticeship pathways that align with Nebraska's education system and local labor market demands. In short, SAA status gives Nebraska the ability to shape an apprenticeship system that reflects Nebraska's needs. This shift is also necessary because of federal staffing uncertainty. By establishing a state-level office, Nebraska ensures that our apprenticeship system is no longer dependent on fluctuating federal staffing levels. Instead, we gain a stable, locally controlled structure that can support employers and apprentices consistently and efficiently. This legislation also reflects Governor Pillen's Good Life, Great Careers Initiative, which calls for Nebraska to modernize and expand its apprenticeship capacity. Governor Pillen recognizes that Nebraska's workforce challenges require a coordinated, statewide approach that strengthens employer engagement, improves credential quality, and creates more pathways in-- into high-skill, high-wage careers. The legislation before you codifies that directive. It transforms the Governor's goals into a durable statutory framework capable of supporting long-term workforce development. More specifically, this legislation advances the Good Life, Great Careers Initiative by emphasizing the importance of growing Nebraska's own talent pipeline. Apprenticeships are one of the most effective tools for achieving that goal. They allow Nebraskans to earn while they learn, reduce barriers to entering skilled professions, and give employers a reliable pipeline of workers trained to industry standards. LB847 also amends the percentage of unemployment combined tax rate that can be directed to the state unemployment insurance

tax, which provides a vehicle for ensuring Nebraska's Workforce Development Program Cash Fund is sufficiently funded at a level to continue to have meaningful impact on Nebraska workforce development. The impact such funds can have on the creation of new workforce development opportunities in Nebraska cannot be understated.

SORRENTINO: Commissioner Thurber, while your time is up, would you like to continue, given the technical nature of your--

KATIE THURBER: Yes, please.

SORRENTINO: All right. Thank you.

KATIE THURBER: Thank you. Recently, through the use of Workforce Development Program Cash Funds, the department awarded a workforce development grant to the Nebraska State Chamber Foundation for the creation of a manufacturing certification credential program. The foundation in partnership with all of Nebraska's community colleges and the Nebraska Manufacturing Advisory Council, NEMAC, is working to create a pre-apprenticeship-- pre-apprenticeship and apprentice-level curriculum to create a workforce pipeline for Nebraska's manufacturing industry. This collaboration demonstrates how workforce development and apprenticeships can build off each other for the benefit of Nebraska. Ultimately, the Nebraska Registered Apprenticeship Act is the statutory foundation for a modern, state-driven apprenticeship system that ensures Nebraska's apprenticeship system is competitive with those in other states. This legislation reinforces and reflects the goals of the Good Life, Great Careers Initiative by expanding the apprenticeship opportunities for Nebraskans, and it aligns with the Governor's commitment to making Nebraska a place where businesses can grow with confidence and Nebraskans can thrive. This concludes my testimony. And I'd be happy to answer any questions you may have.

SORRENTINO: Thank you for your testimony. Are there questions of Commissioner Thurber from the committee? Senator Ibach.

IBACH: Thank you, Vice Chair Sorrentino. I just have one really quick question. Can you tell us what the difference is between an apprenticeship and an internship?

KATIE THURBER: Yes. So to be a registered apprenticeship, you have to go through a federal approval that outlines the training you'll receive in the classroom and the training you'll receive as you work

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with the employer on site. And so it's a very structured setup designed to give economic mobility across not just the state but the country as well.

IBACH: So it's more of a, a training opportunity within a company, whereas an internship might just be a shadowing opportunity or--

KATIE THURBER: My predecessor liked to call internships dating and apprenticeships an engagement.

IBACH: OK. There you go. Got it. Thank you. Thank you, Vice Chair.

SORRENTINO: Any further questions from the committee for Commissioner Thurber? Yes, Senator Hansen.

HANSEN: Thank you. So this won't-- employers in the state of Nebraska will not be paying anything more for this?

KATIE THURBER: Correct. So currently-- actually, just to be clear, we received a federal grant, the state apprenticeship expansion funds, that would be the initial upfront administrative fund. We want the increase in flexibility and workforce development to go to building programs such as the manufacturing program that we just launched with the State Chamber.

HANSEN: OK. So does the state unemployment insurance tax-- the, the fund-- have, have, have, have-- or have we used that for anything else besides-- like, for something like this? Or is this new?

KATIE THURBER: It's not new. It just increased. So currently-- horrible word-- but SUIT, the state unemployment insurance tax, does not actually go to unemployment unless we're in a severe time of need. So it goes directly to the Workforce Development Program Cash Fund now, and that's used to award workforce development grants. We are capped at putting SUIT at 20% of the combined tax rate. That means the remaining 80% goes into contributions. The contributions go directly to our federal unemployment benefit fund and can only be used for the payment of unemployment benefits and nothing else. Right now, that fund balance is at about \$584 million, which is more than we need. As you're all aware, we've done proposals to start to try and reduce the taxes. To really reduce them much further I think requires a pretty detailed analysis on a system that's worked relatively well-- arguably too well-- but relatively well. So we thought if we could increase that proportion that goes to workforce

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development, that serves a need where there's a gap in Nebraska right now.

HANSEN: I think that's what I was wondering, is because we're, we're pretty much spending the money differently. And that's what we're allowing here. So instead of lowering the tax rate, which we-- you think--

KATIE THURBER: We've tried multiple sessions, so. I think the last two or three-- I've lost track-- we have done various proposals to lower the tax rate. And we've been successful in that without the lowering from the pre-- prior sessions. We would-- would have had a significantly higher tax rate-- I don't have it with me, but I can get that for you-- this session than what we ended up at. And so rather than do an analysis to completely restructure it, we thought, well, let's see where we can take it to still serve businesses in Nebraska.

HANSEN: OK. All right. Thank you.

KATIE THURBER: Mm-hmm.

SORRENTINO: Any further questions of the-- from the committee? Seeing none. Thank you, Commissioner Thurber.

KATIE THURBER: Thank you.

SORRENTINO: Do we have testifiers who will be testifying as proponents of LB847? Welcome.

RON SEDLACEK: Good afternoon, Vice Chair Sorrentino and members of the Business and Labor Committee. My name is Ron Sedlacek, R-o-n S-e-d-l-a-c-e-k. I'm a registered lobbyist for the Nebraska Chamber of Commerce. I am here on behalf of the Nebraska Chamber as well as the Greater Omaha Chamber of Commerce, the Lincoln Chamber of Commerce, and National Federation of Independent Business of Nebraska in support of LB847. All the organizations agree that there's great private sector interest in not only maintaining the growing apprenticeship-- pre-apprenticeship as well, programs in, in the state of Nebraska. I think Commissioner Thurber did a wonderful job in explaining the lay of the land, that we have adjacent states of Iowa and Kansas that have implemented this particular program. And now we have the opportunity for our Department of Labor to be tasked with a formalized, federally recognized, registered apprenticeship program. I think that it's definitely-- and we all think it's

definitely a great pathway to have a more comprehensive approach to the greater workforce needs of Nebraska. We also believe that this being part of that comprehensive workforce strategy, it may even allow potential to, to level-- or, to, I should say, to leverage additional federal funding perhaps in the future. So that's Sections 1 through 6 of the bill. Section 7 of the bill's a little bit apart from it, and that deals with the combined tax that I think the commissioner also did an excellent job in outlining how that particular tax works. It's been around since 1992-- or, 1994, I should say. Back when LB1337 was introduced by Senator Joyce Hillman from Scottsbluff, along with 37 other senators. There was a great need for this type of funding. And the employer community stepped forward and said, yes, we're willing to pay additional tax not only to ensure potential trust fund solvency but also for workforce development efforts. So it was a self-imposed tax. And we want to emphasize particularly for those calls that have been getting-- it does this-- represent a-- an employer tax increase. No, it does not. It's merely a reallocation of percentages to a 50/50, up to whatever that might be in, in the discretion and the needs that, that may be demonstrated. So just like to mention again that this is not a tax increase on employ-- on employers and that we are supportive of the legislation as written. I'd be happy to answer any other questions.

SORRENTINO: Thank you for your testimony. Are there questions from the committee of Mr. Sedlacek?

RON SEDLACEK: OK. Thank you.

SORRENTINO: Seeing none. Thank you.

RON SEDLACEK: Mm-hmm.

SORRENTINO: Next proponent. Welcome.

ANA LOPEZ SHALLA: Thank you. Vice Chair Sorrentino and members of the Business and Labor Committee, my name is Ana Lopez Shalla, A-n-a L-o-p-e-z S-h-a-l-l-a. I serve as the senior advisor for Workforce Development for the University of Nebraska. I'm here today on behalf of the University of Nebraska system in strong support of LB847. From a workforce perspective, LB847 represents one of the most strategic workforce investments Nebraska can make. Across sectors, access to talent is one of the most persistent constraints on growth. What LB847 does is address that challenge at a systems level. By establishing a dedicated office of registered apprenticeship and

setting clear statewide standards, the bill creates the infrastructure needed to expand registered apprenticeship in a way that is coordinated, consistent, and focused on quality. Registered apprenticeship is one of the most proven workforce development models we have. It combines paid employment, structured, on-the-job learning, and related instruction aligned to national standards. The evidence is strong. These programs lead to higher completion rates, stronger wage outcomes, and real value to employers because talent is developed to meet actual industry need. LB847 gives Nebraska a framework to scale that success intentionally. The University of Nebraska system is eager to be a partner in this work. We strongly support a collective vision to expand registered apprenticeships statewide, and we believe that four-year institutions must be a part of achieving that goal. Of more than 1,000 federal-- federally recognized apprenticeship occupations, many align directly with disciplines advanced through the, the University of Nebraska's teaching and research mission, fields like engineering, information technology, health care, advanced manu-- manufacturing, agriculture, and business. We are particularly interested in exploring opportunities to embed registered apprenticeship within degree pathways, connecting paid, work-based learning directly to high-value credentials and degrees. While this model is still emerging in the United States, apprenticeship-linked degrees are common in high-performing workforce systems globally and increasingly used by our Big Ten peer institutions. This approach allows us to better serve learners while responding directly to employer demand. LB847 will help us to build on the momentum already underway in Nebraska. Registered apprenticeship has proven to be a unifying strategy, bringing together state agencies, education partners, employers, and workforce leaders. The University of Nebraska is committed to continuing that collaboration. In March, the University of Nebraska system will host a day of learning for leaders across the NU system, regional chambers, the Coordinating Commission for Postsecondary Education, the Nebraska Department of Labor, and others. The goal is to deepen shared understanding of registered apprenticeship and to mobilize apprenticeship-linked degree pathways statewide. We want to thank Senator Kauth for bringing this legislation. LB847 reflects thoughtful leadership and a clear focus on Nebraska's long-term workforce needs. I'll stop there.

SORRENTINO: Thank you for your testimony. Are there questions from the committee? Senator Hansen.

HANSEN: Thank you. Thanks for coming.

ANA LOPEZ SHALLA: Yeah.

HANSEN: Doe-- does the university already deal with apprenticeship-linked degrees? Like, like, are-- aren't they kind of helping those people who are graduating become an apprentice?

KATIE THURBER: Yes. We have a few wonderful points of light. UNL and UNK have apprenticeship programs in education, both in early childhood and special education. That's a fantastic model. There's also versions of this model that we would like to apply in other disciplines, and we feel that this office gives us the structure and standards to do so.

HANSEN: OK. So help-- so if this bill passes, you'll be able to do more of that or, or it-- just in different degrees or different settings or, like--

ANA LOPEZ SHALLA: They will--

HANSEN: I'm trying to think how this benefits you if you're already doing it.

ANA LOPEZ SHALLA: Yes. I think this benefits us in that we are able to work closely with the state instead of the federal government. So it's closer to home that we're, that we're able to engage in co-authoring these strategies. Also, we found that it has brought together partners in workforce development as we develop these standards collectively.

HANSEN: Do you help set up apprenticeships like in other states as opposed to Nebraska?

ANA LOPEZ SHALLA: No. Our apprenticeships would just be in the state of Nebraska.

HANSEN: OK. Thanks.

ANA LOPEZ SHALLA: Thank you.

SORRENTINO: Further questions from the committee? Seeing none. Thanks for your testimony, Ms. Lopez Shalla.

ANA LOPEZ SHALLA: Thank you.

SORRENTINO: Next proponent, please.

CHRISTINE WIDMAN: Good afternoon, Vice Chair Sorrentino and members of the Business and Labor Committee. My name is Christine Widman, C-h-r-i-s-t-i-n-e W-i-d-m-a-n. And I serve as vice president of Program Operations for the Nebraska Hospital Association. The NHA represents 92 member hospitals and health systems and more than 54,000 hospital employees statewide. I am here today in support of LB847. Nebraska hospitals are essential employers and community anchors, yet workforce shortages remain one of our greatest challenges. Health care is also one of Nebraska's leading industries, yet hospitals across the state struggle to recruit and retain key occupations, including registered nurses, laboratory technicians, medical coders, respiratory therapists, and many other essential roles. Just last year, 76% of Nebraska's hospitals reported persistent staffing shortages across key roles, which affect patient access and increase reliance on overtime, contract labor, and recruitment of foreign labor. NHA has been closely working with the Nebraska Department of Labor team to expand apprenticeship opportunities as a group sponsor for our member hospitals because we know that registered apprenticeship is a proven, practical workforce strategy in an earn-while-they-learn training structure. The registration and approval process of these programs is a key point where clarity, timeliness, and communication matter. LB847 strengthens Nebraska's apprenticeship system by establishing the Nebraska Office of Registered Apprenticeship and an informed advisory council focused on transparency, outreach, and education. As employers of one of the most diverse workforces in the state, spanning clinical, technical, and support roles across hospitals, skilled nursing, and long-term care settings, Nebraska hospitals offer a comprehensive perspective of workforce challenges within the health care ecosystem. To ensure this perspective is represented, we respectfully request that language be included in LB847 that the Nebraska Apprenticeship Council includes a hospital representative. In closing, Nebraska hospitals are committed to building the health care workforce Nebraska needs. LB847 will strengthen apprenticeship infrastructure, improve communication and approvals, and support high-quality apprenticeship programs in health care and beyond. For these reasons, the NHA supports LB847. Thank you. And I'd be happy to take questions.

SORRENTINO: Thank you for your testimony. Are there questions from the committee of Ms. Widman? Seeing none-- yes, Senator Ibach.

IBACH: Thank you, Vice Chair Sorrentino. I-- this really interests me because my rural hospitals of course are always struggling to

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identify and secure health care workers, especially in rural Nebraska. Do you have any data on how apprenticeships might be successful right now in rural Nebraska?

CHRISTINE WIDMAN: You know, I, I just think it's largely been an untapped market for health care specifically in the state. And so really, our data-- as we have been exploring this, we started a webinar series with an expert from Alabama, the former director of their apprenticeship office, and really educating our hospitals in what apprenticeships are, what they aren't, and, and how we can build those successful pathways. And so I think it's some uncharted territory that our hospitals are excited to embark upon. We, we need more innovative strategies and, and pipelines.

IBACH: Yeah. For sure. Thank you for that. I appreciate you making that recommendation because I think that will be helpful to have a medical background on that task force. Thank you very much.

CHRISTINE WIDMAN: Thank you.

IBACH: Thank you, Vice Chair.

SORRENTINO: Any other questions from the committee? Thank you for your testimony.

CHRISTINE WIDMAN: Thank you.

SORRENTINO: The next proponent, please. Do we have any opponents? Seeing nobody as opponent. Is there anybody who wishes to testify in a neutral position? I-- seeing none. Senator Kauth, you are free to close.

KAUTH: Thank you very much, Vice Chair Sorrentino. I would like to say, first of all, thank you to Commissioner Thurber for all of her work on this. I have never heard someone get through such technical information quite so quickly, so that's very, very impressive. And, and I'm very happy to have the medical es-- establishment come. I think we do need to include them in this because that is certainly an area that we need to continue developing. So I appreciate the committee's work on this.

SORRENTINO: Thank you. Are there questions of the committee of Senator Kauth?

HANSEN: I got one.

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SORRENTINO: Yes, Senator Hansen.

HANSEN: Thank you. The Nebraska Apprenticeship Council, that's appointed by the Governor, five people. Is that just purely an advisory role? Is it-- are they just there to advise the department on what to do?

KAUTH: I believe so. Let--

HANSEN: Yes. I think they're nodding their head yes.

KAUTH: They are nodding their head yes.

HANSEN: Yeah. I, I was just wondering if they have any other kind of responsibilities or control over what happens with--

KAUTH: Not authority, no.

HANSEN: Are they paid-- do you know if they're paid positions or-- probably not. They're probably volunteer, I would think.

KAUTH: I would, I would assume not.

HANSEN: OK.

KAUTH: Most of the commissions and boards are not--

HANSEN: Yeah, I figured. I just want to make sure.

KAUTH: --paid.

HANSEN: OK. Cool. Thanks.

SORRENTINO: Any other questions for the committee? Thank you, Senator Kauth. We had two comments online, both in support of LB847. That concludes our testimony and our hearing on LB847. And I will let you close.

KAUTH: Thank you all for coming.