

Transcript Prepared by Clerk of the Legislature Transcribers Office

Business and Labor Committee February 23, 2026

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**KAUTH:** Good afternoon, everyone. Welcome to the Business and Labor Committee. I'm Senator Kauth from Omaha, representing the 31st Legislative District, and I serve as 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 yet know or have not thought about. It allows individuals representing themselves or a group to share their unique perspective 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 are planning to testify today, please fill out one of the green testifier sheets for each bill that you're testifying on. These are on the table at the side of the room. Be sure to print clearly. And if you are testifying for the combined bill, fill out a green sheet for each of the bills. 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 on-- or the side table for each bill. These sheets will be included as an exhibit in the official hearing record. When you come up to testify, please speak clearly into the microphone, tell us your name, and 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, 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 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. This has nothing to do with the importance of the bills being heard, it is just part of the process and senators may have bills to introduce in other committees. I know some of our senators are testifying now, I will be leaving soon and passing it off to a senator on the committee. So it's going to be a busy day. A few final items to facilitate today's hearing. If you have handouts or copies of your

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testimony, please bring up 12 copies and give them to the page. And if you don't have enough copies, they'll go ahead and make them for you. Please note that thumb drives, CDs, DVDs, oversized documents, books, lists of signatures, and similar 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 caused for you to be asked to leave. Finally, committee procedures for all committees state that written position comments on a bill to be included in the record must be submitted by 8:00 a.m the day of the hearing. The only acceptable method of submission is via the Legislature's website at [legislature.nebraska.gov](http://legislature.nebraska.gov). Written position letters will be included into the official hearing record, but only those testifying in person before the committee will be including on the committee statement. I will now have the committee members with us today introduce themselves, starting on my far right.

**F. MEYER:** Senator Fred Meyer, District 41: seven counties north of Kearney and Grand Island.

**IBACH:** Teresa Ibach, District 44: eight counties in southwest Nebraska.

**KAUTH:** And Senator Sorrentino, who will be right there, is the vice chair of the committee. And also assisting the committee today to my right is our legal counsel, Thomas Helget. To my far, far right is committee clerk, Julie Cash. And we have two pages for the committee today. They are Luke Lawton from Omaha, who's a senior at UNL-- you want to stand up-- there you go-- and majoring in business and law, and Maddie Banks from Rochester, Minnesota, who's the sophomore at UNL and majoring in political science. Thank you guys for your assistance today. And now we will begin with LB1056.

**CONRAD:** Good afternoon. Thank you, Chair Kauth, members of the committee. My name is Danielle Conrad. It's D-a-n-i-e-l-l-e, Conrad, C-o-n-r-a-d. I represent the 46th Legislative District. I'm here today to introduce LB1056. LB1056 is legislation that would make important and necessary updates to Nebraska's Workers' Compensation Act to better reflect modern realities faced by injured workers and their families. Just to level-set as we embark and our conversation together, I just want to reaffirm and remind everybody participating

in this conversation, but of course, these two members of the committee are already well-familiar, workers' comp is not a job perk. It is part of a grand bargain that provides an exclusive remedy for employees, and employers get protection from lawsuits, even in very, very significant and serious cases. So it's that grand bargain has been in effect here in Nebraska and across the country for almost a century. So what I was thinking about when I worked to draft LB1056 was I wanted to take a look at how the present system was working, and wanted to ensure that we had a workers-focused set of proposals to ensure fairness and clarity and meaningful access to strengthen access and operation of the workers' compensation system. Because when a worker is injured on the job, the system should provide, and is meant to provide, timely medical care, clear communications and adequate wage replacement so that individuals can recover without facing unnecessary barrier or financial hardship. I believe this bill helps to move Nebraska closer to that goal. There are a lot of moving parts in this legislation, and I know there's many people here on both sides to share their expertise from the front lines about how this proposal would impact their practice or our public policy goals. But generally speaking, LB1056 recognizes that access to care includes access to communication. And it would require employers to cover the cost of interpretation services for workers with limited English proficiency. The bill would ensure that injured employees fully understand their medical treatment, legal rights, and recovery process. Effective communication is essential for patient safety, accurate diagnosis, and fair outcomes. Just to again level-set for the committee, it's my understanding that in many instances presently, the employers already pay for these kinds of interpretation service. But when they do not, it causes significant delay, delay in both litigation and in the provision of benefits. Which leads to more expensive outcomes for both parties. Second, LB1056 modernizes benefit levels to reflect current economic reality. The bill increases total disability compensation from 66 and two-thirds percent to 80% of wages and increases partial disability benefits as well. These adjustments would help to ensure that injured workers can maintain financial stability while they recover and not fall behind on essential expenses. The legislation introduces cost of living adjustments for long-term benefits and increases both the minimum and maximum weekly income benefit. These changes recognize that the cost of living does not remain static when an injured is work-- when a worker is injured on the job. And with the rising costs of living amidst an affordability crisis, it's critical

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that we take this into account so that injured Nebraskans are not forced to live off the same amount that they recover for the rest of their injury while prices continue to soar. LB1056 allows workers to have a choice in the selection of their treating physician as well. When I am sick or injured, or our kids are sick or injured, we all want to see the doctor that knows about us and our family history, and the past medical issues that we've had to deal with. Injured workers should be able to have that same sense of security that, that we have, and this would just be a clear opportunity for injured workers to, to select their own independent doctor. The bill would clarify language around wage calculation, show it-- so it shows actual earnings, including overtime and non-traditional work arrangements. Ultimately, I believe this bill reflects a balanced effort to modernize Nebraska's work comp-- worker's compensation framework, and would improve access, increase clarity, and ensure benefits remain meaningful for injured workers and their families while maintaining the core structure of the system and respecting the grand bargain. Thank you for your consideration. Happy to answer questions.

**KAUTH:** Thank you very much. Are there any questions from the committee? Will you stay to close?

**CONRAD:** Yes. Thank you.

**KAUTH:** OK. Our first testifier will be Rikki Poynter and interpreter Abby Giambattista.

**RIKKI POYNTER:** These are my-- for my captioning glasses. I'm not recording anything, I promise.

**KAUTH:** Not, not a problem if you are. Welcome.

**RIKKI POYNTER:** Just making sure. You can hear me OK?

**KAUTH:** Can I have you move the microphone to your--

**RIKKI POYNTER:** Oh, yes. Is that good?

**KAUTH:** Thank you.

**RIKKI POYNTER:** Perfect. You ready? OK, perfect. Hello, everyone. My name is Rikki Poynter, R-i-k-k-i Po-y-n-t-e-r, testifying for LB1056, introduced by Senator Conrad, on behalf of League of Women Voters of

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Nebraska, a nonpartisan nonprofit grassroots organization advocating for voters' roles in democracy as part, as part of the Disability and Behavioral Health Action Team. Thank you for having me. The League of Women Voters of Nebraska supports LB1056 for its support for deaf and disabled people through employees' bodily autonomy and rights to accessibility. Specifically, this bill supports our position in two ways: the employee's right to interpreter of choice and the ability to have assistive devices covered by employers' insurance if they are damaged. As a deaf woman member of this league and as someone who works in advocacy for deaf, disability and accessibility rights, I rely on American Sign Language, ASL, interpreters and hearing aids. From my experience, I would like to expand on why these two things are important. Being able to choose your own interpreter is vital. Level of fluency, signing styles, ethnic and cultural backgrounds, and what kind of interpreting the interpreter studied are qualified for and licensed and certified for are all things that come into play. As a deaf person whose native language is spoken English, I tend to request an interpreter that can sign more English than one who signs proper formal ASL. While another deaf person may require the very opposite if their native language is ASL. While assist-- oh, sorry, I thought someone spoke. While assistive devices and mobility aids exist, they are expensive and are often more import-- more than what we can afford. Having that security of an employer providing these things and managing problems, like if they break on site, is life-changing. Not only for us to be able to do our job efficiently, but also to be to live efficiently. Please advance LB1056 to General File for full floor debate. And thank you for considering our position and for all you do for the state of Nebraska.

**KAUTH:** Thank you very much. Are there any questions from the committee? Seeing none, thank you.

**RIKKI POYNTER:** Thank you.

**KAUTH:** Next proponent. And if you know you're going to be testifying, start moving your way up a little bit.

**JEFF PUTNAM:** Good afternoon.

**KAUTH:** Good afternoon.

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**JEFF PUTNAM:** My name is Jeff Putnam, J-e-f-f P-u-t-n-a-m. I am here on behalf of the Nebraska Association of Trial Attorneys and in support of LB1056. Personally, I've been practicing plaintiff's law for about 27 years, mainly in workers' compensation world, and I've represented a lot of injured workers-- and actually probably not represented more injured workers. I've advised them when they call my office and ask me about workers' compensation benefits. Most people, when they're hurt, they don't know a thing about work comp, so they call and find out what's-- what their rights are and what they're not entitled to. As Senator Conrad said, the Workers' Compensation Act is a really unique animal. It's exclusive. There's a grand bargain between workers and employers. And I think the, the basis of work comp is there's a fair exchange. You cannot sue your employer for civil damages. In exchange, you're going to receive prompt medical care and adequate wage replacement. And I think part of that is the problem that I'm seeing in, in my world over the years is this wage replacement has been dropping and dropping every year. I think maybe we can all agree that, that costs associated with living today are not what they, what they were years ago, and wages are not really keeping up with the cost of living. And so when someone is completely disabled, they receive 66% of their average weekly wage maybe. Sometimes if they're working overtime, the time and a half is not counted as time and a half, it's only counted as a time. So you don't get a full 66% their average weekly wage. However, when they're on that disability benefit, their costs are still there. I get people that call me and they say, well, I'm off of work now, what, what do I do with my health insurance? My answer is, well, you're on your own. You're either going to have to continue to pay that on your because your employer is not required to pay that, or you drop it. And if you drop your health insurance, where does that go? It shifts to the state, and it shifts to Medicaid, and it shifts to these other financial assistance that cause a lot more problems that we're seeing nowadays that we probably didn't see before. The legislature-- Legislature has control over these, and they get to control what wage replacement is, is on the table. Injured workers also come and say, are you kidding me? I only get 66% of my average weekly wage. How is that the case? And I said, that is the statute, and that causes a significant drop in their income. It's not-- they're not able to keep up with, with their bills. And it causes a problem where they're, they're thrust into poverty. We see a lot of evictions. I see a lot of people dropping their health insurance. And our position is the, the employer has the

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responsibility of, of helping these people during these disabilities. So the disability increased from 66% to 75% or 80% really makes sense with what is happening now in the real world. Unfortunately, the permanent injuries are not temporary either. Sometimes they are--

**KAUTH:** You've hit your red light. Let's see if anybody has a question.

**JEFF PUTNAM:** OK.

**KAUTH:** Senator Sorrentino.

**JEFF PUTNAM:** Yes?

**SORRENTINO:** Thank you, Chairwoman. Would you agree that workers' compensation is typically not taxable at the federal or state level?

**JEFF PUTNAM:** It is not taxable.

**SORRENTINO:** Right.

**JEFF PUTNAM:** Correct.

**SORRENTINO:** So if someone is out of work for a sickness or disability that's not work-related, I have pneumonia or something, I hurt myself playing sports, the insured or self-insured disability benefit that you get from your employer, either short-term disability or long-term disability, is taxable, except in rare, rare instances where the employee pays for that benefit on an after-tax basis. So, that's taxable. In my 35-plus years of benefits, I know of no plan that is greater than 66 and two-thirds. That is a Cadillac plan. Most have dropped to 60, some to 50. That benefit is taxable, so I end up netting about 40%. Whereas if I'm a workers' comp, right now I'm at 75 non-taxable, now we want to go to 80. I'm much better off staying sick. I don't understand the jump, why you want to go 80. It just doesn't make sense with me.

**JEFF PUTNAM:** Well, I think the, the reality is that with wages not catching up with, with the actual costs of, of living.

**SORRENTINO:** But neither are my wages catching up when I'm sick from a non-worker's comp, I'm down at 40%.

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**JEFF PUTNAM:** Well, you're talking about like a short-term disability benefit?

**SORRENTINO:** Well, that turns into long-term. Long-term is also 66 and two-thirds. We're just giving so much more credibility, and nobody wants to get sick. I appreciate that. You're so much better on work-- an injury versus an illness. I don't understand why we want to ratchet that up even higher.

**JEFF PUTNAM:** Well, also the, the average weekly wage sometimes is not computed as your short-term disability is. Wages are compressed, overtime is not calculated in average weekly wages. So that 66% really isn't even 66% sometimes.

**SORRENTINO:** It depends on the plan.

**JEFF PUTNAM:** Yeah.

**SORRENTINO:** Some have a much higher max than others. If it's ONEOK or not ONEOK.

**JEFF PUTNAM:** And sometimes we have workers that are on work part-time and they have a full-time job. When they're on part-time, they only get the benefits for that part-time job, so their full-time job, they don't even get disability benefits.

**SORRENTINO:** I don't have a problem with the way things are now. I just have a problem with it raising. Thank you.

**JEFF PUTNAM:** OK, thank you.

**KAUTH:** Any other questions? Senator McKinney.

**McKINNEY:** Thank you, Chair Kauth. Thank you, sir. When was the last time these amounts have been adjusted for work, workers' comp?

**JEFF PUTNAM:** I, I don't have the exact date. My understanding, they have been here for before I was born. It's been a long time, the time they've been at 66%.

**McKINNEY:** Wow. All right, thank you.

**JEFF PUTNAM:** They have not changed, yeah.

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**KAUTH:** Other questions from the committee? Seeing none, thank you for your testimony.

**JEFF PUTNAM:** Thank you.

**KAUTH:** Next proponent.

**JOHN CORRIGAN:** Good afternoon, members of the committee. Madam Chair, my name is John Corrigan, J-o-h-n C-o-r-r-i-g-a-n, and I'm testifying on behalf of Nebraska AFL-CIO in favor of LB1056. And I can tell you that the, one of the real problems we have with the historical march or evolution of work comp in Nebraska is the state average weekly wage. That was indexed going back to 1994, so 32 years ago. Wages have, have outstripped that index. So right now, a little over \$1,000 a week is the most you can get paid on workers compensation. We have a lot of members who are working in public safety. They're working as line crews and highly trained health professionals who go from, you know, making \$150,000, maybe \$200,000 a year with overtime to \$50,000 when they get hurt. And they're bearing the risk of those injuries on behalf of their employers. That's why this, this-- that portion of the bill needs to be addressed in the minds of the AFL-CIO, because our members are getting shorted. Now with respect to the concept that well, you know, probably I can-- my employer may buy a short-term or long-term disability plan for non-work-related injuries. That's true. Those-- or non-work-related illnesses. But those insure against illnesses or non-work-related disabilities, that's the risk of the employee that they have in general life. The work comp is designed to remove the civil liability the employer has for their own negligence in exchange for this bargain, where the employee's rights are limited to sue, only for the scheduled benefits that the, the law allows. And because the scheduled benefits are not providing sufficient benefits for the, the workers, the system is not working as intended. And by that I mean this grand bargain, if you can't get your, your adequate wage replacement, the right to have exclusive protections under the work comp system is too much for the employer. And that needs to be rebalanced, and that's the position of the AFL-CIO, not only in Nebraska, but throughout the country. And with that, I would ask or be happy to answer or try to answer any questions that you might have. Thank you.

**KAUTH:** Thank you. Are there any questions? Senator Raybould.

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**RAYBOULD:** Yes, thank you so much for testifying. I'm sorry, I missed the opening, but can you share a little bit on what are other states doing, particularly the ones that are surrounding us? Have they made these adjustments?

**JOHN CORRIGAN:** Some of the adjustments in, like in the state of Iowa, you see a shorter waiting time for disability. You see a shorter period of time for look-back. We have a 26-week look-back, meaning half a year to look back for your wages. They have 13 weeks. So you have more adequately address, you know, what the employee was earning at the time of the injury. I'm, I'm a licensed attorney in Iowa. I do a little work comp over there. I don't practice in any other states other than those two, so I don't know.

**RAYBOULD:** OK, but have they seen some of these cost of living adjustments added on and--

**JOHN CORRIGAN:** Yes. When it comes to the permanent and total disability benefits, when we're locking people into, you know, I have a client that was injured in-- the oldest injury case that I'm actively representing an employee on now was in 2004. Those wages are what that employee receives each week, two-thirds of those wages, to live on today as a permanent total disability recipient. And those should be indexed off of at least a cost of living adjustment because you can't imagine trying to, you know, go to the grocery store and buy beef or whatever else it is you, you buy at the grocery story with the money you earned for 26 weeks in 2004. So and I'd be happy to, to provide a just a summary of the seven or eight states that surround us to, to show you the-- how those, those claims are treated.

**RAYBOULD:** Yes, thank you. That would be very helpful.

**JOHN CORRIGAN:** I will. All right.

**RAYBOULD:** Thank you.

**SORRENTINO:** Yes, Senator McKinney.

**McKINNEY:** Thank you, Senator Sorrentino. Isn't there a difference between getting sick at home versus getting injured on the job?

**JOHN CORRIGAN:** Well, absolutely. I, I think that's kind of what I've alluded to is, you know, if I'm at work and somebody I'm working with

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who we're both at the same employer and they drop a bucket loader on my hands and I can't use my hands anymore, I can't sue my employer. If I'm at home and my kid brings home, you know, bronchitis from daycare, that's a risk that we all share in, in daily living. But when you have a risk signifi-- peculiar to your employment that results in injury, the employer is responsible for that. And so that's why when, if I have a work-related injury, I can't work, work comp is supposed to pay, maybe I went out and bought one of these insurance policies for short-term disability, they don't pay anything. They pay zero on a work-related injury. And they also offset 100% against Social Security if you become disabled, which is why those policies aren't necessarily the greatest thing in the world. I mean, they're better than nothing, don't get me wrong. And we have clients that are on those policies. But for the most part, work comp is designed as a bargain to resolve the dispute when people are, because of the nature of their jobs, doing dangerous work and being required to bear that cost as opposed to the, the employers who are getting the benefit of their work and the profits off of the risk that they are taking.

**McKINNEY:** Thank you.

**SORRENTINO:** Any further questions from the committee? If not, thank you, Mr. Corrigan.

**JOHN CORRIGAN:** Thank you. Good to see you.

**SORRENTINO:** Our next proponent, please. And before we hear your testimony, if I could ask all the testifiers and any, any of the senators if we could possibly speak just a little bit slower in order to allow our interpreter to key up-- keep up. Thank you.

**NICK GRANDGENETT:** Well, good afternoon. 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 LB1056. So first enacted in 1913, Nebraska's Workers Comp Act fails to account for today's economic realities for injured workers and their families. As such, it fails to fully support Nebraskans injured on the job and also shifts the cost of workplace injuries away from the insurance system designed to cover it and onto families, communities, and taxpayers. Currently injured workers are compensated two-thirds of the lost wages. And the reality is that short benefit duration periods, the failure to account for overtime, legal fees and other costs place many Nebraskans in a

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position where they're actually using less than two-thirds of those wages. Additionally, the absence of a cost of living adjustment allows erosion to-- inflation to erode the value of these benefits over time. LB1056 is designed to mitigate this financial hardship. The common reasoning for not replacing 100% of a worker's lost wages is that generally workers' comp benefits are not taxed. Few workers, however, are taxed at a third of their wages. As such, LB1056 increases the total injury compensation rate to 80% of a workers' lost wages and other classifications to 75%. Florida, Texas, Oklahoma, New Jersey have all enacted statutory provisions that allow for this. Nebraska's minimum compensation rate has been \$49 since 1973. LB1056 would require an annual adjustment at, at 50% of the state's average weekly wage, and similar measures have been taken in Iowa, South Dakota, North Dakota, Alabama, and Texas. Like every surrounding state except Colorado and Wyoming, this bill would compensate whole-body injuries for longer than 300 weeks. And like Iowa, it permits up to 500 weeks of compensation. Also it creates a cost of living adjustment, which is followed-- or which is modeled off of Wyoming and South Dakota and used in 21 other jurisdictions. The bill also acknowledges that death is different and adjusts benefit levels to account for that. I think also anytime there's a workers' compensation bill in front of the Legislature, a common theme in opposition testimony is insurance premiums. So I just wanted to touch on that for a second. In Nebraska, premiums have been declining for decades and today they stand at their lowest recorded levels. In 1994, their highest recorded level, the average employer was paying \$3.31 for \$100 of payroll. As of 2022, the average Nebraska employer is paying \$1.25 per \$100 of payroll. And at the same time, fewer benefits are being paid out. So in 2009, injured Nebraskans were receiving 95 cents in total benefits for \$100 in covered wages. And as of 2019, that had decreased by 25% to 71 cents in total benefit per \$100 in covered wages. So for all of these reasons, we just ask the committee to advance LB1056, and I'm happy to answer your questions. Thank you.

**SORRENTINO:** Questions of Mr. Grandgenett? I have one.

**NICK GRANDGENETT:** Sure.

**SORRENTINO:** Would you agree that if state benefits increase, then Social Security benefits decrease accordingly? So isn't that really giving the federal program a break at Nebraska employer expense?

**NICK GRANDGENETT:** I think what I think about like SSDI, the concern I have is that not everyone's gonna qualify for SSDI. Like you have to have 40 qualifying quarters. For certain immigrants, you have a qualifying immigration status, which makes it just categorically not an option. And then I think the other thing that always goes through my mind is with SSDI, it's really shifting the cost of a workplace injury onto the taxpayer, because it's a taxpayer program, and away from workers' compensation, which is supported by an insurance program.

**SORRENTINO:** All right, thank you. Any other questions? If not, thank you for testimony, Mr. Grandgenett.

**NICK GRANDGENETT:** Thank you.

**SORRENTINO:** Next proponent, please. Seeing no other proponents, are there any opponents to LB1056? Welcome.

**DALLAS JONES:** Thank you. Good afternoon, Senator Sorrentino and members of the Business and Labor Committee. My name is Dallas Jones, D-a-l-l-a-s J-o-n-e-s, and I am appearing in opposition to LB1056 on behalf of the Nebraskans for Workers' Compensation, Equity and Fairness, the Nebraska Chamber of Commerce and Industry, Lincoln Chamber of Commerce, The Nebraska Grocery Industry Association, and I believe a few others I forgot. LB1056 would represent the largest increase in cost to the workers' compensation system that has occurred or been proposed since it was enacted, period, full stop. Some examples, it proposes to increase temporary total disability benefits, the cost to the employer-insurer and taxpayers, by the way, 20%. For permanent partial disability benefits of the scheduled member type, the increase in costs is 12.5%. For body as a whole, that's the backs, the necks, the heads, psychiatric injuries, the increase in cost would range, depending on several factors, from about 87.5% to 100% in terms of an increase from where we are right now. Permanent total disability benefit costs would increase 20% from where we are now, and death benefits anywhere from 12.5% to 267% above what we are right now. This bill is identical to LB719 that was proposed in 2022. At that time, I spent a lot of time trying to calculate what the cost-- increased cost of the system would be at that time based upon the best claims data published by the court. And at that time, the estimate that I could come up with was between 18% and 22.5% across-the-system cost to taxpayers and employers. I want to real quickly mention a couple of

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statistics-- it looks like I'm about out of time. In terms of rankings, Senator Raybould, you had asked about some rankings. Let me give you some. The max benefit rate as, as a percentage of our state average weekly wage, Nebraska would be tied as number one in the country with Iowa. The actual dollars, the value of the maximum benefit rate, Nebraska would be number two behind Iowa. In terms of the temporary total rate as a percentage of the average weekly wage, Nebraska will be number one in the United States. Same answer with regard to permanent partial disability, Nebraska would be the highest also in the United States in terms of percentage of the average weekly wage. Regarding the point that benefits have not been increased in years, let's be very clear what we're talking about there--

**SORRENTINO:** If you could wrap up your testimony.

**DALLAS JONES:** Certainly. Benefits are increased every year. And the reason why benefits are increased every year is because they are percentage of the employee's wages. If you are injured next year and you've enjoyed an increase from your employer, your benefit when you get injured will be higher than if you were injured this year.

**SORRENTINO:** Thank you. Are there questions for Mr. Jones? Yes, Senator Raybould.

**RAYBOULD:** Yes, thank you, Mr. Jones, for coming today. Could you share with us some of your other observations on what LB1056 proposes and some of the rule changes regarding physicians and other costs that you're seeing?

**DALLAS JONES:** Yes, I would be happy to. With regard to the choice of physician issue, the way the system works right now and has since 1997 when there was a very large compromise reached by the Legislature, is an injured employee has the right to choose a physician who has treated them or a family member prior to that injury. They have that right. It's theirs to exercise. What this bill does is adds to that and it allows that employee the right to choose somebody else if they don't have a physician that they have seen or they don't have a family member who has an established relationship. They can pick somebody that they have never seen before and has never seen them, which is a significant change from where we were when that bargain was reached in 1997. With regard to the interpretation services, this is one of those that falls into the category of well-intentioned but has some

significant unintended consequences potentially. Everybody wants quick access to medical care. Right now what the bill is proposing to do is give the employee the choice from a list of qualified professional interpreters that's published by the Supreme Court for any medical visits that the employee has from the work injury. Let me use Spanish language as an example because that represents the second most-used language in our state. For a Spanish-speaking employee who is injured on the job, that employee has to find an interpreter from that list. There are 33 of those professional interpreters on the list. Guess how many of those interpreters are west of Lincoln? Seven. So we have about 400 miles from Lincoln to the western end of Nebraska. There are 7 interpreters who are going to be providing services to every Hispanic, Spanish-speaking employee who needs interpretation services at every medical visit. If you want delays in terms of provision of medical services, this is a good way to get there because there simply isn't enough. And I don't know how we're going to get enough because right now there is a demand for that service and, and there is not enough of those skill sets out there to serve the demand. I, I could go on, but there are a lot of people behind me that I appreciate the chance to expound, Senator.

**SORRENTINO:** Senator McKinney.

**McKINNEY:** Thank you. Thank you, Mr. Jones. I'm just curious, what's wrong with our state leading in something for a change?

**DALLAS JONES:** Well, there is certainly the issue of cost, Senator, because somebody has to pay for it. When you heard the proponents talking about why it's deficient and referencing that exclusive remedy as something that limits the employee, there's the other side of that coin. One of the proponents talked about what if a bucket falls on somebody's hand at work? Well, what are they to do? Well good question. What if that bucket falls on that person's hand when they're not at work? Well, they're no entitled to any benefits. What if the person at work is absolutely at fault for making the bucket fall on their hand? Guess what? They're entitled to the benefits. What I'm talking about is a compromise that was made that is still one that has to be carefully balanced between the interests of both sides. What this does when it in-- introduces an increase across the system of 18 to 22.5% cost to the system, you have lost the balance to that system.

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And that's, from a public policy standpoint, not where the state needs to be.

**McKINNEY:** So are you saying Iowa doesn't have balance?

**DALLAS JONES:** I am saying that Iowa has a lot of different things that Nebraska would not like. These folks back here--

**McKINNEY:** But are they lacking balance?

**DALLAS JONES:** I can't tell you that I am the expert in Iowa, so I'm, I'm not trying to dodge the question. I know what Iowa does in narrow snippets because I've looked at it, but overall, I can't tell you that.

**McKINNEY:** Is there a state in a budget deficit?

**DALLAS JONES:** Is their state in a budget def-- I'm gonna guess you know better than I do. I don't pay attention to them.

**McKINNEY:** All right. Thank you.

**DALLAS JONES:** You bet.

**SORRENTINO:** Any further questions for Mr. Jones? Seeing none, thank you for your testimony.

**DALLAS JONES:** Thank you.

**SORRENTINO:** Could we have the next opponent, please. Good afternoon.

**KORBY GILBERTSON:** Good afternoon, Vice Chair Sorrentino, members of the committee. For the record, my name is Korby Gilbertson. It's spelled K-o-r-b-y G-i-l-b-e-r-t-s-o-n. Appearing today as registered lobbyist on behalf of the American Property Casualty Insurance Association in opposition to LB1056. I'm not gonna spend time going through all the numbers. Obviously, I think all of you have looked at the fiscal note. So I wanted to talk-- touch on a couple of things, one of which, Mr. Jones kind of talked about, and I think you heard a lot from the proponents about the grand bargain. And just in case you aren't aware of what was the case before the grand bargain was instituted, employers would only have to pay benefits if a fellow worker did not cause the accident, the worker involved did not cause or contribute to the negligence, and the worker didn't understand the

inherent risk of the accident. So there was a grand bargain on both sides. It wasn't just that employees were giving things up, so were-- so was the employer side. Secondly, the comment that benefits have not increased for years and years, I had flashbacks to the discussion that you've had numerous times about property taxes. And the fact that if a levy doesn't change, that means that property taxes didn't increase. And we all know that that's not the case because the value of that property goes up as does the tax. So you can assume it's the same thing with workers' comp benefits. So to say that there has not been an increase is not a true statement in the sense of the word. Also to touch on whether or not we will have increases in rates, Nebraska has been very lucky that we have not had increases in rates. I happen to be-- also serve as local counsel for NCCI, which is the National Council on Compensation Insurance. They're the group that comes in through the-- comes to the different states and does the evaluations and help set the rates for insurance in those states. NCCI does not take positions on legislation, but Nebraska's been very lucky. And if you look at the data, it's because the number of our-- the number of accidents has gone down, the severity of those accidents has gone down. The real issue that we've had in Nebraska is that the cost of medical care has remained pretty high over the years and, and continued to increase as to the other things have decreased. And that's what's really had the effect on our rates. If this would pass, there is a very good likelihood that rates would have to go up when you make an increase of more than 20% or so to benefits, those rates would increase. So with that, I'd be happy to answer any questions.

**SORRENTINO:** Thank you. Are there questions of Ms. Gilbertson from the committee? Yes, Senator McKinney.

**McKINNEY:** Thank you. Thank you, Ms. Gilbertson. There's been mention of the grand compromise, and I'm just wondering, in respect to that, do you think the grand compromise has been respected when so many anti-worker bills has passed in the Legislature over the past five years?

**KORBY GILBERTSON:** I suppose that would depend on what you mean by anti-worker bill. I think that, that we've been pretty even keel on workers' comp things coming through committees or not coming through committees, depending on which side of the stage you're on, so.

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

**SORRENTINO:** Further questions from the committee? If not, thank you, Ms. Gilbertson, for your testimony.

**KORBY GILBERTSON:** Thank you.

**SORRENTINO:** Next opponent, please. Welcome.

**PHILLIP ARNZEN:** Welcome. Good afternoon, Mr. Chair, members of the committee. My name is Phillip Arnzen, P-h-i-l-l-i-p A-r-n-z-e-n, and I'm with the National Association of Mutual Insurance Companies, known as NAMIC. We're a nationwide trade group that represents property casualty insurers, and our members range from national household insurers that are household names down to small farm mutuals. We also have some workers' comp insurers in there, so we have a broad array of membership and quite a few members based in Nebraska as well. We're here in opposition to LB1056 really for the many of the same reasons of the witnesses that, that came before me. But this would be a pretty drastic and almost shocking increase to the cost associated with workers' comp benefits. We can rarely say-- or we, we're not supposed to say that this will directly cause premiums to go up, but it would be very difficult to see how premiums would stay the same or stay low in Nebraska if this were to pass, because it all-- it increases so many things at the same time that it would be very difficult to, to keep costs low for insurers and, and keep premiums down. And so for those reasons, we're opposed to LB1056.

**SORRENTINO:** Thank you. Senator McKinney.

**McKINNEY:** Thank you. Are premium, premiums higher in the state of Iowa?

**PHILLIP ARNZEN:** I'm not sure.

**McKINNEY:** All right.

**PHILLIP ARNZEN:** I can get that information after, if you'd like.

**McKINNEY:** Thank you.

**SORRENTINO:** Any further questions? If not, thank you for your testimony.

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**PHILLIP ARNZEN:** Thank you.

**SORRENTINO:** Next opponent, please. Seeing none, is there anybody who wishes to testify in the neutral position? Seeing none, Senator Conrad, you are free to close.

**CONRAD:** Thank you, Vice Chair. Thank you members of the committee for your time and attention and good questions. Sorry, I just want to clarify kind of where we are in terms of the status quo and what LB1056 would do in terms-- sorry, I got a bug in my throat-- in terms the selection of the treating physician. So testifiers were exactly right, and if you look at the text of your bill, you can see the existing language when somebody who's injured on the job already has a relationship with their family doctor, the law allows for them to consult with their family doctor to be a part of this process. So that's not really a point in contention. I'm not seeking to strike that. Proponents and opponents are not necessarily seeking to amend that. What I'm saying is that there are a certain class of workers who are injured on the job that actually don't have a family physician. And so what my bill would do is to clarify that they can seek an independent doctor for treatment and consultation. They're not forced to go to the company doctor. That's it. That's the only piece on the selection of physician. If you've already got your family doc, you can go to them if you want to. If you're one of those people that don't have a family doc for whatever reasons, you're not forced to go to the company doc. You can get an independent medical relationship analysis and consultation for purposes of your health and purposes of workers' comp. So I want to lift that up first. Secondly, and Senator Raybould, I'm sure we'd be happy to help pull together a more comprehensive overview of kind of what the trends may be across the United States, if that's helpful, to be responsive to your question and to the committee's deliberation on this and other matters. But it is my understanding that many states have looked at making adjustments to their workers' compensation systems that better address the realities of life, including an affordability crisis, and particularly the upward trends for medical inflation, which we know are real and undeniable. The last pieces that I just want to lift up here as well, and I know many of you know this from being business owners or adjacent thereto, is that we hear this frequent refrain on behalf of big insurance that says, you know, if we make any sort of adjustment that provides injured workers with better compensation when they're hurt or injured or sick on the job, you know, we're gonna jack up

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costs on everybody. And on the one hand, I appreciate their candor, I guess, even though I don't appreciate their scare tactics. But ask your-- just ask yourself if that matches reality. We haven't made significant adjustments upward or to benefit employees in Nebraska through our workers' compensation system for many, many years. And have your workers' comp insurance costs gone down? Have they? So I think that kind of vitiates the argument put forward by our friends in the insurance industry. So I do just want to lift that up, and I'm, I'm happy to answer any additional questions.

**SORRENTINO:** Questions of Senator Conrad? Yes, Senator Raybould.

**RAYBOULD:** Thank you, Senator Conrad. I, I don't know if you addressed the fiscal note in your opening remarks, but--

**CONRAD:** Sure.

**RAYBOULD:** --would you mind repeating that, if you--

**CONRAD:** I didn't, Senator, so you didn't miss any of that. I was talking more about the, the general provisions of the legislation in my opening. But happy to address the fiscal note. I mean, it's no surprise that there may be additional costs associated for state government because state government is one of the largest employers in the state, and we employ a lot of folks, hardworking public employees, that have really dangerous and tough jobs. And people get hurt on the job when they're, you know, working forced overtime, front lines in Corrections, when they are working on critical infrastructure. The list goes on and on. And I've talked to many of those public employees who've been, you know, who take their public service really, really seriously and who have been injured through no fault of their own. And they're eager to get back to work and they're eager to continue that job, but they've also suffered serious injuries, perhaps, providing that public service, and they were not at fault. And so they're, they're having an equally hard time grappling with affordability issues, as do employers in the private sector.

**RAYBOULD:** So in the fiscal note, just even for the fiscal year 2026 to 2027, so this is an increased cost to the state, and correct me if I'm wrong, of about \$1.8 million.

**CONRAD:** Yeah, that's what it says for the totals. Yeah, and that's a combination of general funds, cash funds, federal and revolving. In

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terms of General Fund impact, which is usually kind of the main point that we look at, they estimate that it's, you know, give or take about \$500,000, \$600,000 a year, about a little less than, than half a million, about half a million.

**RAYBOULD:** OK, thank you.

**CONRAD:** Yeah. And I think that's probably accurate for a really significant workforce that has people on the front lines doing tough and dangerous jobs and who do get hurt.

**RAYBOULD:** Yeah, thank you.

**SORRENTINO:** Further questions for Senator Conrad?

**CONRAD:** OK, thank you.

**SORRENTINO:** Seeing none, thank for your testimony. That concludes our testimony on LB1056. We had 22 position comments on the record, 14 proponents, 8 opponents, and zero neutral. Our next bill is Senator Dungan. I'll let these folks pass first. Senator Dungan, it's my understanding that you will open on both LB1009 and LB1011 at the same time.

**DUNGAN:** That is correct.

**SORRENTINO:** I would let those who are lining up to testify, if you would come forward and say which bill you are testifying on and whether or not you are a proponent, opponent or tend to be testifying in a neutral capacity, that would be helpful to us. And if you would fill out a green sheet for each bill if you are testing on both. With that, Senator Dungan, you're free to open.

**DUNGAN:** Thank you, Vice Chair Sorrentino. Good afternoon members of the Business and Labor Committee. I think this is my first time being in here this year. My name is George Dungan. I represent Legislative District 26. My name is spelled G-e-o-r-g-e D-u-n-g-a-n. I appreciate the opportunity to testify today on both LB1009 and LB1011. Together, these bills make important and practical updates to Nebraska's workers' compensation system by improving timely access to benefits, increasing transparency, and providing clearer standards for both injured workers and employers. LB1009 helps ensure that injured workers receive support when they need it most by reducing the waiting

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period for temporary disability benefits and allowing compensation to begin sooner. For many Nebraskans, even a short interruption in income can create significant financial strain, and these adjustments recognize the real-world challenges faced by workers recovering from injuries. Specifically, this reduces the waiting period from seven days to three days. LB1011 builds on this effort by clarifying when temporary disability compensation must continue and establishing fair procedures for the cessation of benefits. By requiring advanced notice, disclosure of the evidence relied upon in benefit termination decisions, and access to independent medical examinations when appropriate, the bill promotes transparency, accountability, and due process. These provisions help prevent premature termination of benefits while maintaining a balanced framework for resolving disputes within the workers' compensation system. Taken together, LB1009 and LB1011, strengthen Nebraska's workers' compensation framework by promoting fairness, predictability, and timely assistance for injured workers while providing clearer guidance for all parties involved. Before I wrap up, I, I was sitting here listening to the testimony from Senator Conrad's bill, and I listened to her closing. And I apologize for missing the rest of that hearing. It is some overlap, obviously, with workers' compensation and what we're dealing with in mine. I heard some comments, though, with regards to the great compromise. I think what we were talking about with the great compromise was back in 1993, 1994, when there was a large overhaul of the workers' comp system. And what's interesting is earlier this session, we had a bill that had to do with workplace safety programs. I did a little bit of history diving down to figure out kind of where that all came from, and I found myself reading transcripts from 1993 and 1994 as they pertained to the great workers' comp sort of agreement that I think we're talking about here. And if I am misstating what the great compromise was, I apologize. But subsequent to a blue ribbon committee that was put together by then Governor Ben Nelson, there was a massive overhaul of workers' comp that passed. I know that the, in reading the opening on the floor of that and then going through pages and pages of transcripts, there was a debate back and forth about workers' comp and what is or what isn't driving up cost of healthcare. But I do think it's important to look at that history because it is kind of where we came from. But two things I'll say about that that I find particularly interesting. When bills like this are proposed, we always hear that there was once a great compromise and we can't possibly walk that back. Part of that

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so-called great compromise was creating workplace safety programs, which Senator Moser's bill, not trying to have Senator Moser catch strays here, but his bill eliminated that workplace safety program as though it was no big deal. That was part of the compromise. And at that point in time, nobody was stamping their feet up and down and saying we can't possibly go back on this great compromise that we all agreed on. Also interesting about those workplace safety programs was at that time, it was a completely agreed-to part of compromise. It was not what was being debated on the floor. Everyone simply thought it made sense to have those programs, and yet this year we are now eliminating those programs and acting like it's not a problem. So when we hear about the great compromise, I think it is important to note, and I think Senator McKinney might have mentioned this or alluded to it in one of his questions, we hear a lot about it in regards to why we can't make changes to the system when it benefits the worker, but we don't hear about it very much when the elimination of programs benefits the employer. So I just wanted to point that out. The other thing I would point out certainly is that none of us were here when that compromise was made. And I think it is important to address systems that change over time, and I think the proposals in LB1009 and LB1011 are modest in the overarching scale of workers' comp. And both of them I think seek to achieve a true goal of trying to help everyday working Nebraskans who have been injured on the job. With that, I'm happy to answer any questions the committee might have.

**SORRENTINO:** Questions for Senator Dungan. Yes, Senator Raybould.

**RAYBOULD:** Yes. Thank you, Senator Dungan. You know, I'm really big on comparability to our surrounding states because that kind of grounds me and gives me a perspective on where we stand and the differences that we have with Colorado or some of the differences that we have with South Dakota. So what you're proposing is going from seven days to three days. Who else has, has done that, and what were their reasons for doing so?

**DUNGAN:** I don't have a good answer for you, and I hope the experts after me maybe can give you a better answer to that. I know many attorneys who work in this field in Nebraska also have some crossover into Iowa, given the proximity when you're talking about Council Bluffs. And so some of them may have that expertise. If not, I'm happy to try to get that information to the committee. One thing I will say is in my dive into this topic and also other proposals we've seen

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before other committees that I'm a part of, such as the Banking, Commerce and Insurance Committee, is that sometimes we try to make analogies to how Iowa does something or how Colorado does something, but because of our systems and how they're built, they're so different, it's hard to make those analogies. So sometimes, for example, when you're talking about statute of limitations, somebody will say, oh, Iowa does it this way, so we should do that too. The reality is our system is so different from the way that Iowa conducts themselves that having our statutes of limitations be equal to Iowa doesn't necessarily make sense because you're not comparing apples to apples. And so while I do agree, it's important to look at other states and make sure we understand what similarly situated states are doing, our system is unique to Nebraska. And so I think that it's valid to look these changes in that vacuum and at least look at those other states not as precedent, but more as suggestive.

**RAYBOULD:** Yeah, I know, I really appreciate that because I know, I, I look at the cost of business. You know, what is the cost to business? And unfortunately, some of those costs, as we see with tariffs and other inflationary elements, they get passed onto our fellow Nebraskans that are already struggling. And so I'm always very mindful of, I know Senator McKinney talked about a balance. It is-- there has to be a balance somewhere to make sure that all the workers are protected. But to what extent and how, and that's why I always like to see comparability, and that's why I, you know, do a deep dive in research. Like, what are the other states doing? What is their best practices? Can we modify that to be our Nebraska best practice? And so for me, it's really fundamental in, in looking at what other states have succeeded at and how we can replicate that success in our state without overburdening businesses. Because I want, you know, as a business person, I want to be a pro-business state because, obviously, that will help our deficit. And so we need to be, you know, pro-business, but also, you know, we have a workforce shortage, so we have to make sure that we keep our workforce whole and healthy and engaged, and retention is critical. And if you're not a good employer, you're gonna lose your employees. So you want to make that there's that right balance of caring for them, but also without increasing other costs wildly. And so that's why I'm thinking, what, what's the difference going from seven days to three days? And then I could be confusing with when does short-term disability kick in for those employers that provide short-terms disability? And how, how does that

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all work with, you know, the compensation that we want to make sure that folks get?

**DUNGAN:** Yeah, and I appreciate all of that. And I think you're right that it is always a balance. And we wanna make sure we're not being overly burdensome. I completely agree. I think when I look at these problems, what I also want to take into consideration is the impact that it does have on our state's economy when individuals lose money, lose their job, or aren't able to work, and they're not able to put that money back into the economy. And obviously we know that a lot of people who are hardworking folks have not a lot extra money to stretch during periods of time that they're not receiving compensation. And I think that the downstream effects of people getting behind on bills, not being able to participate in the economy, not being able to work, can snowball out of control. And so it is, you know, absolutely a balancing act that we find ourselves trying to strike on a regular basis. But I think the concern that I always have is if people start to not be able to make ends meet, there are enough snowballing effects that can be problematic for our state as a whole and our society that can ultimately I think create more harm than benefit. So I do agree we need to take a, a balanced approach on this, and I think that these two proposals in LB1009 and LB1011 are, I would say, relatively modest in nature. I understand that there's some opposition which I'm sure we'll hear about here in a little bit with regards to costs. But I would echo some of the, the things that were said by Senator Conrad with regards to, you know, the threats of increased cost. While ever present, A, I don't think is always the best reason then to not make sure people have enough money to make ends meet. And B, I think that they've borne out over time. But I'm happy to look at the numbers and the data of other states and see where they line up.

**RAYBOULD:** Thank you.

**SORRENTINO:** Further questions for Senator Dungan? Seeing none, thank you. I assume you'll stick around to close.

**DUNGAN:** I will stay, yeah.

**SORRENTINO:** All right, thank you. I'll remind you, since this is a joint hearing, please, you can come up in any order you like, but let

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us know if you're testifying on LB1009 or LB1011, and let us know if your testifying as a proponent, proponent or in the neutral capacity.

**NICK GRANDGENETT:** Well, good afternoon again. 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. I'm only testifying on LB1009 in support. I don't have a comment or a position on LB1011. So every state does require a worker to wait a few days before lost pay can be replaced. However, Nebraska has the longest waiting periods in the nation. Nebraska stands alone in requiring workers to wait seven days before lost wage benefits can be-- can commence, and 42 days before that week of lost pay is retroactively reimbursed. In Iowa, Missouri, Colorado and Wyoming, workers wait only three days before lost pay has replaced, and those three days of lost pay are retroactively reimburse after 14 days. For many Nebraskans, these long waiting periods are simply financially out of reach. Additionally, as we do our worker safety trainings every year, we also hear how these long waiting periods can be an opportunity for bad actor employers to kind of steer people away from the workers' comp system. Again, just mentioning and talking about premiums for a quick second. I know in my prior testimony I mentioned how in 1994 premiums were at their highest recorded level because the average employer was paying \$3.31 per \$100 of payroll, and as of 2022, the average Nebraska employer was \$1.25 per \$100 of payroll. So if you look at that it ranks Nebraska 29th out of 50 states. 21 states then obviously have premiums that are less expensive than us. Of those 21 states, 8 of them have shorter waiting periods, and none of them have that 42 retroactive waiting period. And then I'll say that these declining premiums are a nationwide phenomenon. In both Utah and Colorado, they've used a waiting period structure that is proposed by LB1009 since the 1990s, and both of these states, just like Nebraska, have seen declining premiums over the last 30 years. And as of 2022, they had less expensive premiums in Nebraska. So with that, I'll end my testimony. I guess I would also say that premiums are also just a reflection of workplace safety. So it's important to acknowledge too, that if employers have a safe work environment, accidents won't happen and the premiums won't go up. But again, with that, I'd just ask the committee to advance LB1009, and I'm happy to answer any questions. Thank you.

**SORRENTINO:** Thank you. Questions for Mr. Grandgenett? Seeing none, thank you for your testimony.

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**NICK GRANDGENETT:** Thank you.

**SORRENTINO:** Next testifier, please. Welcome back, Mr. Corrigan.

**JOHN CORRIGAN:** Thank you, Mr. Sorrentino. John Corrigan, J-o-h-n C-o-r-r-i-g-a-n, on behalf of the Nebraska AFL-CIO, testifying on behalf of both LB1009 and LB1011. The, the concept in LB109-- or LB1009 is just totally sensible when you take into account people who are earning, you know, the vast majority of people in the workers' compensation system are going to be paycheck to paycheck. And if you have that temporary disability where you're not having any money coming in for those first seven days, and oftentimes it doesn't mean that they're going to to check on the eighth day, just means it's payable. They might not get that first check for 30 days. Having a shorter waiting pen-- or waiting time will increase the likelihood that they're going to get paid and get paid faster to offset the effects of wage loss after a temporary disability. LB1011 is a little more nuanced and it is very similar to the system in Iowa. When, if, if the employer is going to terminate benefits in Iowa, they have to send out what's known as the Auxerra letter that is that 30-day notice that, that we think your benefits are going to cease because we don't have an obligation to pay after this period of time. What happens in Nebraska is oftentimes a, a landmine, where an employee has a body-as-a-whole injury. The employer, the doctor will say, OK, after let's say six months of treatment, you're not going to get any better because of this accident. You've reached maximum medical improvement, but we don't know what your impairment is. If the employer doesn't ask for an impairment rating, they don't pay one. The doctors often tell the employee, have your attorney write me a letter and then I'll send you one, because they're gonna get paid to write those reports. In a loss of earning case, it's much more complicated. In a body-as-a-whole case, now the employee there has to-- they're MMI, they stop paying the temporary benefits, there has to be a vocational consultant appointed to the case or agreed upon and provide an opinion so they can start paying those benefits. LB1011 is designed to cure that so that those benefits don't cease until that loss of earning comes in and they'll get a credit for those weeks that they paid. But the idea that the employee who can't, and I have one just, just on Friday, gentleman will never work another day of gainful employment in his life. He got hit in the head with a steel beam, he's lucky to be alive. Loss of-- or doctor places an MMI, we're going to cut off benefits, we won't be able reinstate them probably for at least

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another 60 days. That makes no sense at all, that he's not going to have any income for 60 days while we try to figure out that he is actually permanent total disability. And everybody knows that he is. But it is a hole in the law that needs to be fixed, and LB1011 does that. And this, compared to any of the other measures that we're talking about today, is not a significant cost for the employers or the insured or self-insured employers throughout the state. So with that, I'd be happy to try to answer any questions you may have.

**SORRENTINO:** Questions for Mr. Corrigan. Seeing none, thank you.

**JOHN CORRIGAN:** Thank you.

**SORRENTINO:** Next testifier, please.

**KATHRYN HARTNETT:** Good afternoon to the Vice Chair and the members of the committee. My name is Kathryn Hartnett, K-a-t-h-r-y-n H-a-r-t-n-e-t-t, proud grand niece of D. Paul Hartnett who served in this committee and many others in the Legislature for 20 years. I'm testifying today on behalf of the Nebraska Association of Trial Attorneys in support of LB1009. I am here today to talk to you about very common-sense and practical consideration to lower our waiting time period from seven to three days. I'd like to walk the committee through an example of someone who is injured at work. On the day of the injury, that person is not guaranteed benefits for the time that they need to miss from work. Instead, they need see a physician first and have that physician assign to them work restrictions that do not allow them to return to work. Even then, that person has to miss upwards of six more days from work before those benefits are instituted. But even if they miss those additional six days, there is no recourse through the courts to force the employer or their insurer to pay those benefits for an additional 30 days. So from date of injury until that, that insurer or that employer can be forced to provide those benefits, up to 38 days can pass. That is too long for most Nebraskans who live paycheck to paycheck, who are waiting for that benefit to come in. That doesn't allow them to pay for their bills, their health insurance, their children's activities, to put food on the table. 38 days is simply too long. To reduce the waiting time period from seven days to three days is common sense. I welcome your questions. Thank you.

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**SORRENTINO:** Senator Raybould.

**RAYBOULD:** Yes, thank you, Ms. Hartnett. You would be the perfect person to answer this one. So how does short-term disability, and a lot of employers offer that and cover the cost of short-term disabilities, because they're mindful of some of the delays for worker comp, is that related or is that totally separate or--

**KATHRYN HARTNETT:** Thank you for your question, Senator. I certainly do appreciate it. Short-term disability does not cover workers' compensation injuries, period, full stop. Neither does long-term disability. The only benefit available to someone who is injured at work is workers' compensation. So unfortunately, no, that is not available to them during that potentially 38-day period that they are living without any income.

**RAYBOULD:** OK, thank you.

**SORRENTINO:** Further questions for Ms. Hartnett? If not, thank you for your testimony.

**KATHRYN HARTNETT:** Thank you.

**SORRENTINO:** Next testifier, please.

**BRODY OCKANDER:** Good afternoon, Vice Chair and members of the Business and Labor Committee. I am Brody Ockander, B-r-o-d-y O-c-k-a-n-d-e-r, and I, too, am here on behalf of NADA. We kind of have two different bills here that we're, we're talking about, and Ms. Hartnett was talking about LB1009. I'm here to talk about LB1011 here. Now, as Mr. Corrigan mentioned, he hit on this a little bit, the first part of this one. There's two, two parts, twofold on this LB1011. The first is to close that gap between a time when temporary disability benefits are paid until permanent disability benefits are paid. The second part of this is that if the indemnity benefits are cut off by the employer for any reason or by the insurance company, they have to give 30 days notice. And you know, if they have evidence of reason to cut that off, say they've hired a doctor, then they have also provide the injured worker with a doctor-- doctor's opinion of their own. OK? So with regard to that first part, I want to kind of clarify even more, there's a little overlap here, but a worker gets injured at work, she has perm-- she has temporary restrictions, so she can't go back to her work. She, she gets temporary disability payments at that point. Now,

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when she is ready-- when she's placed at what's called maximum medical improvement, that's as good as she's going to get for her injury, then she gets restrictions or an impairment rating. And like Mr. Corrigan said, that gap can sometimes be significant, especially when we're talking about back injuries and like a loss of earning capacity evaluation. The timeline is gonna be get put at MMI, maximum medical improvement, get permanent restrictions, which usually you have to go to a physical therapist to do that. Then the doctor has to sign off on those restrictions saying that these are valid restrictions that they should have. Then you have get a vocational rehabil-- rehabilitation specialist appointed to determine what the loss of earning capacities is. So, I mean, it goes on and on. This can take months sometimes, and a lot of times that worker is not even working at all or receiving any benefits. So this closes that gap to just say, hey, just keep the benefits paying. And like Mr. Corrigan said, they get credit for that. The employers and the insurance companies, they'll get credit for that. So the second part I wanted to hit on then is that 30-day notice part. This is a situation maybe where the employer is going to spend \$3,000 to send a, a records review to a doctor in Dallas, Texas or something like that. Well, that doctor says, well, looking at these, this is not related to the work injury, so we're not gonna pay anything at all. They can just cut off the benefits at that point, not tell the injured worker what's going on, and suddenly they didn't get a check this week, they're calling, they're scrambling, they got to pay their gas bill and everything, and they can't. Well, then the insurance company goes, well, yeah, we got this report from this doctor over there, and sorry, but we're cutting off your benefits because it's not related. And so this, this makes them have to give 30 days notice saying, hey, we sent these records off, we got this report. You've got 30 days to respond to this report, because we're going to cut off these benefits, and, and then gives them an opportunity to get a doctor of their own or some legal assistance or something at that point. So and based on what I've stated, I'd ask this committee to advance the bill and help injured workers kind of level the playing field.

**SORRENTINO:** Thank you. Questions for Mr. Ockander? Yes, Senator Raybould.

**RAYBOULD:** I'm not going to surprise you, but thank you for being here. So do most states have that 30-day notification of terminating

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benefits to that employee so that they're aware and then they can start asking the questions?

**BRODY OCKANDER:** Sure.

**RAYBOULD:** Is that pretty standard and commonplace?

**BRODY OCKANDER:** Yeah, that's a good question, and again, I don't, I don't have a ton of expertise on other states either. But we have talked about Iowa, because a lot of us practitioners in the Lincoln and Omaha area do have some crossover. I am not licensed in Iowa, but I do know that Iowa does have a similar provision, is that you have to give a notice. And then they have what's called this free IME, that's the what I was talking about where they get a doctor to opine on something favorably for the insurance company. Well then they, if that happens, they would have to pay for another doctor's opinion at the employee's choosing at that point. So those provisions are in Iowa's law, I don't know of any of the other surrounding states, so I apologize. But we can look that up and try to get back to you on that.

**RAYBOULD:** That'd be great. Thank you.

**SORRENTINO:** Other questions? If not, I have one.

**BRODY OCKANDER:** Sure.

**SORRENTINO:** If under LB1011, if this were to pass, the employer continues to pay benefits while all these many steps are going on, what happens if or can it happen that the employer ends up paying more than they should and now they have to go back to that employee and try to recoup that? Is that possible?

**BRODY OCKANDER:** It's possible. But the way that this is written, it's unlikely because a lot of times, especially when we were talking about in terms of a loss of earning capacity evaluation, any weeks that have been paid on temporary disability, the, the employer and the insurance company get a credit for those weeks. So there's a 300-week threshold for a loss-of-earning capacity injury.

**SORRENTINO:** 300 weeks?

**BRODY OCKANDER:** Yes, for example. So let's say they've already paid 100 weeks of temporary total disability, TTV. Well, they only have to

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pay 200 weeks of PPD at that point, the permanent partial. So even if those weeks continue for the next two, three months or something like that, they're gonna get credited for those weeks that have already been paid.

**SORRENTINO:** OK, thank you. Further questions for Mr. Ockander? Yes, Senator Raybould.

**RAYBOULD:** So I know this is not your issue, but I am looking at the fiscal note. And it's, it's pretty high, a million dollars. But I am guessing that that's the impact to the state of Nebraska and, and not to private employers. But I guess the reason why it's a million bucks is because of that cost of making sure that the temporary disability continues until you get that permanent determination.

**BRODY OCKANDER:** OK, there could also be occasions where that might not be able to be recouped, and that might be in a sense of a scheduled member injury or something along those lines. But even then I believe they can take a credit on those weeks that have continued. But there, there might be a situation in which the temporary disability is going to continue and then they should have been entitled to permanent partial. But again, that, that should not be the case. I'm not sure how that would-- what the fiscal note says there and where they're coming up with that million dollars, but that should not be on that gap period anyway. Perhaps it's on the, the part where I was talking about getting a quote-unquote free IME, paying for a doctor. But I haven't examined that closely. I'm sorry, Senator Raybould. So I don't know exactly where those numbers are coming from, so.

**RAYBOULD:** And sometimes we don't either. So, OK, thank you.

**SORRENTINO:** Further questions from the committee? Seeing none, thank you, Mr. Ockander.

**BRODY OCKANDER:** Thank you.

**SORRENTINO:** Next testifier, please, of either bill. Opponent, proponent, neutral?

**PHOEBE LURZ:** Thank you, Vice Chair. My name is-- and members of the committee. My name is Phoebe Lurz, P-h-o-e-b-e L-u-r-z. I'm an assistant attorney general in the Civil Litigation Bureau, and about

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75% of my practice is workers' compensation. I am here to testify in opposition to LB1011, not LB1009. We-- our office did submit a letter of opposition with respect to that bill as well. So I don't want to repeat what a lot of the testifiers before me have said, but each of the three changes on LB1011, we believe will raise the cost of administering claims for the state of Nebraska, as the state, as you know, is the largest employer in our state. Under current law, employers must pay temporary benefits until an employee reaches what's known as maximum medical improvement, or MMI. At that point, disability moves from being temporary in nature to permanent. You're not going to get any better. But often once an employee has reached MMI, their physician will allow them to return to work either with restrictions or without restrictions. And at least the state will make every effort to attempt to accommodate those restrictions if they have them. Under LB1011 though, the state would be required to continue paying employees temporary benefits, even if that employee had sustained no permanent disability and had returned to work full duty. This would effectively be a windfall. And impairment ratings, loss of earning capacity, I agree those can take a, a significant number of months. I will say, at least in my practice with the state, oftentimes we attempt to reach some sort of compromise with plaintiff's lawyers about ben-- what benefits should continue and at what rate until a loss of earning capacity has been completed for those cases. And just generally speaking, our position is that this bill doesn't take into account the full picture with respect to the notice component that you've heard about. For example, an employer could terminate benefits based on surveillance, showing that the employee is capable of doing much more than what they say they can do, or because they refuse to cooperate with scheduling appointments, treatment recommendations. And so even in those situations, the employer would be required to pay an additional 30 days' worth of temporary benefits. Finally, we are opposed to the requirement that if you terminate with the 30 days' notice that you must also pay for the employee to have their own IME. Under the act currently, employees already have the right to choose their own treating physician where they have had a previous relationship with one, and the opinions of treating providers are given a lot of deference under the act. This effectively results in us paying litigation expenses by providing att-- backing-- excuse me, by providing the employee with an opportunity to back up the opinions of their treating provider. So we

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believe this disincentivizes return to work and return to health, and for those we would oppose LB1011.

**SORRENTINO:** Thank you for your testimony. Questions of Ms. Lurz. Seeing none, thank you Ms. Lurz for your testimony.

**PHOEBE LURZ:** Thank you.

**SORRENTINO:** And the next testifier, please.

**ERIN FOX:** Good afternoon, Vice Chair, members of the committee. My name is Erin Fox, E-r-i-n F-o-x. I am testing-- testifying in support of LB1011, just really briefly, specifically on the part about the continuation of benefits for that gap period. I'm, I'm currently a plaintiff's attorney, I represent injured workers exclusively, but for most of my career, I represented employers. So I just wanted to jump in, and as the Attorney General's Office just indicated, a lot of the time, employers do voluntarily pay that gap period. But a lot of them don't, which I'm starting to learn. I had a lot of clients who would, you know, understand that an injured worker who can't work while that assessment is going on of restrictions and loss of earning, that's a really big hardship for them. And we're all trying to get them back to work. But it takes time because you have doctors involved being experts and providing their opinions, and that takes time, and you have the vocational experts. So that's a huge hardship, which I think everyone has recognized. And a lot of employers, including the state of Nebraska, which is great, recognize that they're gonna recoup that cost most likely. And I know Senator Sorrentino had a question about that, like are you really gonna recoup that cost? And I can tell you that, particularly in the case of a body-as-a-whole injury, you probably are. Just based-- so it's not a, it's not an increase in benefit, it's a timing of benefit thing. And a lot of employers do it already voluntarily. So that's all I just wanted to add to the discussion.

**SORRENTINO:** Thank you for your testimony, are there-- Senator Raybould.

**RAYBOULD:** Yes, thank you so much for testifying. But it doesn't sound like the state of Nebraska does this voluntary compensation. Otherwise, the fiscal note would-- wouldn't be as high as it is.

**ERIN FOX:** So I'm do not want to speak for the state of Nebraska, but I'm just going to speculate. I believe that the fiscal note is probably aimed at the 30-day notice because that does present a situation in which you might overpay on benefits. And when I-- this is how I used to describe it to my, my insurance company employer clients, like an overpayment that you can't credit against future payments, right? So if you have TTD and you, and you cut it off for whatever reason you're allowed to cut it off, currently, you can just stop payment and you're done. What this bill would do is say, you have to continue payment for 30 days after you have a reason to stop payment. So there is potential in a case where no additional indemnity benefits would be due. So like if they weren't going to be-- like if you weren't gonna go to court and they weren't to be awarded more benefits, you might have paid an additional 30 days. So my guess would be that's where the bulk of that fiscal note comes in because when it comes-- now, with that said, the way the bill is written, it's not limited to loss of earning weeks. So I, so I will say that it's just easier to-- and I'm using technical terms, because I'm a huge work comp nerd, apologies. But so for, for-- it's, it's a timing of payment thing, in particular with more serious injuries like back, neck, head injuries that, that are gonna be loss-of-earning based, permanent injuries. When I would advise my clients, if it was a case like that, I would advise them that they can probably just continue temporary disability, because we can take a credit against that permanent partial disability that the employee is going to be owed anyway. And that, in fact, cutting them off at that point, all, all that does is really create a way to starve them out and make them more desperate when it comes time to talk settlement, which, you know, unfortunately does happen. And, and so I would say that under those, and, and, and even with single member injuries, you're gonna have something to take a credit against. In fact, sometimes that might work against an injured worker if this were to pass just in terms of they would have that continuation of temporary benefits, but once you get that impairment rating, all that payment wipes out whatever you might get for permanency. Which, I mean, could happen because the permanency benefits are, are extremely limited in work comp. Even though the injury's gonna affect you the rest of your life, you get, you know, for 10%, you get 22.5 weeks, if it's an arm injury. I mean, that's not even a year's worth of benefits for a permanent injury. So the idea is that the-- you, you continue the payments because you know you'll have

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shorter payments or less of a payment in the future. So for the fiscal note, to answer your question--

**RAYBOULD:** Yeah.

**ERIN FOX:** --I would just suspect that it, it's probably because they anticipate more cases than I might anticipate where they wouldn't recoup those. But it does sound like, and again, I don't want to put words in the attorney-- assistant attorney general's mouth, but it does sound like they do voluntarily-- and I've had cases I believe with the state where they do voluntarily-- if they think they're going to recoup that, a lot of employers or insurance companies do it, but not all of them, so.

**RAYBOULD:** OK.

**ERIN FOX:** In my experience, which is limited, so.

**RAYBOULD:** Thank you.

**ERIN FOX:** Any other questions?

**SORRENTINO:** Any further questions from the committee? Seeing none, thank you, Ms. Fox, for your--

**ERIN FOX:** Thank you very much

**SORRENTINO:** --testimony. Next testifier, please. Good afternoon.

**RYAN McINTOSH:** Good afternoon, Vice Chair Sorrentino, members of the committee. My name is Ryan McIntosh, R-y-a-n M-c-I-n-t-o-s-h, and I'm here before you today as a registered lobbyist on behalf of the Nebraskans for Workers' Compensation Equity and Fairness, and the National Federation of Independent Business to testify in opposition to LB1009 and LB1011. I'm also testifying on behalf of the Nebraska Chamber of Commerce and Industry, the Lincoln Chamber of Commerce, the Greater Omaha Chamber of Commerce, the Nebraska Grocery Industry Association, and the Nebraska Retail Federation. I've distributed my full testimony, which is about six pages with a lot greater details, so I'll be a lot more brief with my comments. I've also included a letter on LB1009 from a claims advocate of here in Lincoln for one of our members of NWCEF. Simply put, LB1009 will increase workers' compensation costs for Nebraska employers. The bill, should it be

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enacted, would also likely lead to a negative impact on the effectiveness of employer return to work or light duty programs that ease injured employees back into the workforce, and also allows employers to minimize the impact on the future workers' compensation costs. That is detailed in that letter on LB1009. Workers' compensation insurance is experience-rated for premium development. This simply means that the employer pays future premiums based on a three-year claims look-back period. Reducing the waiting period for lost wages to be paid from seven to three days will result in many workers-- more workers' compensation claims in Nebraska to include indemnity payments, which are calculated at 100% in the experience modifier calculation, rather than 30%. Once \$1 of indemnity, the payments are made, the claim no longer has medical-only status, and the employer loses the benefit of the experience-rating adjustment. The waiting period serves as an important purpose with respect to containing the cost of workers' compensation coverage for employers. LB1011 would effectively allow an employee to continue to receive temporary disability benefits for a period of 30 days, even in cases in which the employee has reached the maximum medical improvement with no further work restrictions. Under LB1011, an employee could be working full-time when temporary disability benefits are seized but allowed to continue receiving temporary disability benefits for a period of up to 30 days. Also under the bill, if an employer voluntarily pays benefits pending investigation of a claim and subsequently determines that the employee is engaged in fraud or improper conduct, and thus not entitled to benefits, the employer would still be required to pay that additional 30 days' worth of benefits despite not being obligated to have commenced payment of benefits in the first place. In addition, if a claim involves potential payment of permanent partial disability benefits based on loss-of-earning capacity, the employee would be entitled to continuing temporary disability benefits until the employer obtains an opinion regarding loss-of-earning capacity. The bill removes any motivation for the claimant to pursue a loss-of-earning capacity determination, since delays in the ultimate assessment of loss-of-earning capacity will result in the employee continuing to receive full temporary disability benefits. There is no reason why an employer should have to pay an additional 30 days of benefit to a claimant if the employer has a valid reason to terminate temporary disability payments. In the event the employer does not have a valid reasons to terminates such benefits, the employee may be entitled to penalties under current law.

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LB1009 and LB1011 will result in an increase in workers' compensation premium for Nebraska employers, and I urge the committee to indefinitely postpone both bills. Thank you.

**SORRENTINO:** Thank you, Mr McIntosh. I will turn the chair back over to Chairwoman Kauth. And we are in the middle of testimony in LB1009 and LB1011.

**KAUTH:** Thank you very much, Vice Chair Sorrentino. Are there any questions from the committee? Seeing none.

**RYAN McINTOSH:** Thank you.

**KAUTH:** Thank you for your testimony. Hello.

**KORBY GILBERTSON:** Chairwoman Kauth, members of the committee, for the record, my name is Korby Gilbertson. It's spelled K-o-r-b-y G-i-l-b-e-r-t-s-o-n, appearing today as a registered lobbyist on behalf of the League of Nebraska Municipalities and the American Property Casualty Insurance Association in opposition to both LB1009 and LB1011. Not gonna repeat what you've already heard from other opponents, but I guess I'm here to, as Senator Conrad said, to use scare tactics. And I don't think they're actually scare tactics. I'm saying that this is a real possibility, and it's we're just telling you, especially when you look at the fiscal note. Obviously political subdivisions will be in the same situation that the state is. This is a real cost increase that they will face and, as all of you know, the only way they can pay with these-- for these increases is through property taxes. The same effect could happen to employers who avail themselves of the workers' compensation system through insurance. I'd be happy to answer any questions.

**KAUTH:** Thank you for your testimony. Are there any questions from the committee? Seeing none.

**KORBY GILBERTSON:** Thank you.

**KAUTH:** Next up. Anyone else wishing to testify on the combined LB1009 and LB1011? Senator-- is anyone speak-- testifying in the neutral? No? Senator Dungan. And while you're coming up, we have for LB1099, 9 proponents, 6 opponents, and 1 neutral. And for LB1011, we have 6 proponents, 1 opponent, and zero neutral.

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**DUNGAN:** Thank you, Chair Kauth and members of the Business and Labor Committee. I appreciate the testifiers coming in today to provide a little bit more expertise. I know that these subjects are very dense and they're very complicated unless you act-- actively practice in workers' comp. There's a lot of ins and outs that I think are difficult for the public, certainly us as senators to understand. So I appreciate both the opposition and the proponents coming in to talk a little more about this. At the end of the day, what I'm trying to do with bills is make sure that there is-- essentially, we're making sure that nobody's falling through the cracks. I understand, as Senator Raybould said during the opening, we have to be balanced in our approach. We need to make sure that we are not being overly burdensome. But it's been clear in my research and in conversations of people who work in this field that there are absolutely everyday, hardworking Nebraskans that are falling through the cracks, who do live paycheck to paycheck, as was pointed out in the testimony, who find themselves in situations where they're unable to make ends meet by having to wait for that actual workers' comp to kick in or by virtue of being terminated without good cause or without any prior warning. So I'm happy to address any of the concerns the opposition would have with regards to these two bills with amendments. Senator Raybould, we will try to get a little more information to the committee regarding how other states operate, although I do think that, as was stated during the testimony, Iowa does have some of the similar provisions that are being proposed here. So it's not as though these would be issues of first impression for workers' comp to look at. With regard to the fiscal note, you know, I was parsing that apart myself when I got those earlier today, when I was looking at that. As has been indicated, especially with LB1011, that number is a little bit higher, I think, than maybe I'd anticipated. And certainly it looks like the bulk of that fiscal note comes from that continuing payments for an additional 30 days. My understanding from the analysis being done here is there's an assumption that the 120 claims of TPD and the 214 TTD payments would then just be extended. You know, obviously that's an estimate and I know the Fiscal Office has to work with whatever they have, but certainly I don't know if that would necessarily be extended to all of those cases that were being looked at from July of 2024 to June of '25. My understanding is, in addition to that, they're also looking at max-wage earners. So it's kind of a very high-end assumption, and obviously not all of that money is coming out of general funds. There's still the cash funds, federal

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revolving funds as well. So happy to talk with other opposition folks about this in ways we might be able to come to some agreements. But at the end of the day, just want to make sure that the system works for everybody. With that, I'm happy to answer any final questions.

**KAUTH:** Thank you for your testimony. Any questions? Senator Raybould.

**RAYBOULD:** Thank you very much. I appreciate your taking a deeper dive into the fiscal note. I know that seems like a huge fiscal hurdle to overcome when, you know, the general is a million, the cash is \$400,000, revolving is \$1.6 million, and the contribution from federal is \$111,000. So it, it just seems like something that's really insurmountable, certainly this year, as we're dealing with a lot of negative numbers. So I appreciate all your efforts on it. And it just seems, I don't know if I'm reading this correctly, but in the, the first-- or the second sentence it says, temporary disability benefits would continue until a maximum medical impairment MMI, rating is determined. But then it says, with no credit against the permanent benefits for the MMI. That sort of goes contrary to the testimony that we've heard from so many, is that there is, you know, with the continuation of the temporary disability benefits, those are often credited to the permanent disability amounts given. So I don't, I don't know if they meant to say that or not, and that could be another reason why it seems so high.

**DUNGAN:** Yeah, and I would have to, again, you know, as you know, Senator Raybould, we get these fiscal notes relatively quickly right before we get the bills up for hearing and then we're sort of left to parse them apart at no fault of the Fiscal Office. I know they have a lot they're dealing with right now. But I will do a deeper dive into that to make sure that I better understand some of the assumptions that are being made here. As I kind of just said, I think a lot of these are sort of max assumptions and estimates that are being made. It does seem much higher than I think it should be, but I'm gonna do a deeper dive into that to better understand what some of those numbers are based off of.

**RAYBOULD:** OK, thank you.

**KAUTH:** Any other questions? Seeing none, thank you, Senator Dungan.

**DUNGAN:** Thank you.

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**KAUTH:** OK, I'm making way for LB1077 with Senator Brandt. Oh, we are clearing the room. Welcome to Business and Labor, Senator Brandt.

**BRANDT:** Well, good afternoon, Senator Kauth and members of the Business and Labor Committee. I'm Senator Tom Brandt, T-o-m B-r-a-n-d-t, I represent the 32nd District: Fillmore, Thayer, Jefferson, Saline, and southwestern Lancaster Counties. Today, I'm introducing LB1077. Nebraska uses the National Council on Compensation and Insurance, NCCI, as its licensed rating and statistical organization for workers' compensation. Which is true of most states. NCCI looks at workers' comp claims data for businesses from the previous three years to see how they compare to industry averages to determine their experience modification, EMOD. That EMOD is then used to set workers' compensation for that business. For purposes of reporting data that impacts the EMOD, Nebraska is a gross reporting state. This means that all of a business' claim is reported and impacts their EMOD. Other states, such as Kansas, Colorado, Iowa, and Missouri, allow for net reporting of claims to NCCI. For these states, any deductible payment made toward a workers' compensation claim is not reported to NCCI and therefore does not go against their EMOD. LB1077 would make Nebraska a net reporting state for businesses with a deductible workers' compensation insurance plan. Net reporting would give Nebraska businesses more control of their EMOD, and that EMOD alone is vital for many businesses' ability to get contracts. Keeping the EMOD low is also important for controlling premiums. Of the states using NCCI, as Nebraska does, about 43% are net-reporting states. So this is not novel. LB1077 would put Nebraska businesses on equal footing with those states, including several of our neighbors. If LB1077 passes, nothing will change for businesses not choosing a deductible plan. Workers' compensation benefits for employees also will not change. But for businesses that utilize a deductible plan and therefore retain part of the risk, this bill would give them a tool to help control their EMOD and keep their premiums down, as businesses are able to do in neighboring states of Kansas, Iowa, Missouri, and Colorado. There are some experts from those states here today that can help answer any detailed questions. And with that, I thank you for your consideration and would answer any questions.

**KAUTH:** Thank you, Senator Brandt. Are there any questions? I have one. Kansas, Missouri-- tell me the states again.

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**BRANDT:** Kansas, Iowa, Missouri, and Colorado.

**KAUTH:** Thank you.

**BRANDT:** Of our neighboring states.

**KAUTH:** OK, thank you very much. Are you staying to close?

**BRANDT:** Yes.

**KAUTH:** OK, thank you. First proponent. I'm so sorry.

**RAYBOULD:** Yeah, I was just reading some of the comments. So it seems like our neighboring states are net-reporting states, but then it says about 30 other states are-- and like South Dakota are gross-reporting.

**BRANDT:** There, there will be an expert following me.

**RAYBOULD:** OK.

**BRANDT:** They are kind of a hybrid state and, being in that business, they'll be able to explain in detail what the difference is. Wyoming is very unique, South Dakota's a little bit unique, and then these other four states would be very similar to what we're trying to do.

**RAYBOULD:** Great. Thank you.

**KAUTH:** Thank you.

**BRANDT:** All right.

**KAUTH:** First proponent. Good afternoon.

**BRIAN McELGUNN:** Good afternoon. Chairperson Kauth and members of the committee, thank you for the opportunity to speak to you today on LB1077. My name is Brian McElgunn, B-r-i-a-n M-c-E-l-g-u-n-n. I'm the vice president of claims management for ProValue Insurance. ProValue Insurance is an independent agency providing insurance solutions and business services to organizations and individuals throughout mid-america. We serve a var-- a variety of industries, including agriculture, trucking, commercial business, and cooperatives. Additionally, ProValue staffs safety and compliance and human resource consulting services to help organizations strengthen their operations. Since 1947, ProValue Insurance has been a trusted partner in helping

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safeguard organizations, individuals against risk. In addition, ProValue is a cooperative. It is owned by 84 cooperatives operating in Kansas, Nebraska, Colorado, Iowa, Missouri, South Dakota, and Wisconsin. Throughout our business, we work with both NCCI gross and net-reporting states, as well as one independent bureau state. The majority of our customers retain part of the risk of a claim by carrying a deductible. In a gross reporting state, the insurer does not get credit for any deductible in the calculation of the workers' comp experience mod, known as the EMOD. In the net-reporting state the loss is reduced by the deductible before the EMOD is calculated. The purpose of experience rating is to calculate a factor that tailors the cost of insurance for the insured as compared to their industry. It is-- it uses past experience as a predictor of future performance. It is an integral part of calculating the cost of workers' comp. Each employer is evaluated based on their prior claims experience compared to the industry they operate in. With this information, a unity, debit, or credit EMOD is calculated. A unity EMOD is a 1.0 and is the average. If your claims are lower, if your claims are lower than expected, a credit EMOD is generated, which reduces the worker's comp premium. If your claims are higher than expected, than expected, a debit EMOD is generated, which increases the worker's comp premium. In most lines of insurance, a deductible is required by the insurance carrier, and the deductible is directly related to the final cost of insurance. We refer to this as risk retention. However, Nebraska is a gross-reporting state for workers' comp insurance, and the insurer's deductible has no effect on their EMOD. The insurer covers part or all the costs of a claim with their deductible, but there is no credit given to the EMOD. LB1077 would allow the insurer to receive credit for the deductible paid, lowering their EMO and, in turn, lowering the cost of insurance. LB1077 in no way affects the benefits provided to an injured employee through their work comp insurance. It encourages timely, accurate reporting of an employee, employee's injuries and helps remove the motivation for employers not to report claims. Also, companies that operate businesses in a net-reporting state have an advantage over a business in a Nebraska-- in Nebraska because--

**KAUTH:** You have the red light. Let's see if anybody--

**BRIAN McELGUNN:** Sorry.

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**KAUTH:** That's OK. Let's if anybody has-- are there any questions from the committee? Senator Raybould.

**RAYBOULD:** Could you continue your thought on the advantages and disadvantages that you--

**BRIAN McELGUNN:** Well, for some industries, when a, say a contractor goes for a, a bid in Kansas, that, that bid-- they can only bid on it if their mod is a 1 or lower. So if they have a mod over a 1, their bid will not be accepted. So for the surrounding states, whether it be Kansas, Nebraska, if they're going after a contract in those states and they're gross-reporting, like Nebraska, they could be excluded from the ability to bid on that contract.

**RAYBOULD:** So in your opinion, it would be most beneficial if we went to a net evaluation--

**BRIAN McELGUNN:** Yes.

**RAYBOULD:** --so we can capture that credit.

**BRIAN McELGUNN:** Yes.

**RAYBOULD:** OK. Thank you.

**KAUTH:** Other questions? Senator Sorrentino.

**SORRENTINO:** Thank you, Chairwoman Kauth. In the world of health insurance, and I know this isn't health insurance, the one true way to reduce costs is to accept risk. So those who are in favor of a net type of arrangement as you are, are really doing what the same thing we're doing in health insurance, it's take a little bit more risk. We want credit for that risk by getting to count the deductible towards-- not having it count towards our, our gross reporting. Why would anybody want to be a gross-reporting state?

**BRIAN McELGUNN:** I can't answer that because I've never figured that out. I do hear there, there are some, some statements out there that net-reporting states have more claims. I don't know how that's proved because, as I stated, a gross-reporting state there's a possibility that all-- not all claims are being turned in. So if they're at their deductible or below, there's an incentive for a business not to turn the claim in. It's going to be paid, but it won't be turned in, which

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is, which is a real risk for the employee if something goes south with that claim.

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

**KAUTH:** Other questions? I have one. Do you have an idea on average how much this would save businesses?

**BRIAN McELGUNN:** Well, I can tell you, we did a, an analysis of five of the co-ops that we represent here in Nebraska that we work with, and the total on all five of those was, was about \$250,000 for one year.

**KAUTH:** Savings?

**BRIAN McELGUNN:** Savings.

**KAUTH:** That's fairly impressive. Thank you very much for your testimony.

**BRIAN McELGUNN:** Thank you.

**KAUTH:** Next proponent. Good afternoon.

**MARK LOWRY:** Thank you, Chairman Kanooth-- Kanauth [PHONETIC] and members of the committee. Thank you for this opportunity to speak today. My name is Mark Lowry, M-a-r-k L-o-w-r-y. I am the director of insurance for Foote Business Services. I manage and oversee insurance, safety, and risk management services to agribusinesses owned and operated by the Foote family. This includes our cattle operations in Nebraska and our feed operations, feed lot, feed yard operation in Imperial, Nebraska, known as Imperial Beef. In addition to our Nebraska operations, we also own and operate feed yards and cattle operations in Kansas. As a result, we have firsthand experience operating under both net reporting and gross-reporting workers' compensation models. Based on that direct experience, we strongly prefer net reporting because it more accurately reflects actual risk, supports timely injury reporting, and results in a fairer and more predictable system for both employees and employers. We are a family-owned agricultural businesses that employ hardworking men and women in physically demanding jobs. Like many employers in production agriculture, we take workers' safety seriously and view workers' compensation as an essential protection for our employees. LB1077 would allow Nebraska businesses to use net reporting for workers'

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compensation when they assume additional risk through that deductible. Simply put, this change allows the deductible amounts to be excluded from their calculation of the business mod. This approach reduces long-term premium costs and preserves a strong incentive for injury prevention and sound risk management. To provide one practical example, if one of our employees sustains an injury, we want that employee to seek medical attention immediately, every time. Under the current gross reporting system, however, if the claims frequency is a factor calculating an employer's experience modification factor and can ultimately increase premium costs. This can unintentionally discourage some employers from reporting those minor injuries, and even those, those injuries may later become more serious and require additional care. It is critical that every employee receives appropriate medical attention for every work-related injury. And the workers' compensation system should support that outcome. From the business owner's perspective, net reporting is a more accurate way to measure risk. Workers' comp premiums should reflect the actual exposure the insurer is taking on. And the last point I want to make is just as importantly, net reporting does not negatively impact employees. Workers continue to receive the same wages, the same benefits, and the same workers' compensations protections if an injury occurs. In fact, financially stronger and more competitive employers are better positioned to retain employees, provide consistent work opportunities, and continue investing in safer workplaces. LB1077 is a practical and reasonable update that benefits both employers and employees. We respectfully ask the committee to support this modernized approach to work comp, one that improves accuracy, strengthens Nebraska businesses, and maintains strong worker protections. I'll answer any questions I, I can for you.

**KAUTH:** Thank you for your testimony. Are there any questions from the committee? Seeing none, thank you very much.

**MARK LOWRY:** Thank you.

**KAUTH:** Next proponent. Good afternoon.

**CHRIS WAGNER:** Good afternoon. Thank you, Chairperson Kauth and members of this committee, for allowing me to take the time to speak today in support of LB1077. My name is Chris Wagner, C-h-r-i-s W-a-g-n-e-r, and I am CEO of Country Partners Cooperative, a farmer-owned cooperative headquartered in Gothenburg, Nebraska. We operate in grain, agronomy,

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and energy, and the feed business across central Nebraska, serving approximately 4,000 member-owners. And as you know, since 2020, all businesses have seen costs continue to escalate, and we view LB1077 as a way to in one area to help slow the cost of increase. I believe, as has been previously stated, in other lines, we are given credit for deductibles. But in, in work comp and currently in Nebraska, we are not. I previously was a CEO of, of a cooperative in Kansas, and so I have experience in both sides. And when I arrived in Nebraska and we were looking at insurance, it was a, it was a stark difference between, between the two in work comp because of the difference in reporting. And so seeing the difference is one of the reasons I'm here today, is because I, I obviously understand that it will make an impact to our business in a meaningful way, in a material way. I think it also removes the incentive, which is very important, it removes incentives for all businesses in Nebraska to underreport injuries. And that way-- because it doesn't penalize you if it falls below your deductible. And then today, the, the environment definitely would incentivize a business not to report. And I think that's, that a-- that's a risk that employees shouldn't have to be a part of. I also would like to say in no way today would, would whatever this policy, if it changes or doesn't change, our safety program isn't going to be impacted. It has no bearing on our safety program. We're going to work hard to be safe regardless. So I don't think the two are connected. And with that, I would just ask for you respectfully advance LB1077, and thank you for your time today.

**KAUTH:** Thank you very much. Any questions from that committee? Senator Sorrentino.

**SORRENTINO:** Thank you, Chairwoman Kauth. I just, I want to know if you would agree with this assessment. Employers pay a deductible, and in a gross state, they basically don't get credit for that deductible because we put it on a gross basis. It's almost like double taxation. I have to pay my deductible, but then when I turn around and calculate my mod for worker's comp, I don't give credit for it. Is that fair?

**CHRIS WAGNER:** That's how I perceive it, yes.

**SORRENTINO:** I do too, thank you.

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**KAUTH:** Thank you, Senator Sorrentino. Other questions? Seeing none, thank you for your testimony.

**CHRIS WAGNER:** Thank you.

**KAUTH:** Next proponent. Good afternoon.

**ADAM FESER:** Good afternoon, Chairman Kauth and members of the Business and Labor Committee. My name is Adam Feser, A-d-a-m F-e-s-e-r. I'm the director of cooperative advancement for the Nebraska Cooperative Council. We're a statewide asso-- nonprofit trade association representing nearly all of Nebraska's supply and marketing ag co-ops, and several rural, electric, and telephone co-ops as well. The council supports LB1077, and we want to thank Senator Brandt for bringing this important bill. I don't need to repeat a ton of what has already been said. I actually just wanted to highlight that our cooperatives across the state, we have nearly 400 locations. Often we're the largest employer in the communities we're in in rural Nebraska. Our cooperatives have 5,322 employees across the state. So obviously, workers' compensation is important and a substantial cost for our co-ops. You've probably heard me say this in several committee hearings at this point, but the ag market right now, our co-ops are facing several challenges to profitability. Overhead costs like insurance are certainly one of the sharply increasing ones that we need to find ways to address. LB1077 seems like a sensible way to try to give them more control over their premium by controlling their EMOD with net reporting in a way that doesn't impact benefits for employees. And also for those businesses that choose not to have a deductible, nothing will change. Those businesses, if they choose to, to do so, like, won't even notice that this bill passed, I wouldn't think. There might be several that might choose a deductible, so they would have more control over their experience mod. As Chris said, our co-ops take safety extremely seriously. Ag work can be dangerous. We all know they have teams dedicated to it, employee-- specific employees dedicated to safety. They take it seriously. So we do think if they have skin in the game, they have, you know, a deductable, they're taking on part of that risk, they should be rewarded as such, especially when other states that take on that risk are able to. So we think LB1077 is just a great way to help our businesses. And as Senator Sorrentino had said, you know, if you take on the risk and then you pay the deductible, and then also you still have to report it, and then you have to pay more on your premium, that does seem like

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you're getting hit twice paying for the same thing. So with that, I will wrap up and try answer any questions you might have.

**KAUTH:** Thank you for your testimony. Are there any questions from the committee? Seeing none, thank you. Next proponent. Good afternoon.

**RON SEDLACEK:** Good afternoon, Chair Kauth and members of the Business and Labor Committee. For the record, my name is Ron Sedlacek, R-o-n S-e-d-l-a-c-e-k, I'm here on behalf of the Nebraska Chamber of Commerce and Industry. I think I can reduce my testimony down from a couple of pages to a few notes that might not have been covered and not be repetitive for the committee. The Nebraska Chamber first looked at this particular concept a couple of years ago. And it took a while for our experts, I would say, in the work comp area to decide whether or not we should take a position on the legislation. And we've come to study the issue enough that we're comfortable in saying we support it. What I would like to mention is we've talked about surrounding states that now have gone to net reporting, Kansas, Missouri, Iowa, Colorado. Wyoming's a little bit different because it's a monopolistic state. It has that kind of structure where the employers purchase the work comp insurance via a state program. I think there's three other states, Ohio, and a couple of others, that do that. So those are, those are totally different models. South Dakota is still gross reporting. But what we see is in adopting this particular measure, we would have more accurate risk assessment, administrative efficiency. We could focus on true financials and we could duce-- reduce the regulatory burden. As mentioned by Senator Sorrentino, and we've already referred to that, there's more skin in the game. And I think that really mitigating workers' compensation losses and having a proper response plan are the best ways to keep your mod down. If you have that kind of skin in the game, you're going to have further incentive to do so. And so we see this as a positive measure, and we would support it.

**KAUTH:** OK, thank you very much. Are there any questions from the committee? Seeing none, thank you for your testimony.

**RON SEDLACEK:** Thank you.

**KAUTH:** Next proponent. Any opponents? Anyone wishing to speak in the neutral? Senator Brandt, would you like to close?

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**BRANDT:** I guess just to highlight what some of the speakers, the proponents have said, the first testifier wanted to point out, it would give a business credit for the risk that they take. And currently, gross reporting puts Nebraska businesses at a disadvantage when they go across the border to states that have net reporting. Some states will actually write into their contracts that your mod can be not more than a set number. And so Nebraska businesses may not go to Kansas or Iowa to bid projects, whereas if we had this system and that business was doing a net system, they would have a much lower mod. It supports timely injury reporting so that the system is not gamed as it is under gross. It removes the incentive to underreport injuries. We need to tighten our belts in agriculture right now, and LB1077 helps us to do that, and it gives us more accurate risk assessment. And that's kind of a summation of everything that you heard today. Any questions?

**KAUTH:** Any questions from the committee? Seeing none, thank you.

**BRANDT:** I like what you've done with Senator Moser's office, so. It's kind of--

**KAUTH:** It's a bit of a dungeon.

**BRANDT:** It's kind of ironic that this is my final bill and the first time I've ever been in this committee. So now I can check all the 14 boxes.

**KAUTH:** There you go. Congratulations.

**BRANDT:** Thank you.

**KAUTH:** Thank you, Senator Brandt. And that concludes our hearing on LB1077. And for the record, there were 2 proponents, zero opponents, and zero neutral. And Senator Sorrentino, I'm gonna turn it back over to you.

**SORRENTINO:** All right. Senator Kauth, it's my understanding that we are going to have a combined hearing with LB1170 with Senator Wordekemper, correct?

**KAUTH:** Correct. And I believe his-- there he is.

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**SORRENTINO:** Speaking of which. So if you are free to open on LB1133.

**KAUTH:** Thank you very much, 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'm here today to introduce LB1133. LB1133 is the state claims bill. This bill is to pay the settlements made by the Attorney General and the State Claims Board, as well as approve requests of many of the administrative agencies to write off certain accounts. The Attorney General has reached one state settlement on behalf of the Nebraska Department of Veterans Affairs in regards to VA disability and dependent benefits owed to Rodney Gerald Hoelscher, totaling \$51,791.88 to be paid out of the General Fund. He alleged that a state VA employee failed to timely file documentation with a federal VA, costing him a number of benefits. The State Claims Board and the Attorney General have offered one indemnification claim totaling \$354,456.23 to be paid out of the General Fund. This offer comes from the Nebraska State Patrol settling with former Captain Kurt Von Minden who claimed retaliation after Von Minden investigated and disciplined troopers accused of significant criminal activity and unlawful conduct. The Attorney General has settled five workers' compensation court claims totaling \$882,500 to be paid out of the Workers' Compensation Revolving Fund. Most involve the employee becoming injured on site during their duties, while one involves an employee being injured in a car accident. A variety of state agencies are seeking to write off certain accounts that have been approved by the State Claims Board totaling \$2,842,751.13. Most involved debts of benefits paid out incorrectly that have not been paid back or reimbursed. This concludes my testimony, and I'd be happy to answer any questions.

**SORRENTINO:** Questions of Senator Kauth? Seeing none, thank you. I assume you'll stick around?

**KAUTH:** I'll stay to close.

**SORRENTINO:** I think the order we will go in is now Senator Wordekemper, you're free to open on your bill, LB1170. Senator Wordekemper.

**WORDEKEMPER:** Good afternoon. Thank you, Chairman Sorrentino. I want to starting out thank Senator Kauth for having this as a joint hearing. Members of the Business and Labor Committee, my name is Dave

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Wordekemper, D-a-v-e W-o-r-d-e-k-e-m-p-e-r, and I'm here and I representing Legislative District 15. I'm here to introduce LB1170, a cleanup bill developed in close consultation with DAS, the Attorney General's Office, and Senator Hallstrom. It addresses two separate areas of statute, and while it is a cleanup bill, it includes two incle-- incredibly important provisions. The first two sections deal with the State Tort Claims Act Correctional Institution Incident Provisions. In 2018, then Senator Dan Watermeier authored LB861 to address a situation facing Johnson County, which bore the prosecution costs for crimes committed at the Tecumseh State Correctional Institution, despite having no control over who is housed there. LB861 established the threshold framework we still use today, allowing counties to recover prosecution costs exceeding 2.5 cents per \$100 of taxable valuation. It was a sound solution, but the real-world complexity of these prosecutions revealed a gap. The Tecumseh riots generated lengthy, multi-defendant prosecutions that didn't resolve in a single claim cycle, leaving counties uncertain whether they could file subsequent claims, and costs continued to accumulate. LB1170 clarifies that a county may file more than one claim for a single incident, but only when the threshold is met for each claim or prosecution has been resolved, and only for the costs not already subject to a prior risk manager decision. It honors the original intent of LB861 while making sure the statute works the way this committee intended. The remaining sections address the current Line of Duty Death Compensation Act. This part of the bill has two purposes. One, aligning Nebraska's statute with updated federal law. And two, correcting a procedural gap exposed by the line of duty death case out of Grand Island last year. In the federal alignment, Congress updated the federal Public Safety Officers Benefit Act this past December on a bipartisan basis formalizing presumptions for cancer and cardiovascular conditions experienced in the line of duty. Nebraska's act already contained some of these presumptions. But our language needed to be brought into conformity with federal frame-- framework to ensure consistency. LB1170 refines the definition of killed in the line of duty to include three presumptive categories. One, a cardiac event occurring during or within 24 hours of strenuous activity on duty. Two, a cancer diagnosis following documented on-duty exposure to a toxin or a carcinogen after at least five years of service. And three, death from mental illness tied to cumulative traumatic exposure where the officer was diagnosed or sought help. The bill allows each presumption to be overkind-- overcome by competitive medical evidence.

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The Grand Island case showed that our cardiovascular language could be read too narrowly in a way the Legislature never intended. By importing the federal language, we will close the gap and protect future families from the same outcome. LB1170 doesn't expand government or create new cost, it makes sure the protections Nebraska has already committed to actually function as intended for the counties that bear the cost of prison proximity, and for the families of officers who gave their lives in service to this state. We do have an amendment we are working on with DAS and Senator Hallstrom to further clarify the provisions of the Corrections provision. I'm happy to answer any questions, but somebody more qualified might be behind me. Thank you.

**SORRENTINO:** Thank you, Senator. Questions of Senator Wordekemper? Yes, Senator Raybould.

**RAYBOULD:** Thank you, Senator Wordekemper. So could you go over the mechanics of how this would work? If a county has a claim and that amount would exceed a certain threshold, could they apply to the state for a relief on that claim, much as the bill was established originally for helping--

**WORDEKEMPER:** I will defer that to a member from the DAS on how they pay those claims.

**RAYBOULD:** OK. All right, thank you.

**SORRENTINO:** Senator Hansen.

**HANSEN:** Well, you're brave because you mentioned two things in your own-- you said a cleanup bill and Senator Hallstrom. So already we question it.

**WORDEKEMPER:** Are they both cleanup? Are they both cleanup?

**HANSEN:** No. OK, so I was reading through the qualifications of what an injury or illness shall be presumed to have been. The first one is an injury illness is a heart attack, stroke, or vascular rupture that occurred where the symptoms of such injury or illness manifested while the public safety officer was engaged in, or within 24 hours after, non-routine stressful strenuous activity. Why the 24 hours after? Is that just routine? Is that like-- I understand, they had-- they were--

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had a stressful incident which may have put stress on the heart, which may have lead to that. But like how do you prove that?

**WORDEKEMPER:** I think that when that bill was passed, we had to put some sort of criteria in there so that somebody couldn't come back days later and say, you know, I died three days later that I went on that. We wanted to put in some sort provision that says if it happened within 24 hours, it was maybe more than likely it happened while he was on duty. We didn't want it to linger out there.

**HANSEN:** Not so much qualifying, it's more to prevent somebody from saying something outside of that time frame.

**WORDEKEMPER:** That, that would be my assumption.

**HANSEN:** OK, all right, cool. Thanks.

**SORRENTINO:** Further questions? Thank you, Senator Wordekemper.

**WORDEKEMPER:** Thank you.

**SORRENTINO:** I assume you'll stick around to close?

**WORDEKEMPER:** Yes.

**SORRENTINO:** So what we'll do now, testifiers, after you've introduced yourself, if you would then identify which bill you are testifying on and whether or not you are a proponent, opponent, testifying in a neutral capacity. If you're testifying of both bowls, please submit a separate green sheet for each bill. Thank you

**SARAH SKINNER:** Good afternoon. Good afternoon, Vice Chair Sorrentino and members of the Business and Labor Committee. My name is Sarah Skinner, S-a-r-a-h S-k-i-n-n-e-r, and I'm the risk manager for the State of Nebraska at the Department of Administrative Services. I am testifying on LB1133, commonly referred to as the Claims Bill, to authorize payment of claims against the state of Nebraska. The purpose of my testimony is to summarize the types of claims that can be filed, and the statutory process for reviewing these claims, as groundwork for the more detailed claim testimony to follow me. The Department of Administrative Services Risk Management Division's statutory mission is to identify and minimize financial risks to the state. We manage the administrative filing of claims in the State Claims Board. This

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process allows the state to pay claims for which it likely bears liability without engaging in costly litigation. Risk management's role is primary-- is primarily administrative, and we rely heavily on agency investigations and the advice of the Attorney General's Office. The types of claims include tort, miscellaneous, contract, and line of duty claims. Tort claims are any claim against the state of Nebraska for money only on account of damage to or loss of property, or on account personal injury or death caused by the negligent or wrongful act or omission of any employee of the state while acting within the scope of his or her office or employment under circumstances in which the state, if a private person, would be liable to the claimant for that damage, loss, injury, or death. In most cases, claims under \$5,000 may be approved by the risk manager. Claims above \$5,000 require the State Claims Board approval. And claims over \$50,000 require legislative approval. Claims exceeding \$25,000 also require district court approval. Miscellaneous claims are any claim for which the state bears liability, but for which there is no specific provision of law. The approvals thresholds-- excuse me, the approval thresholds mirror those for tort claims except district court approvals. Contract claims are any claim against the state involving a dispute regarding a contract between the state of Nebraska or a state agency and the claimant, other than employment contracts. These must be heard by the State Claims Board. And settlements over \$50,000 also require legislative approval. line of duty claims are filed by beneficiaries of public safety officers killed in the line of duty, and approved claims also require State Claims Board and legislative review, review. Additionally, any litigated claims settled by the Attorney General for more than \$50,000 must be submitted to the Legislature. These may include tort, contract, workers' compensation, or other claims. AM2008, which I believe was, was just sent over to the committee today, includes three additional claims, and also likely an additional amendment will be required based on pending settlements or a line of duty claim before the State Claims Board. Phoebe Lurz from the Attorney General's Office will address specific claim details, and our state agency representatives will speak to debt write-offs in section 5. So thank you for your attention, and this concludes my testimony on LB1133. I'm happy to take any questions.

**SORRENTINO:** Thank you. Questions of Ms. Skinner. Yes, Senator Raybould.

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**RAYBOULD:** Thank you, Ms. Skinner. I don't know if you've had a chance to look at LB1176-- No, LB1170. And on page 5, it talks about the heart attack, but also exposed to toxin or carcinogens. How, how will the state treat these type of concerns?

**SARAH SKINNER:** Well--

**RAYBOULD:** It talk-- I mean, you talked about line of duty death, but this is line of duty illness.

**SARAH SKINNER:** Yes, thank you, Senator, for the question. It's my understanding that the statute allows for the, the death-- or a benefit rather when there's an illness or injury that results in the death of a law enforcement officer or public safety officer. And so those provisions are mirrored from federal law and, and will essentially make-- provide some clarity around what's presumed to be part of, of the benefit that we provide to those who have given the ultimate sacrifice.

**RAYBOULD:** So the language in LB1170 is to become-- to be in compliance with the federal language?

**SARAH SKINNER:** It's-- they're still different, but it does draw some similarities, so that we have presumptions in our law of what we intend to pay out benefits for when it meets those criteria for cardiovascular and PTSD and cancer.

**RAYBOULD:** So the question that I had to Senator Wordekemper, how does the mechanics of it work for the counties when they want to file a request for assistance from the state on something that happened in the correctional system or with other officers in line of duty?

**SARAH SKINNER:** So we are processing those as we do with claims under the Miscellaneous Claims Act, and so right-- last year, you approved one of the claims for Johnson County but, as was mentioned by Senator Wordekemper, they do have ongoing costs associated with the prosecution and, and the incident in 2017. So I understand it's, it's certainly an unfortunate situation for them to, to have to bear those costs, and so we want to provide a way for them to, to be able to over this long period of time be able to submit claims. And it's unusual to have an additional claim in the claims process, so we're trying to create an avenue for this for them.

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**RAYBOULD:** OK, thank you.

**SORRENTINO:** Further questions from the committee? Seeing none, thank you, Ms. Skinner.

**SARAH SKINNER:** Thank you.

**SORRENTINO:** Next testifier, please.

**PHOEBE LURZ:** Good afternoon, Vice Chair Sorrentino, members of the committee. My name is Phoebe Lurz, P-h-o-e-b-e L-u-r-z. I am the Assistant Attorney General for the state of Nebraska and the Civil Litigation Bureau that advises the State Claims Board and the State Risk Manager. LB1133, as you heard, provides for payment of claims against the state. AM2008 updates LB1133 and becomes the bill. I am here to talk about Section 1, 2 and 3 of the bill. Section 1 of AM2008 covers miscellaneous claims owed by the state of Nebraska. The claim 2025-01061 is a miscellaneous claim that was filed with the State Claims Board by Rodney Hoelscher. He alleged he was owed disability and dependent benefits from the Department of Veterans Affairs. The department recommended that the Claims Board approve the claim because he met the eligibility requirements and, due to an error in filing them on behalf of department staff, the Claims Board approved the claim in the amount of \$51,791.88. It has been placed into the claims bill for review and appropriation. Section 2 of AM2008 is for one indemnification claim. Claim CI24-3163 and CI24-4457. These are two separate lawsuits that were filed covering the same conduct. This was-- these were settled by our office on behalf of the State Patrol. Kurt Von Minden filed an employment discrimination and retaliation lawsuit against the patrol related to employment actions taken while he was employed with the agency. In exchange for settling his claims, he was reinstated to the rank of captain and allowed to retire at that rank. He also received back pay and had his pension recalculated and paid out at the rate of pay he would have received as a captain. The back pay owed under the settlement was paid by the agency. The pension adjustment and ongoing payments are being paid pursuant to NPERS regular pension schedule. And finally, there was additional consideration included in the claim, because this is a claim under the Nebraska Fair Employment Practices Act, of \$404,456.23. We have paid the first \$50,000. The remaining \$354,456.23 is in the bill. Section 3 covers seven workers' compensation claims. The first was by Mr. Greg Mosley. He filed a compensation lawsuit against Wayne State College,

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alleging injury to his knee, as well as a psychological claim. That claim was settled. And I should mention, all workers' compensation settlements must be approved by the Workers' Compensation Court. So each of the claims I'm going to talk to you about has already been approved by the court, and the initial \$100,000 has been paid and the remainder has been placed into the bill. So his-- and I see my time is out.

**SORRENTINO:** Would you please continue?

**PHOEBE LURZ:** Thank you. So Mr. Mosley's claims were settled-- his indemnity and past medical expenses claims were settled for \$500,000. We have paid \$100,000, and \$400,000 has been placed into the bill. The second claim is by Mr. Stewart Craig against the University of Nebraska-Lincoln. He alleged an injury arising out of his employment to his neck. His claims for indemnity and past and future medical expenses were settled for \$262,500. \$100,000 has been paid, and \$162,500 remains to be reviewed and appropriated in the bill. The third claim is by Mr. Kenneth Cobb. He filed a work comp suit against the state, alleging an injury to his back while employed with Nebraska Game and Parks Department. His claims for indemnity and past and future medical expenses were settled for \$120,000. \$100,000 of that has been paid, and \$20,000 remains to be paid. The fourth claim is by Mr. Todd Rasmussen, alleging injury to his head, neck, low back, teeth, as well as a traumatic brain injury with migraines and headaches while involved in a motor vehicle accident with the Department of Corrections. His claims for indemnity and past and future medical expenses were settled for \$400,000. \$100,000 of that has been paid, and \$300,000 remains to be reviewed and appropriated. The fifth claim is by Anthony Dix, Jr. He alleged injury to his left knee and left shoulder arising out of the same accident while employed with the Department of Corrections. This claim resolves all indemnity past and future medical expenses for \$210,000. \$100,000 has been and \$110,000 remains for a review and appropriation in AM2008. The sixth claim is a settlement by Miss Tina Vaughan. She was employed by the Nebraska Department of Health and Human Services and sustained an injury to her head and neck with resultant migraines and headaches. She filed suit. Her claims were settled for \$225,000. These do leave future medical expenses open because she is of an age where we need to obtain CMS approval to resolve her future medical expenses. \$100,000 has been paid, and \$125,000 remains to be appropriated in AM2008. And the final claim I'm talking about is a settlement with Tiffany Colvin.

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Ms. Colvin alleged an injury to her head, cervical spine, lumbar spine, right hand with migraines and cervicogenic headaches arising out of a motor vehicle accident while employed with UNMC. These claims were resolved for \$150,000. \$100,000 has been paid, and the remaining \$50,000 is here in the bill for review and appropriation. So we would recommend that the Legislature appropriate sufficient funds to pay each of these claims. The agency representatives are here to talk about their write-offs after me, but I would be happy to answer any questions you might have.

**SORRENTINO:** Questions from the committee? Seeing none, thank you, Ms. Lurz, for your testimony.

**PHOEBE LURZ:** Thank you.

**SORRENTINO:** Next testifier, please.

**LEE WILL:** Good afternoon, Vice Chair Sorrentino and members of the Business and Labor Committee. My name is Lee Will, L-e-e W-i-l-l, and I'm the Director of the Department of Administrative Services, or DAS, and also a member of the State Claims Board. I'm pleased to testify before you today in, in support of LB1170. I want to thank Senator Wordekemper for not only introducing this legislation to our request, but also working with DAS in our efforts to solve these recently realized claims issues that LB1170 addresses. As Senator Wordekemper has outlined, we have identified two claim-related issues that need addressed. First, regarding correctional-- correctional incident claims available to counties for reimbursement of prosecution costs, and second, claims under the Line of Duty Compensation Act with no established presumptions. The correctional facilities incident claims, as adopted in 2018, permits counties to file a miscellaneous claim to recoup prosecution costs associated with prison incidents. Given the lengthy prosecution with appeals, it has become apparent that counties may need an opportunity to submit more than one claim in order to recoup claim costs that exceed the statutory threshold. LB1170 will, will allow a county to file multiple claims if this threshold is met for each claim or once prosecution has been resolved. We will provide further clarifying language to the committee that ensures that the threshold will be factored on the incident as a whole and not individual claims. While this will satisfy an immediate concern facing Johnson County with past and ongoing prosecution costs accruing, it also provides a reasonable approach to any future claims and how we

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can expect to handle county claims with potentially prolonged prosecutions in the future. The next significant change to the claims process in LB1170 impacts the Line of Duty Compensation Act that establishes a presumption in line with the federal Public Safety Officers' Benefit Program. This is not intended to expand eligibility under the current law for our law enforcement who paid the ultimate sacrifice, but to build in a presumption of the illness or injury that results in an officer's death. As a result of these changes, I believe it will provide needed clarity under the act for determination of a line of duty claim by the State Claims Board. LB1170 specifically aligns Nebraska's law with presumptions and diseases in federal statutes to include cardiovascular disease, cancer, and carcinogen exposures, and post-traumatic stress disorders. LB1170 also reverts the Line of Duty Compensation Act back to the claims process under the Miscellaneous Claims Act as amended a couple years ago. I understand this to be more consistent with the supporter's intent and won't require survive-- surviving family members to go to court if a claim is denied as under the Tort Claim Act. LB1170 is a straightforward proposal to reinforce existing claims procedures and ensure good governance, and execution of these laws. I'm happy to answer any questions from the committee, and thank you for your consideration.

**SORRENTINO:** Questions from the committee? Yes, Senator Raybould.

**RAYBOULD:** Yes, thank you, Mr. Will. So my question is, is similar to allowing the counties to file correctional claims. And so the line of duty presumption would be treated the same way. Is that correct?

**LEE WILL:** Treated the same way in--

**RAYBOULD:** In the sense that the counties can apply for a claim for the state to help with reimbursement. Am I reading that wrong?

**LEE WILL:** I think in that instance, it would actually be the family members that are filing the claim. Is that right, Sarah? Yeah. So that would actually be the family members, whereas the correctional incident would be on the counties.

**RAYBOULD:** OK. I thought that counties could file like in Johnson County.

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**LEE WILL:** So that's on the correctional facility side. Are you talking on that or the in-the-line-of-duty compensation?

**RAYBOULD:** Well, I'm talking about both, and I'm just trying to confirm and understand better. The mechanics for both are the same, is that correct?

**LEE WILL:** OK. So the mechanics would come in front of the State Claims Board, so that would be the way that they were the same. So maybe I could talk through the Johnson County Correctional Institute, and I think correctional claim. So they have 2.5 cents on \$100,000 valuation within Johnson County is around \$238,000. What happened with them is they've met their threshold, but they have a lot of other legal remedies that are still out in that county. So we want to allow them the ability to, when there's an appeals process, file another claim. Now it would be our intention in clarifying it, that this is based on the incident and not based on the amount of claims. So for instance, if they hit the \$238,000 threshold, they've met what they need to do at the locality level and the state would pick up the difference. So it's based on the incident and not based on number of claims. Now my understanding on the line of duty compensation is that is brought by the family members to the State Claims Board, so it would be brought through the same process. But is not the county that is bringing that, it's the family members of the one who, you know, paid, paid the ultimate sacrifice.

**RAYBOULD:** OK, thank you.

**LEE WILL:** Yep.

**SORRENTINO:** Further questions? Thank you for your testimony, Mr. Will.

**LEE WILL:** Thank you.

**SORRENTINO:** Next testifier, please.

**MICHAEL GREENLEE:** Good afternoon. My name is Michael Greenlee. I'm with the Department of Health and Human Services, and I'm here to testify in support of LB1133, specifically Section 5, which would permit the Department of Health and Human Services to write off certain debts owed for fiscal or accounting purposes and to provide additional information.

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**SORRENTINO:** Sir, could you please spell your name?

**MICHAEL GREENLEE:** Oh, I'm sorry. M-i-c-h-a-e-l G-r-e-e-n-l-e-e.

**SORRENTINO:** Thank you.

**MICHAEL GREENLEE:** The total debt for which DHHS is requesting write-off authorization is the amount of \$1,320,144.79. The requested write-off amount relates to debts owed to DHHS by the way of assistance provided through 15 different programs. The debts are due to overpayments made for services provided for which we have not yet been reimbursed. Prior to the submission of these debts for write-off, the agency pursued recovery through one or more of the following efforts: regular billing statements, recruitment, recoupment, demand letters signed by the program by one of the agency's directors and or by one the agency's attorneys, and finally, litigation. The debt is being submitted because the debtor has passed away with no probate being filed, the debtor has had the debt discharged via bankruptcy, or the applicable statute of limitations has passed to include money owed from persons who remained on needs-based assistance. The majority of this year's submission, nearly 89%, fall within the third category: debt that is uncollectable due to the statute of limitations. Much of that debt is owed by persons who are on needs-based assistance at the time their debt went past the limitations period and typically are insolvent. Prior to the submission for write-off, the department sent billing statements, mailed demand letters, and made telephone calls to no avail. We respectfully request the committee advance the bill to General File. Thank you for your time, and I'd be has-- happy to answer any questions.

**SORRENTINO:** Questions for Mr. Greenlee? Seeing none, thank you for your testimony. Oh, oh, Senator Hansen.

**HANSEN:** Yeah, sorry.

**SORRENTINO:** Couldn't see you way down there.

**HANSEN:** Yeah, how many people are we talking about here?

**MICHAEL GREENLEE:** You mean total accounts receivable?

**HANSEN:** Yeah.

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**MICHAEL GREENLEE:** One sec. It is a total of 847 accounts.

**HANSEN:** All right. That makes sense. It's different if it's 800 versus 8. You know?

**LEE WILL:** Very different.

**HANSEN:** About a million dollars, and 89% of that's in account, you know, statutes of limitations stuff. OK. All right, thanks.

**SORRENTINO:** Further questions? If not, thank you for testimony, Mr. Greenlee.

**MICHAEL GREENLEE:** Thank you.

**SORRENTINO:** Next testifier, please. For either bill proponent? There we go.

**REA EASTON:** Vice Chairman Sorrentino and members of the Business and Labor Committee, my name is Rea Easton, R-e-a E-a-s-t-o-n, Chief Financial Officer for the Nebraska Department of Labor. I appear before you today in support of LB1133. For claim number 2026-01524, the Department of Labor is seeking to write off both unemployment insurance benefit and tax set for the total of \$1,708,343.43. This number consists of 1,933 separate UI benefit over payments, totaling \$1,396,727.14, and 236 separate employer accounts, totaling \$311,616.29, all of which the department has determined uncollectable. There is no statute of limitations on any of the aforementioned debt, and NDOL is seeking to write off all debts that are over five years old and have not had a repayment of any kind in the last three years, debts that have been written off through bankruptcy and debts of businesses that have closed. To determine whether unemployment insurance benefit and tax that is uncollectible, the overpayment goes through several collection attempts. NDOL has statutory authority to collect through civil action, offset against future benefits, set off against any state income tax refund, and set off against federal income tax refunds if the overpayment is due to fraud or misreported earnings. In addition, and specific to tax debt, NDOL has statutory authority to place a stat-- state tax lien on business-- on the business, and personal liability is established. We may pursue personal liability of an individual employer, partner, corporate officer or member of a limited liability company or limited liability partnership. NDOL makes every effort to collect all outstanding debts

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and has litigated collection efforts in both state and federal courts. All the debts proposed for write-off have been the subject of multiple collection efforts. If a claimant has filed for benefits since the debt was established, the department has attempted to recoup the overpayment. Some may have had levies placed on their wages. Of the 1,933 UI benefit overpayments proposed for write-off, collection for all dent-- debts have been attempted through the Nebraska Department of Revenue state income tax refund offset program. 513 of these Debts were run through the IRS income tax refund offset program system to attempt collection against federal income tax refunds With respect to employer account tax debt, the Nebraska Department of Labor is seeking to write off \$311,616.29. To put this employer account deck-- account tax debt write-off in perspective, in 2024 alone, NDOL collected \$84,224,036.62 in UI combined taxes in reimbursable payments. As of October 2025, NDOL showed an outstanding receivable balance of approximately \$2,650,000. In October 2024, the account receivable balance was approximately \$4,130,000, this is a decrease of \$1,480,000 or 36% from October 2024. This concludes my testimony, I would be happy to answer any questions you have.

**SORRENTINO:** Questions, please. Seeing none, thank you, Ms. Easton.

**REA EASTON:** Thank you.

**SORRENTINO:** Next testifier, please.

**REGINA SHIELDS:** Good afternoon, Vice Chairman Sorrento [SIC] and members of the Business and Labor Committee. My name is Regina Shields, R-e-g-i-n-a S-h-i-e-l-d-s, and I am the agency legal counsel and legislative liaison for the Nebraska State Fire Marshal Agency. I am here today to testify in favor of LB1133, specifically claim number 2026-01512, and respectfully ask the committee to write off \$856 of debt that has been deemed uncollectible. This amount comes from conveyance inspection fees and boiler inspection fees that were unpaid due to a variety of issues, including bankruptcy, business closures, and ownership transfers. These fees were from 2020. The agency's efforts to collect these amounts include sending multiple letters requesting past-due payments, past-due notices, and extra phone calls. It has been determined that the cost for additional collection efforts would exceed the amount owed in each case, so the agency respectfully

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requests that these amounts be written off. Thank you for your time, and I'd be happy to answer any questions.

**SORRENTINO:** Questions? Seeing none, thank you for your testimony, Ms. Shields. Next testifier, please. Good afternoon.

**LILY KATHEE:** Good afternoon. Good afternoon, Vice Chair Sorrentino, and the members of the Business and Labor Committee. My name is Lily Kathee, spelled L-i-l-y K-a-t-h-e-e, and I serve as the Chief Financial Officer for the Nebraska Department of Transportation, NDOT. I'm here today to testify in support of the department's annual write-off claims as outlined in LB1133. The department respectfully requests your approval of the write-off request specified in Section 4 of LB1133 totaling \$98,759.21 for request number 2026-01521. The Nebraska Department of Transportation is entrusted with the critical responsibility of maintaining and protecting Nebraska's 10,000-mile state highway system, as well as NDOT's numerous maintenance yards and other facilities across the state. From time to time, the infrastructure gets damaged due to the actions of others. Most of the items that make up the write-offs involve motor vehicle crashes that damage highway guardrails, traffic signs, right-of-way fences, and state vehicles. NDOT follows a rigorous process to assess damages and recover the costs necessary to repair, reconstruct, or replace state property damage by the public. NDOT works hard to attempt to collect every dollar of damage caused to state property. And collection efforts include letters from the state property damage coordinator, as well as phone calls and letters from our agency legal division. NDOT's attempts to collect for these damages are sometimes unsuccessful for multiple reasons, including but not limited to the responsible party cannot be identified or located, the party has no insurance or insufficient insurance limits, the party has insufficient assets to pay off the indebtedness, or sometimes the responsible party is in bankruptcy or deceased with no assets. The items deemed uncollectible have been thoroughly reviewed and approved for write-off by our legal division, by the traffic engineering division engineer, or by the deputy director for operations, depending on the monetary thresholds. Given these circumstances, NDOT believes these amounts are now uncollectible, and as such, NDOT respectfully recommends the approval of these write-offs as reflected in LB1133. Thank you so much for the opportunity to testify. If the committee has any questions, I'd be happy to answer them at this time.

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**SORRENTINO:** Questions for Ms. Kathee? Seeing none, thank you.

**LILY KATHEE:** Of course. Thank you.

**SORRENTINO:** Next testifier. Good afternoon.

**NICOLE ZIMMERMANN:** Good afternoon, members of the Business and Labor Committee. My name is Nicole Zimmermann, N-i-c-o-l-e Z-i-m-m-e-r-m-a-n-n, and I'm the finance director for the Nebraska Department of Veterans Affairs. I'm here to discuss LB1133 request for agency debt write-off, claim number 2026-01526, related to a member in our veterans home who passed away without an estate for which to pay his member contribution, and which that remained due and owing after his death. The member contributions are the cost a member pays to contribute to their care while living in a state veterans home. Efforts were made to collect these sums but were unsuccessful. Further efforts would not be fruitful as the member does not have an estate or any assets from which to recover. The member lived at the Eastern Nebraska Veterans' Home in Bellevue. The outstanding debt is \$2,647.70. I respectfully request the board approve our request to write this off, and I'm happy to answer any questions.

**SORRENTINO:** Questions for Ms. Zimmerman? Seeing none, thank you for your testimony. Next testifier, please. I see. Anybody, somebody? That's fine. Just tell us which bill you're neutral on.

**DAVID BORRENPOHL:** LB1170.

**SORRENTINO:** OK.

**DAVID BORRENPOHL:** Good afternoon. Thanks for letting me speak today. I'm David Borrenpohl, D-a-v-i-d B-o-r-r-e-n-p-o-h-l. I'm a commissioner in Johnson County, District 1. My concern with LB1170 is page 2, line 22. It's been discussed about the language on that, on the incidents. As you see, the handout you got, the amount that Johnson County has paid out so far is \$456,619.40, our threshold at that time of occurrence was \$228,108.26. The state has paid us, June 23rd of '25, paid us \$182,058.97. We put an additional requested amount in on the twel-- December 3rd, 2024, for \$46,429.22. This is an ongoing case. What concerns me is on the-- this, if it's going to be the threshold is met per occurrence or I don't-- I'd hate to see it being brought down into individual. The threshold would be very hard for-- it'd be a huge burden for us. Right now, if there was something

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that would happen at the prison right now, it would put us up to \$350,000 that we would have to pay for the defense. So I guess that's what-- that language is what worries me a little bit, if we could get-- make sure that's per incident and not per individual claims.

**SORRENTINO:** Thank you. Are there questions, please, of this testifier? Seeing none, thank you for your testimony.

**DAVID BORRENPOHL:** Thank you.

**SORRENTINO:** Next testifier in either bill in any capacity. Going once. Yes.

**BETH BAZYN FERRELL:** Good afternoon, Vice Chair Sorrentino, members of the committee for the record. My name is Beth, B-e-t-h, Bazyn, B-a-z-y-n, Ferrell, F-e-r-r-e-l-l. I'm with the Nebraska Association of County Officials. I am appearing in support of the provisions of LB1170 that the commissioner from Johnson County just spoke about that would talk about the reimbursement for claims. We'd like to thank Senator Wordekemper for his work on this bill. Also, Senator Hallstrom, DAS, and the Attorney General's Office for working on this process. I can go into more detail, but I think others have explained it very well, so I would just be happy to answer questions.

**SORRENTINO:** Questions of this testifier? Yes, Senator.

**RAYBOULD:** Thank you, Beth, for coming in. So you, you do like the language that Senator Wordekemper has used on page 2: a county may file more than one claim for a single correctional institution incident if the threshold amount is met for each claim or prosecution has resolved?

**BETH BAZYN FERRELL:** Yes. I mean, I think we have the same concerns that the commissioner pointed out that, you know, we would hate to see that number go up, but conceptually, we support being able to do this with the claims.

**RAYBOULD:** OK. All right, thank you.

**SORRENTINO:** Any further questions of the committee? Thank you for your testimony today. Further testifiers? Proponent, opponent, neutral, LB1133, LB1170? Seeing none, we'll now have Senators Kauth and Wordekemper, respectively, offer their closing statements for this

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combined hearing of LB1133 and LB1170. Senator Kauth. And she waives. Senator Wordekemper.

**WORDEKEMPER:** Thank you, Vice Chair Sorrentino and members. Just to clarify a couple things, the amendment we are working on, I was told we should have it back Wednesday afternoon, and it will take care of the concerns on page 2 as far as Johnson County and NACO. I worked with Senator Hallstrom this morning, he brought that to our attention along with DAS. And we feel confident that we worked on some language to further clarify that so there's no other issues in the future with that language. So we're hopeful that we should have that back Wednesday afternoon. And also with reference to the cancer, the PS-- PTSD, and the cardiac, they're already covered under the line of duty death benefits that we have now. What we're doing with this is further clarifying that so that through DAS and the Claims Board, it's spelled out pretty clearly how, how they can go forward with those claims. So I wanted to address that and Senator Hansen's question with regards to the 24 hours. In 2021, when that bill was brought forward, the research showed that 71% of the Nebraska line of duty deaths that happened with the cardiac event happened within 24 hours. So I think that was the basis that they figured if we went 24 hours it would cover most of those. And so that's-- that was where they got that definition from. And again, I'm hopeful that we'll have the, the correct language clarification for the concern that was brought up, and hopefully bring that forward. I appreciate your time.

**SORRENTINO:** Questions of Senator Wordekemper from the committee? Yes, Senator Raybould.

**RAYBOULD:** Yes, thank you, Senator Wordekemper. Just to confirm that the, the language on page 5 and 6, that references the claims brought by the family of the officer injured or killed in the line of duty?

**WORDEKEMPER:** Yes, that was under the line of duty death benefit.

**RAYBOULD:** OK. All right, thank you.

**SORRENTINO:** Further questions of Senator Wordekemper. Seeing none, that concludes our testimony on LB1133, LB1170.

**WORDEKEMPER:** Thank you.

**SORRENTINO:** There was one comment for the hearing on LB1133. It was an opponent. And one comment on LB1170, and it's a pro-ponent. That also concludes our hearings for today. Thank you.