

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate April 17, 2025

KELLY: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the sixty-fourth day of the One Hundred Ninth Legislature, First Session. Our chaplain for today is Senator Dorn. Please rise.

DORN: Thank you, Mr. Lieutenant Governor. Please join me in a moment of prayer. Thank you, Lord, for another beautiful day; for the birds of the air, the fish of the sea, and the green grass of springtime. Be with those who are having medical issues, mental issues, or the loss of loved ones. Please comfort and support them. Let us also remember and celebrate the season we're in: the eastern sea-- the Easter season. The deaths-- death and resurrection of your son, Jesus Christ. As we celebrate on Easter-- on Sunday, Easter Sunday, let us also celebrate the good news. Alleluia, He is risen indeed. Amen.

KELLY: I recognize Senator von Gillern for the Pledge of Allegiance.

von GILLERN: College, please-- colleagues, please join me in the Pledge. I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.

KELLY: Thank you. I call to order the sixty-fourth day of the One Hundred Ninth Legislature, First Session. Senators, please record your presence. Roll call. Mr. Clerk, please record.

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

KELLY: Are there any corrections for the Journal?

CLERK: I have no corrections this morning, sir.

KELLY: Are there any messages, reports, or announcements?

CLERK: There are, Mr. President. Agency reports electronically filed with the Legislature can be found on the Nebraska Legislature's website. Additionally, a report of registered lobbyists for April 16, 2025 will be found in today's Journal. That's all I have at this time.

KELLY: Thank you, Mr. Clerk. Please proceed for the first item on the agenda.

CLERK: Mr. President, LB645 on General File. Senator Conrad would move to indefinitely postpone the bill pursuant to Rule 6, Section 3(f).

KELLY: Senator Ballard, you're recognized to open on the bill.

BALLARD: Thank you, Mr. President. LB645 is a bill that was originally introduced at the request of the governor to have a conversation on what to do when our state retirement plan reaches fully-funded status. Before we talk about the bill itself, I want, want to provide a little context. In 2013, the state of Nebraska was at a crossroads regarding its retirement plan. The great recession of 2007 to 2009 resulted in some of the worst stock performances since the Great Depression. Retirement systems across the country saw massive losses, and states were struggling to find ways to address the increase in underfunded liabilities that [INAUDIBLE] a diminishing investment return. Coming into the 2013-14 budget cycle, the school employee retirement plan was facing a shortfall over \$108 million, and the fund was unsustainable trajectory in both the short and long terms. To address the long-term financial solvency of the school plan and reduce the need for actuarial required contributions to the system, In 2016-- 2013, the Legislature passed LB553, which brought the comprehensive reform to the system and support the education community. The primary changes in LB553 were increasing the employer, employee, and state contributions to the plan. Employee contributions were permanently set at 9.78, while the state contributions was doubled from 1%, and the compensation of all members' retirement statewide to 2% of the compensation of all members of the retirement statewide-- system statewide. Fast forward 12 years, and the changes in the Legislature made with the partnership of the educa-- education community were wildly successful. As of July 1, 2024, the school employee retirement plan was 99.91% funded, and is on track to be over 100% funded by-- by not-- by if not next year, end of the next-- into the near future. In fact, as you'll see in the chart from the actuarial 2024 evaluation report that was just distributed on the floor, between employee contributions, employee contributions and state contributions, we are effectively overfunding our plan by 6.61%. As introduced, LB645 would have provided a gradual reduction in the state contributions to the school retirement plan contingent on the actuarial funded ratio of the plan-- of the fund. Since the bill was introduced, my office has been engaged in "signific" conversations with the Nebraska State Education Association, the Nebraska Council of cool-- School Administrators, the Nebraska Association of School Boards, and the governor's policy office, and we have come to a mutually-beneficial agreement and provides a gradual reduction of not just the state contribution to the fund but, but employee and employer's contribution as well. Importantly, these agreed-upon reductions in the contributions have built a-- built-in protection to ensure the long-term sustainability

of the fund. Under the bill as amended, if the actuarial funded ratio decreases, then the state employee and employee contribution rates would automatically be increased according to the following year. I just want to reiterate, colleagues, that this is agreed upon by the teachers' associat-- the teachers' union, school boards, and members of the Retirement Committee. With that, I would like to close on my opening of the bill, and I will wait for the commit-- the compromise committee amendment to open on that soon. Thank you, Mr. President.

KELLY: Thank you, Senator Ballard. Senator Conrad, you're recognized to open on the priority motion.

CONRAD: Thank you, Mr. President, and good morning, colleagues, and happy almost-Easter weekend. It was a beautiful drive in today on this sun-kissed morning, and I was really particularly admiring the spring flowers in our neighborhood; it, it set a festive and joyful, joyful tone for the fast-approaching holiday weekend. And perhaps it will help to-- the nice weather will help to hasten our work together here today so that people can prepare for their, their Easter holiday. But we do have important work before us today, including with the commencement of debate on LB645, which has been a particularly controversial measure introduced in this legislative session. And I want to take an opportunity at this juncture to just talk a little bit more about the timeline and the context and the key components in this measure that my friend Senator Ballard so quickly glossed over. So, Senator Ballord made a commitment to all stakeholders when he ran for chair of the Retirement Committee that there would not be major changes to our programs, that there would not be changes to benefits, that he agreed we had not played political games with our retirement system as many of our sister states had, and that was the tradition that he hoped to carry forward with his leadership of that committee. Which I, and I know others, took to heart. We are very fortunate in Nebraska that, for the most part, we have come together when challenges have presented themselves to figure out a thoughtful way to keep our retirement plans solvent and strong and workable so that the hardworking men and women who are drawn to and committed to public service have the peace of mind to know that they will have a decent and dignified retirement. Many, many years ago, for a host of different reasons, our teacher retirement plan was under distress. And all parties came together-- which I was a part of those deliberations as a member of the Retirement Committee during my last term of service. All parties came together through hard-fought and arduous negotiations to put together a unified plan to help get things back on track. And that plan, while challenging, worked. It worked. It helped to get our teacher retirement system fully funded and back on track.

And I can tell you as a member of the Retirement Systems Committee over the past biennium under the leadership of my friend, Senator Mike McDonnell, we worked very hard to make long-overdue adjustments to firefighter retirements, we looked at other tweaks that needed to be made to keep the plan solvent and strong, and nowhere in our deliberations over the past two years was an indication that we needed to have a massive overhaul of the teacher retirement plan. Yet, on Day 10, the last day of bill introductions, with almost no warning to key stakeholders, Senator Ballard, at the behest of the Governor, dropped LB645 which would signify a monumental, risky, and reckless raid on teacher retirement to balance the budget they blew a hole in. The communications to my office, and I'm sure many of the communications you received in your office from teachers across the state and teachers across the political spectrum were aghast, were shocked, were scared, were confused. They didn't understand why their government was attacking their retirement plan and them with no notice, with no warning, with no negotiation, with no clarity. And it caused a significant amount of consternation for thousands and thousands of teachers that reached out. Subsequently, later, prior to public hearing, there was an amendment filed by Senator Ballard that attempted to allay some of those concerns. However, at the public hearing on said amendment, we also heard from representatives on the front lines of our schools who hadn't even been consulted on any of those key changes which would have impacted them significantly. We heard from representatives of the teachers union who stepped forward, then in a neutral capacity, looking at the information that was then available and said making this change is a coin flip at best, according to actuarial reports. Before we get too deep into the minutiae of process and policy, anyone looking at the market and reading the headlines and watching their 401K and watching their investments knows that, right at this moment, there is a period of incredible economic "volatility" and uncertainty. And if you wouldn't make major plan-- changes to your retirement planning right this second, then you shouldn't foist that on thousands and thousands of Nebraska teachers who are working hard every single day in every single district because they care about kids and they care about public education. And playing Russian roulette with their retirement is wrong. It was hastily conceived without input and engagement to balance the budget. Other retirement plans are equally, if not more so, funded than the teacher plan; they're not subject to this revision. The only reason this is moving forward at lightning pace with key components that have not yet even been subject to public hearing, outside of our rules, process and precedent-- we're rushing forward to balance the budget on the backs of teachers. Period. That's

what this is all about. There's millions of doll-- billions of dollars at stake. There's countless teachers, working and retired, who have an interest in this issue. Every school district, every property tax payer has an interest in this issue. And even if we can find a path forward, we shouldn't rush it. Key components of said negotiated plan were set for public hearing yesterday. Yesterday. They have not even been subjected to public hearing, they are not reflected in the committee amendment, they're not reflected in the fiscal note, they've not been subjected to feedback from the public house and all-- the second house and all stakeholders. If indeed we can find a path forward, we shouldn't rush. We shouldn't rush with something this important. The only reason this bomb was dropped on Day 10 was to balance the budget on the backs of teachers. Because, colleagues, we went from a record surplus, a record historic surplus just a biennium ago, just in 2023, and now we're at a budget deficit, a fairly significant one, and it's only going to grow larger in the next biennium. And the teacher retirement raid is critical to propping up the budget, filling in the gaps, and playing Russian roulette and taking the risk. And no other retirement program that the state is engaged with, even if similarly situated, is subjected to the same treatment. With that, I think we should definitely postpone consideration of this measure until at the very least a public hearing can be held, and can be heard, and can be incorporated into the record, as is our pattern, practice, and precedent. Thank you, Mr. President.

KELLY: Thank you, Senator Conrad. Moving to the queue, Senator Machaela Cavanaugh, you're recognized to speak.

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

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

BALLARD: I would.

M. CAVANAUGH: Thank you, Senator Ballard. So, this bill was brought to you-- was this brought to by the governor, or was this something that you brought as the chair of the Retirement Committee?

BALLARD: I, I guess both. So, it was brought to me by-- it was at the request of the governor, and I brought it as the chair--

M. CAVANAUGH: OK.

BALLARD: --of the Retirement Committee.

M. CAVANAUGH: So, when the governor's office brought this to you, what was their reasoning for thinking that this was the right time to do this?

BALLARD: Their reasoning was that we are going to be at 100% funded probably next year, and "Should we continue to fund a 100%-funded plan at the tune of \$100 million a biennium?"

M. CAVANAUGH: OK. And have there been any ongoing conversations as we've seen a more volatile market?

BALLARD: There has been some-- there has been additional conversations, but I think it's important for the, for the, for the Legislature to know that we do a five-year smoothing of these, of these returns, and so that's how our funding status is calculated.

M. CAVANAUGH: Can you explain what a five-year smoothing is?

BALLARD: So, five-year-- so, you get-- so, you realize the five-year returns. And so, when you're calculated 100%, those are what your, your returns are.

M. CAVANAUGH: But if the market continues to decline--

BALLARD: Yes. No, I, I also think it's important-- I-- in the, the research that I have done, that-- in 2020, we had a dip in the market as well,--

M. CAVANAUGH: As significant as we're seeing now?

BALLARD: We're-- as-- fairly-- almost as significant. That was the COVID year--

M. CAVANAUGH: Right.

BALLARD: --where we-- yes. Where we shut down markets, and--

M. CAVANAUGH: Did you say-- but almost as significant.

BALLARD: I think it was even more so significant.

M. CAVANAUGH: OK.

BALLARD: And we did not see a significant reduction in the plan's funding.

M. CAVANAUGH: OK.

BALLARD: And I have a chart, if you'd like to see it.

M. CAVANAUGH: Yeah, I might come-- I might come over to see it. So, Senator Conrad was talking about the teachers themselves, and I'm looking through the online comments, and also I would look to see what comments I received in my email. And it's predominantly-- well, nobody has contacted me in favor of it. But the online comments seemed to express a great deal of concern from the teaching community, and I'm just curious how we're taking that into consideration.

BALLARD: I took it into deep consideration, and I have not-- since bringing the amendment forward and working with the teachers union, I have not heard a, a single negative comment.

M. CAVANAUGH: Which-- the committee amendment?

BALLARD: With the committee amendment. Yes, Senator.

M. CAVANAUGH: OK. And, and then there's this other amendment that was filed, and there's a hearing pending for it?

BALLARD: Yes. And I would like to explain that a little bit. So, we met with stakeholders last week, and the stakeholders were happy enough with the actuarial report that they were, like, we would like to have an additional benefit for teachers and at least have that discussion. And as a show of good faith to the education community, I dropped the amendment on Select File, so we're not going to hear it today. And then, as a measure of good faith, we scheduled a hearing next week and to have that, that fully-- that plan fully fleshed-out.

M. CAVANAUGH: So, why would we not just pause on this and have that hearing, and then bring it all back together?

BALLARD: Because it's a Select File amendment.

M. CAVANAUGH: Right. I mean, you could file it to General File.

BALLARD: And I did not file it to General File.

M. CAVANAUGH: Right. But I'm saying if you have something that's substantive enough that needs a hearing, a public hearing, then it seems like it's pretty important to this bill. Why would we not do the public hearing before debating the bill?

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BALLARD: I don't think it's critical to this bill. It's an added benefit for teachers, which I, which I want to have that discussion in public hearing, but we need to move this bill forward--

M. CAVANAUGH: So, if we don't--

BALLARD: --onto General File.

M. CAVANAUGH: --if we don't attach that amendment, are the stakeholders still in support of this?

BALLARD: I, I will have to confirm with them, but I believe they are still in support, because you'll see in your handout that teachers are going to see a significant increase in take-home pay, so they are in support of that.

M. CAVANAUGH: OK. I'm almost out of time. Thank you.

BALLARD: Yes.

M. CAVANAUGH: I appreciate you answering my questions. I will say that I haven't actually heard from the teachers union on this bill, so I don't have any idea where they stand on it, but I am glad to hear that you've been working with them. And I'll probably get back in the queue because I want to talk about the budget. Thank you, Mr. President.

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

CLEMENTS: Thank you, Mr. President. I stand in opposition to the IPP motion and in support of LB645 and the amendment-- the committee amendment, AM876, when we get to it. I'm on the Retirement Committee; have been, I believe, six years now. I want to thank Chairman Ballard who's worked hard to meet with teachers and come up with a reasonable compromise for this bill. A plan at 99% funding is about to be overfunded, and we on the Retirement Committee consider plans who are at least 80% funded to be in good shape. The state's contribution also in the-- in this regard, in this proposal, would go back to the full amount if the funding level drops below 96%. 96% is still excellent funding. And the-- some of the-- excuse me. Some of the comments I heard that-- about this being a serious threat to the stability of the retirement plan is not true. The, the plan is in good shape, and the state's contribution would go back to a full amount if it gets below 96%. And also, there is no reduction in any benefits for any teachers now or in the future. It's not a raid on the plan. The plan is fully-funded, it's got as much money as it needs to fund all the

benefits now and in the future. The actuarial study that we were given projects the funding to remain over 100% at least 56% of the time over the next 20-- 10 and 20 years. Most of the time, it will still be over 100% with this bill that's being proposed. And that's even after-- that includes projecting a drop in the assumed investment returns of 7%, that has been the previous assumption, dropping to 6.75% over the next four years, graduating that down. So, they're already taking into effect even lower investment returns would still be most of the time maintaining over 100% funding. And so, this is a reasonable proposal, and the-- it's going to not injure any benefits, not remove any benefits for any teacher, and it's the right thing to do at this time. I, I believe Chairman Ballard has worked hard to come up with a compromise with all parties, and I, I wanted to thank him for that. So, I ask you to continue to support LB645, and when we get to the amendment, AM876. Thank you, Mr. President.

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

J. CAVANAUGH: Thank you, Mr. President. Well, I'm, I'm listening. This is an interesting conversation. I don't know where I'm at yet on the bill itself, and I guess I-- it's an interesting one, because Senator Conrad put up an IPP, but she also said that we should at least wait until after the hearing next week, which I definitely agree with that sentiment. So, maybe a bracket would be more appropriate, and I'd probably support a bracket, but maybe not an IPP at this point. But I have the same reaction I think a lot of folks had to this bill, because the first bill-- version of it, we heard a lot about, and it was really just a cash grab where the state was just going to go raid this pension contribution fund to plug our budget holes, which is a really bad idea, and it's operating in bad faith on the part of the state, not meeting our obligation and commitments that we've made to our school districts and our teachers. And so, I'm glad we're departing from that, but I do have concerns about this choice of saying, well, we have a budget shortfall, and therefore, we should change how we're funding these obligations, which are not-- this is not a discretionary obligation to fund the pensions. And I do understand the argument that this is fully funded, or it will be fully funded shortly, and if it's fully funded, there's-- we probably don't need to keep funding it at a higher level. But I, I think that there's a-- the state has its fair minimum obligation. The teachers and the school districts are putting in a lot more money than the state, and so I think if we're going to allow people to decrease, I think it's good we're allowing them to decrease, but, you know, maybe we could allow the teachers and the, the local school districts to decrease

their obligation and keep the state flat, which, by the way would probably be property tax relief and a cash infusion at the local level. But at the moment, fundamentally, why are we having this conversation? There was an amendment dropped yesterday that has a hearing next week that-- it's an amendment that is apparently so substantially different than the one that was had a hearing on originally-- and, by the way, I, I don't think it is the, the bill that was reported out, meaning the committee reported out this bill, and the amendment that has a hearing next week is not a committee amendment, so that the vote on this bill that was 6-2, I think-- that's not what we're talking about. That's not the-- what we are proposing we're advancing, so the committee statement is not about the thing we're having a conversation about. Why are we having the conversation right now? We have a whole lot of other work to be doing. I know there are actuarial-- or, not actuarial, but accounting reasons we want to get this passed so we can claim whatever it is the reduction in our payment would be on the green sheet, so that when the budget comes out, it'll look like it's balanced on paper. That's what's happening here, which is not a good way to do something: rush through the process, skip over the appropriate way to do things to get to some line so that it looks like we are not failing at our job. So, I think it's really important that we do things the right way. And, I mean, ul-- like I said, I-- ultimately, maybe I vote for this bill because-- if it makes sense when it gets to that point. But I think at the moment, it's-- it-- we're putting the cart before the horse by having a floor debate about a bill that is intended to be amended by an amendment that hasn't had a hearing. That's not a right-- the right way to do our process here. So, I'm going to listen to some more of the conversation, but I just-- I, I think we should maybe just pull this off the agenda, or we should have a bracket motion to two weeks from now, or a week from now, and I think people should vote for that. Because this is just changing our obligation on these things that are incredibly complicated. We have an actuarial report here, and-- oh, my other point was, can we get the rest of this actuarial report? We have page three. So, I mean, I need more context, not just the board, the board summary. So, if somebody could email that or circulate it, whoever has it, maybe Chair Ballard or his office-- would love to see the rest of this actuarial report. But-- so, yeah, at the moment, I'm not in favor of the IPP, but if we put up a bracket motion, I might be in favor of that for the time being, so. Thank you, Mr. President.

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

DUNGAN: Thank you, Mr. President. Good morning, colleagues. I similarly rise listening to the conversation and trying to figure out where I fall on these issues. I think that both Senator Ballard and Senator Conrad laid the, the setting of this conversation appropriately, and I just kind of wanted to situate where I'm at when I'm trying to find out what we're doing here. When I was knocking doors and I was running for office, one of the things that I heard time and time again from constituents across the entire political spectrum is that our schools are one of the most important things that we have here in Nebraska. I have talked to folks who have gone to school in other states, both Midwestern states and coastal states, and one thing that we hear consistently is that our schools here in Nebraska are phenomenal. I understand that they're not perfect; there's issues with every school, and there's always something we can aspire to be better about. But the schools that we have here-- especially, you know, in my district in northeast Lincoln, Lincoln, Lincoln Public Schools are just fantastic. I'm a product of Lincoln Public Schools, and I can look back on my elementary school experience, my middle school experience, my high school experience, and I can identify along the way each of the teachers that had a huge effect on the rest of my life that really led to, essentially, where I am today. And I think that that is something that's always stuck with me. And so, when I was running for office and people would ask, "What's something you care about?" I would time and time again say that we have to continue to have really the best schools that we possibly can, and in order to achieve that goal, we have to have teachers. And it's the teachers, oftentimes, who are the ones making that impact on people's everyday lives. And I'm-- I, I-- I'm guessing every single person in this body can look back and think about a teacher that they had that changed their life. Some were better than others, obviously, but there's always that one or two teachers that you look back on, that you remember sitting maybe in their classroom during lunch period and chatting with the teacher. Maybe you remember them having you read a book that, that changed your perception on something. But it matters, and I have brought bills in my time in the Legislature to ensure that we continue to make sure that those people, those teachers who are boots on the ground, are being supported. And what that means is not just supporting them when they're in the classroom, although that is a component of it, but it means that we take care of those teachers so that when they're done teaching, after they've given decades of their life to making our state a better place to live, that they can be comfortable. We're not making people rich; teachers should get paid more, 100%, but we're not making people rich. We're just saying that when you've given your life to other people,

when you're given this service to the state of Nebraska and to your local community, that you have an opportunity to know that you're going to at least be comfortable or taken care of when you're retired. And that's something that I think everybody in this body looks forward to, is the ability to retire safely, to not worry about what the day-to-day is going to bring when it comes to your finances. And so, when I heard about the original LB645, I was, to put it simply, really concerned. I think that Senator Conrad has highlighted this as well, which is that the original bill represented an, an absolute cash grab; it represented this concern or this idea that we could just take money out of this and that's how we're going to fill back the budget with the shortfalls that we have. And I do believe-- and I want to say this upfront as we have this conversation here today-- that what we're talking about with the amendments and the things that have been, been worked on, I think they represent good faith negotiations on both sides. I think that the teachers have done a really good job of negotiating this, and I think that our friends on the Retirement Committee, which I don't sit on, have done a good job of, of negotiating this. But I also want to say that the negotiations took place under duress. You can have good-faith negotiations, but the reason that this had to happen is because a gun was being held to the head of the individuals who were in the negotiating room, and I think that that's maybe not the best way to go about this. And the fact that this original LB645 was dropped with really no heads-up or negotiation, the panic that it caused is part of why we find ourselves in this position today where we have a lot of questions. And it's not to say that I won't ultimately support what this has been worked out, it's not say that don't appreciate the efforts of the Retirement Committee, but I think there are legitimate concerns about both what is contained in the proposal with regards to a reduction in what is being contributed to the teachers' retirement fund, but also the process from how this got to where it started to where we are today. So, I, I will continue to listen, I will continue to talk with some of my colleagues about this. I've already had a couple of good conversations off the mic about this. So, I appreciate those who are punching in and, I guess, educating those of us who aren't on the Retirement Committee about this bill. Thank you, Mr. President.

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

SORRENTINO: Thank you, Mr. President. Good morning, everyone. It's rare that I get to be on the microphone on a topic that I might have actually had a little bit of experience in. I, I have-- I do support LB645, and I would oppose the motion to indefinitely postpone it--

postpone it, and I know we will have AM876 coming up, and I will support that. My testimony isn't necessarily to the process here as it much is to the substance. I have been a first-generation eyewitness to defined benefit plans and their funding. That is one of the things my firm did for well over thirty years. I've seen a lot of defined benefit plans. I, unfortunately-- no offense to the actuaries-- I've unfortunately read a lot of actuarial reports. Senator Cavanaugh, good luck: they're great-- they're a great read. I can't think of an instance-- there may have been one-- where I saw a 99.91% funding method. That, I think, as Senator Clements may have mentioned, that 80% is considered just fine from actuarial circles. To continue at the current statute the way it was, it would be tantamount-- if we were allowed props, which we are not, I would be holding up a glass and a pitcher, and I would pour water into it. And when I got to the top, I would continue to pour. It would be a tantamount to any of you having a bill to pay, and you paid it twice. You don't overfund pensions, you don't overpay bills. But you do have to have the wherewithal to make up for that when and if it gets to a certain level of funding. The bill, as written, even before we talk about the modifications under AM876, has a safety net. And if that funding were to ever get below 96%, which would still be incredibly high, then the contributions of the state go up. There are so many things that go into an actuarial valuation for a defined benefit plan that hasn't been talked about, and I'll spend the rest of my time talking about that. These are 25- to 30-year projections-- actually, in an actuarial report, we use 30 years. I think if we look back to the year 1995, 30 years ago, nobody could assume where we're at today. We have to think about the discount rate, primarily. What will these funds earn over 30 years? There's nobody in this body or anywhere else who can tell us that. To suggest that a-- the recent downturn in the stock market is permanent-- you know, could be, it may not be; more than likely, it's probably not; the long-term growth of the stock market is probably one of the best investments there is. But these funds are not invested purely in equities; there's a lot of stable funds. We talk about retirements sometimes as if they're tomorrow, like an instant cash grab. Most of the moneys being put into this plan will not be accessed for 25 to 35 years. It's a, it's an actuarial science, but actuaries would be first to tell you there's lot of guesswork going on in it. The average age of the teachers, nobody has talked about that. We have the boomer generation just now retiring; they will be replaced by 25- to 30-year-old people, which takes a far less contribution to make the plan whole. You have many more years to catch up with the agreed-upon retirement level. All of these factors together tell me that, when you look at an actuarial report, it's good to have-- it's more of a, a

sleep insurance, if you will. But what really you have to look at, is "How can we fund the retirement benefits over the next five years or so?" That's what we have some control over. Most mutual funds, most stable funds, more stock funds are geared towards five-year projections; you don't see 25-year projections for investments. So, I would say that even at its current rate, back-- well, a year ago, at 98.57%, it was incredibly well-funded. At 99.91%, it's-- has to be in the top one-tenth of 1% of funded plans, and I see no danger whatsoever with this bill or the upcoming AM876. Thank you, Mr. President.

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

CONRAD: Thank you, Mr. President. Again, good morning, colleagues. Just a quick point on process for my friend, Senator Cavanaugh. So, I had filed the kill motions on LB645 far before any amendments were proposed or subjected to public hearing or study. So procedurally, that is why this is up. If we want to entertain a bracket until the related public hearing on this measure impacting both the policy and the fiscal components therein can be held-- again, colleagues, the public hearing for a key piece of this proposal was set yesterday. It was set yesterday with no notice to committee members or otherwise. I got an email, saw it in my inbox last night when we got home about 9:00 or 10:00 at night. Haven't had a chance to get feedback from the public on the policy and fiscal impacts for how that amendment relates to what we heard at the last public hearing, which included a significant revision on an amendment that Senator Ballard filed shortly before the hearing, and at that time brought little support, opposition, and a neutral perspective. So, that's the only record that we have before us in regards to this measure. Now, Senator Ballard has indicated that he's held subsequent negotiations in his office with some stakeholders, and that they have found a meeting of the minds. That's perhaps accurate; I, I don't know. I wasn't a party to any of those conversations, I haven't heard from any of the stakeholders in regards to whether or not all of their concerns were allayed or not, but I'll take Senator Ballard at his word. But from the moment this bill was introduced to the rush forward today-- and everybody's clear, colleagues, right? Like, we don't have to play games with it, we know where you're headed here. Now, the messaging is changing. Now, the rhetoric is shifting because we know that the measure was put forward in a risky and reckless way to balance the budget on the backs of teachers. Period. And only after being called on the carpet by thousands of teachers who spoke out did Senator Ballard and the governor backtrack on that initial proposal. And now, they've put

forward a host of additional changes to those proposals, some of which have not been subject to public hearing, and we don't have an accurate fiscal sense of. And you hear my friend Senator Clements jump up: we really need to rush forward, we really need to rush forward. Why? Because there's a hole in the budget. Why? Because they're trying to finalize the budget and push it out to us by the seventieth day per our rule, and it's not balanced, and they need teacher retirement to get there. And all these side conversations that we've been having together for weeks off the mic-- everybody's clear, we need the tax increase bills that are coming out of Revenue, we need the teacher retirement raid, we need the cuts to balance the budget and to prop up unsustainable, inequitable reckless tax cuts that primarily benefited the wealthiest Nebraskans and the biggest corporations, where you took record surpluses in less than two years and drove the budget into a deficit. And you're scrambling-- Senator Murman said it when we were talking about LB690-- scrambling around trying to find all the money we can from cash funds, from unutilized tax credits. Senator Hughes has a bill on the agenda today to increase taxes to help with the budget. We know that's what's coming out of Revenue with additional measures LB169, LB170 next week. It's all about filling the budget hole. And if it wasn't, there'd be no re-- need-- reason to rush. And if it wasn't, other retirement programs that are similarly situated would be working through the same negotiation. Senator Ballard said he introduced this measure to start a conversation. That's a lie. He introduced this measure to ram through a raid on retirement to balance the budget. Period.

KELLY: That's your time. Thank you, Senator Conrad. Senator Machaela Cavanaugh, you're recognized to speak.

M. CAVANAUGH: Thank you, Mr. President. Picking up where Senator Conrad left off. Yes, that is exactly what's happening. Why can't we hit pause on this until we have the public hearing on the amendment that's on Select File? We can't because the Appropriations Committee has not done their job. We have failed to balance the budget and we have refused to balance the budget, so we have to move this bill and LB650 forward before the budget comes to the floor because we can't put a budget on the floor that isn't balanced, and they won't be balanced if we don't move the teacher retirement raid and LB650 forward. How do I know that? I was given a piece of paper yesterday in committee that had those two bills on there that made the bal-- the ballot-- budget balanced. That's how I know that that's what this is about. So, when the governor said in February and his office said in February that this was not about balancing the budget, this was about reallocating the funds from the retirement to education, guess what?

In Appropriations, not once, not once, have we talked about putting \$50 million towards whatever the governor said in February. Not once. We've talked about cutting things. Lots of things. Education-related, absolutely. What we haven't done is we haven't balanced the budget because we refuse, we refuse to look at money that we can utilize. We refuse to look at the \$1.2 billion of property tax relief, a tax we do not levy. We refuse to touch that money, that precious, precious money, to go back to the farmers, because that's the only people it really helps. It doesn't help anybody other than the farmers. Yeah, the rest of us might get some property tax relief, but education is going to suffer, the economy is going to suffer, the universities are going to suffer, the state colleges are going to suffer, health care is going to suffer, we're going to have a workforce shortage. But by golly, we will have property tax relief from the state, even though the state doesn't tax us on properties. So, let's raid these teachers' retirements. And I don't care what the NSEA says because I am hearing from teachers, I'm hearing from retired teachers that they are concerned about this. So, they might not advocate for their constituents, but I am going to advocate that we don't raid teacher retirement to balance the budget so that the rich farmers in this Legislature and in the corner office can get property tax relief. When we had our special session, it became very clear that the governor would get over a million dollars in property tax relief-- just him-- if we continued down this road. So, let's be clear, everybody. We're going to see an increase in tuition at the universities, at the state colleges; we're going to see a decrease in contributions to teacher pensions; we're going to see a decrease in funding to healthcare, to public health when we have a new manufactured, because we don't believe in vaccines anymore, measles outbreak. Public health crisis heading our way, and we are going to defund public health across the state; we are going to defund health care programs; we are going to defund scholarships that get people to do the health care in rural parts of this state. But we're going to have property tax relief. That's what we're doing. That's why this is scheduled today. That's we can't wait until the-- they have the hearing and bring it back and debate General File then. Because we are doing a terrible job. A terrible, terrible job. I am trying really hard right now-- I am sorry, Mom-- I'm trying really hard right now not to curse, because I am furious. I don't even know why I show up here anymore, because we don't deal in reality. Do we care about what's happening at the federal level? No, we don't care; we're not going to factor that in. Do we care that \$170 million less in April cash receipts have happened? No, we're going to pretend like "la la la, that didn't happen," because if we account for that in our budget, then we have a

deficit and we're going to have to do something about that. And you know what we're going to have to do? We're going to have to take the canal money, or we're going to have to take the property tax relief money, and we can't do those things. Those things are too important. We have to invest in roads, I was told in Appropriations. We have to invest in roads, infrastructure. It is the driver. We have to invest in roads because they help farmers. That's why we have to invest in roads. They help them get their products to market. But we don't have to invest in teachers, and we don't have to invest in retirement. We can just steal to pay for the wealthy. We don't have to stop corporate tax cuts or individual tax cuts; we can raise sales tax on food and services. Your Nebraska Legislature is fleecing you, Nebraska, and the governor is doing it too. You should throw us all out, because we don't deserve to be here if this is what we're doing. Thank you, Mr. President.

KELLY: Thank you, Senator Cavanaugh. Senator Ballard would like to recognize some guests in the north balcony: there's parents and fourth graders from Malcolm Public School in Malcolm. Please stand and be recognized by your Nebraska Legislature. And Senator Spivey has some guests in the north balcony: they are members of the Omaha chapter of the Links, celebrating their 75th anniversary as a philanthropic and volunteer organization. Please stand and be recognized by your Nebraska Legislature. Returning to the queue, Senator Ballard, you're recognized to speak.

BALLARD: Thank you, Mr. President. First, I'd like to welcome Malcolm to the Nebraska Legislature. It's always good to see schools from your district in the Legislature. I just want to respond to a few of the comments that were talked about in, in this debate. Starting with the process-- I, I want to talk about the policy, but we'll talk about process for a little bit. Yes, this was at the request of the governor, like a lot of bills in this Legislature are. The Governor's Office approached me right after the Retirement chair election and said, this is what we're proposing, would you be willing to carry it? And I said, yes, I'd be willing to have-- carry this bill. So-- and I had, I had conversations with the NSEA, the, the teachers, but we needed to get a bill draft in the queue. And so, that's what the genesis of LB645 was; it was getting a bill draft in the queue and to work on a compromise, because I knew this would have some opposition. And so, I met with them shortly after, the NSEA, and we came to the committee amendment, that-- which-- I think you have it-- I think you have it on your, your desk. It is teachers, through this committee amendment, are going to see an increase in take-home pay, and that's a big deal. I think on average about a-- early on, about \$1,000. And

that's nothing-- \$1,000 is not anything-- it's not nothing for these teachers. And so, this process-- I worked-- this-- we're on Day 60-- 64, colleagues. Day 64. So, I've worked hours and hours and hours with the stakeholders on this to find a compromise amendment, and I think you'll, you'll realize that none of them outside the glass are, are opposed to this now. That we are-- that I worked as hard as we could, my office worked as far as we could to find compromise language. So, that's a little about the process. And maybe I have a different definition of "raid" than Senator Dungan and Senator Conrad, but we're, we're not raiding a teacher's fund. It is looking forward-- I, I think Senate-- or, Senator Cavanaugh said it best. There has been call-- there has been communities that have actually went in and taken money out of retirement funds; that's not what we're doing in LB645. We are not taking money out of a fund. We're looking forward, and say if a plan is 100% funded-- if it is 100% funded, should the state continue to fund that plan? So, that was a little about the process. And as far as the committee amendment, this was a-- I said it earlier on that this was a-- through conversations, the actuary report came out so well that ed-- the education community said, hey, we want to talk about this added benefit. So, I, I mean, like many of you in this body, I have disagreed with the NSEA on numerous topics. A lot of topics, I've disagreed with the NSEA on. And this was my good-faith effort to say I'm willing to have this conversation with the Retirement Committee and maybe with the full, the full Legislature, that we need to talk about the Rule of 85. So this, this argument that this is substantially changing the plan, we are not going to talk about the amendment until Select File. So, it's not substantially changing the, the debate we're having today on LB645. And so, just as a good-faith effort to the education community, I put that bill forward, and we're going to have a good robust conversation in the Retirement Committee next week. And so, with that, I'd like to yield the rest for my time. Thank you.

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

MOSER: Thank you, Mr. Lieutenant Governor, and good morning, colleagues. I would look at this from a little different perspective than some of the previous comments made. In the big picture, we need to look at the whole budget; we need to look at the \$1.6 billion that we put into social services out of the \$5 billion the budget-- part of the budget that we can actually control. It's 35% of the budget goes to SNAP, Medicaid. There's a-- it's page 44 of the executive budget summary from last year, if you want to look at it. There's a big pie chart there that shows all the components of that social service

contribution that the state makes. So-- and, and we have other expenses with education: we're giving per-student foundation aid, we're given TEEOSA for schools that don't have enough taxable valuation to pay their bills. You know, we, we have many expenses that we need to look at. And if this retirement fund is funded at 100%, we should all raise our hands and say, hallelujah, it's, it's funded. It-- you know, I was talking to one of the lobbyists out behind the glass, and he said a lot of states would love to have this problem where we're 100% funded. So, funding this retirement plan beyond the 100%, I think, is-- whether the budget was in a surplus or whether it is short by \$300 million, funding it beyond 100% just does not make sense. Just does not make sense. So, think about the people who pay the taxes to pay the \$5 billion to keep the state operating. We aren't allowed to borrow money to operate; we have to proceed on a cash plan; we, we can't deficit spend. So, this is one area that puts a little breathing room back into the budget. Now, if you want to argue that property tax credits are not a, a good use of state funds, that's a separate argument, and when we get to the budget, have at it. I'll-- and, and I'll argue with you if you say property tax credits are not a good thing in the budget, but that's not what this is about. This is whether the retirement fund is solvent or not, looking forward in the future. And if it's not, then the state contribution goes up. And in the interim, those teachers who are working currently are going to get a little increase in take-home pay and still have the prospect of getting a, a good retirement; they can retire at age 60. I-- I'm not an expert on the retirement formula, but it's something like your best five years, times the number of years that you served, times 2 %, and it's-- a lot of my teachers friends said that when they compare what they get for retirement and what they were getting paid, it was pretty, you know, within reason. It wasn't necessarily more, but it's a very good retirement. Most Nebraskans would be happy to have a retirement that secure. Thank you, Mr. President.

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

DORN: Thank you, Mr. Lieutenant Governor. I've been listening to the conversation this morning, some directions it's taken. One thing I want to maybe correct, and I don't know, maybe, maybe I misunderstood John Cavanaugh-- Senator John Cavanaugh wrong. I thought he said, he said this bill came out of committee 6-2-- no, there's only six people on the committee. It came out 4-2, and that-- I just wanted to stand, stand up and say that first or whatever, so. There were two not present, and four voted for it, yeah. So, I did hear it right. Sometimes my hearing-- I don't always hear things right. So, wanted to

just stand up and say that. When this bill first came out, my goodness. I suppose I'm like most other senators; we got a lot of emails, we had a lot of conversations. The teachers really, really talked to us. I went and read the bill, talked to Senator Ballard, had discussions, and many of those teachers were getting the wrong story from their teachers association. Because when I visited with them and visited them about the bill, and explained to it, Senator Guereca and I were sitting at a table at a thing in Embassy Suites, and we-- for about 15 minutes that night, we got laid into by a teacher from-- I'm not going to say where she's from-- finally started explaining to her what the bill was, what the funding was, we weren't going to change it as a state of Nebraska without also changing or looking at, as I visited with Senator Ballard-- in 2013-2012 time period, that's when it came into effect that we were not fully funded, that we needed to be more funded, and that's one of the negotiations then came into effect so that it brought it up to the level it is today. We weren't going to, as the state of Nebraska-- and I don't think it would have passed here at all if Nebraska just went and said, we're not going to fund the 2%, the heck with you teachers. That wouldn't have happened. That would not have passed. What has worked-- what has worked between Senator Ballard, many other people that helped in negotiations with this, the teachers association, they've all got together and they've come up with a workable solution whereby we now don't need to fund this at 100% when it is at over 100%. Many of you know I've, I've been on county board for years, and, and-- before I came up here. And one of the things you learn or find out-- quite often you'll read in the papers or whatever-- these retirement accounts, many government entities particularly struggle to keep them fully funded or what the actuaries say are fully funded. I think we are very much an exception here; we are a very much in, I call it, a group that many people would like to be in. So, very, very thankful for that. Back to the teacher that Senator Guereca and I talked to, she said she could have went and taught in Kansas, and said she taught in Nebraska. Why? Number one thing on her list was the benefits in Nebraska were so much better. We in Nebraska should be proud of our teachers; we should be proud of what they do. That teacher and many others like I talked to told me the same thing when I explained what the bill did-- this was before we had amendments or whatever. Many of them said, this isn't what we've been explained. They were OK with the bill, they were OK with not having certain things. And now that the amendment is agreed on, I think the teachers association and everybody kind of was agreeing on it. Part of, part of what I don't think has been brought up is, we, the state of Nebraska, match 2% a year on teachers' retirement. Did not know that when I came up here; I've learned that. That amounts to

about \$50 million a year. That is the part that the state puts in in addition to the teachers' retirement and all of that. \$50 million a year. There is an additional \$9 million going into the Omaha teachers' retirement every year. That part is not changed, that part isn't affected by this. They are basically on-- by themselves over here on a different part of this equation or whatever. This just deals with all of the rest of them. Definitely, I'm for LB645 and against the motion to indefinitely postpone.

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

SPIVEY: Thank you, Mr. President. And I appreciate the conversation that we are having this morning, and have been listening, but want to take a point of privilege just to talk about the Links, as I am so honored and have so much pride to welcome them to the Nebraska Legislature. I am wearing green because it's my favorite color, not because I'm a member, but they do have on their green today. The Links, Incorporated is a premier international nonprofit organization of accomplished, dedicated African-American women who are linked in friendship and connected in service. With a membership of more than 17,000 women in 299 chapters across the United States, the Commonwealth of the Bahamas, and the United Kingdom, this organization is founded on a shared commitment to enriching the lives of others and addressing the most pressing challenges facing communities of color. The Omaha, Nebraska chapter of the Links, Incorporated, chartered on September 30, 1950, is one of the earliest chapters in the illustrious network. As the sixth chapter to be chartered, the Omaha chapter holds a storied legacy of leadership, advocacy, and service. For nearly 75 years, this chapter has worked tirelessly to enhance the cultural and economic fabric of our city through volunteerism, philanthropy, and transforma-- excuse me, transformative community programs. Their efforts span arts and culture, youth development, health equity, and international initiatives, all executed with unmatched professionalism and a sisterhood that exemplifies the best of civic engagement. They are not just volunteers; they are visionaries, educators, executives, and public servants shaping the next generation, and improving the lives of one service project at a time. In celebrating this extraordinary chapter, we honor the vision of co-founders Margaret Rosell Hawkins and Sarah Strickland Scott, who in the aftermath of World War II envisioned a network of friendship-driven service that has since become a global force for good. Again, I am super excited that we get to recognize them, and thank you for everyone that waved at them and applauded, and-- we talk a lot about, again, how do we solve core root issues and things that are facing the community, and I

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don't believe government can do that alone. We have to partner with organizations that are on the front lines, like The Links, to be able to accomplish what we hope to vision for our state and our society. Thank you, Mr. President.

KELLY: Thank you, Senator Spivey. Senator Hughes, you're recognized to speak.

HUGHES: Thank you, Mr. Chairman. I rise-- let's see. I do not support the indefinitely postpone, and I support the overall bill of LB645 brought by Senator Ballard. So, some things I've been hearing on the floor-- and I'm going to set the record straight because my bills were thrown into this also. I brought, this year, LB9/LB125, which were put together in a committee package from General Affairs. It was some cleanup for our vape regulations, and then, as far as the tax, which would-- like a revenue generator, if you will. It goes to the tobacco fund-- is I'm bringing-- it's an excise tax on alternative nicotine products as well as nicotine pouches. And this is-- nicotine pouches are something-- it's kind of a newer product; instead of tobacco in them, it's a nicotine powder. You put it in your mouth, you know, nicotine. But right now, these are not excise-taxed, and they are nicotine products, and therefore they should be excise-taxed. And we can have the overall conversation of whether tobacco and nicotine should be excise-taxed or not, but right now, everything else tobacco and nicotine is excise-taxed, and so I do not think it's right that something like a nicotine pouch should not be. So therefore, I would have brought this bill even if we were in a huge budget surplus. Not bringing the bill for the money generated from it. Also, LB712, that is a bill coming up later, hopefully, that Senator Dorn has prioritized for me, and that is on vape excise-taxed. That bill, I also would have brought anyway, even if we were in a budget surplus, because it's the right way to tax it. My initial, two years ago, for vape tax was a bifurcated system, which in my opinion is not the right that we should do it; we want to get everything on a wholesale percent, not a straight number. And so, LB712 does a 40% wholesale tax on vape. That, we will debate later on in the session. But both these bills-- all three, essentially-- were brought whether or not we were in a budget surplus or a budget deficit; have no-- there's no-- none of that is why I brought it. I would have brought them anyway, and if they don't pass this year, I'm going to bring them back next year. But I wanted to talk on LB645. This might have been brought, apparently-- it was on the request of the governor. It was maybe found because of they were looking at budget deficit coming. But LB645 should have been brought anyway. It is not reasonable that our state would be still collecting taxpayer money and overfunding a state retirement account.

Good standard practice says that anything over 80% funded means that that retirement account is in good shape, and we're bumping up a 99%-funded? So, that means we are still collecting taxpayer money, using taxpayer money to fund it. Oh, and let's go, let's go back down the trail. Our schools are matching the funding that the individual teachers are putting in. Where does schools get money? Oh gee, that comes from property tax. So, we are taking property tax, and we are potentially taking sales tax and income tax and overfunding an account. Makes no sense. This bill should have been brought anyway, whether we were in abundant surp-- we were in a budget surplus or a deficit. And we've just need to look at the good of what happens to it. They're talking about, on average, a teacher gets to take home almost \$1,000 more per year. That's like a \$1,000 raise. We all hear about how teachers need more money. Well, here's a start. Guess what? Our schools get more money back because they don't have to match as much to the teachers, so that helps the schools out, and potentially, less property tax goes to, to, to, to that. So, this bill is saving taxpayer money, and I cannot believe we're using terms of, like, raiding the teacher retirement account and all that. It is in amazing shape, and the fact that we would even overfund that over 100% is unconscionable and not the right-- that is not in our best interests of how we need to use our taxpayer money. Thank you, Mr. Speaker.

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

DUNGAN: Thank you, Mr. President. Colleagues, I rise again today, I guess relatively indifferent about the IPP. I probably will oppose that, because I do think that there's a conversation to be had, as, as others have said, about bracketing this until the actual hearing has happened on the amendment, and so I think we can talk about that more when that comes up. But I wanted to finish a couple of my thoughts that I had regarding sort of how we got to this place where we're even having this discussion. Senator Hughes, I think, is correct that you-- it's smart to look at sort of how we're using taxpayer dollars and to make sure that we're being efficient in the way that we're spending our money. But I think what I have seen this session is this panic, this panic around how are we going to find money in order to fill this budget shortfall that we've been hearing about now since the interim, before this session even started. And I, I think what's frustrating to me is I've been here now for three years, and I and others have said that there are potential problems with some of the decisions that we've been making. And I, I guess since I've been in this chair, and on the Revenue Committee in particular, I have been very concerned about the continued reduction in some of the revenue with regards to

especially corporate entities paying their fair share and how we're going to balance that when it comes to actually being able to make ends meet. I think I remember in my first year, we were having a conversation about the reduction in the income tax for the high earners, and specifically for the corporations. And I had said multiple times it just-- it doesn't take an economist to know that if you continue to reduce the overall amount of money that you're taking in but then increase your obligations of spending, you're eventually not going to have a balanced budget where you're in the black. And on the budget sheet that we saw back then-- and we've seen year after year after year-- when projected out to the out years, past 2029, 2030, you see this systemic reduction in what you start with every year when it comes to your actual starting cash funds. And I think the hard part is, we've been in a very prosperous time. My time in the Legislature has been during a, a very prosperous economic period where there's not been as much of a concern. And so, I think there's been this general perspective that we can eat into our cash funds, that we can reduce the taxes that we're taking in on all angles and, and, and be fine. But now, here in my third year, just two years into my time in the Legislature, we are running around with our hair on fire trying to figure out how we're going to fill the hole in the budget. And some of that is caused by federal issues; again, you know, there's this whole Medicaid issue with regards to the shift in the formula, which is really nobody's fault other than the fact that Nebraska continues to grow, which is good. But there are parts of this budget shortfall that I believe are self-created. And when you look at the numbers over the last three years, when we look at our green sheet-- which, for those at home, is the sheet we have on our daily agenda that sort of shows us the current update on the budget that we get daily as we pass legislation-- you look at the green sheet over the last few years, and you see this, this continuous degradation over years in what the projected revenue is. And it reminds me of the, the meme online where the, the, the kid's riding the bike or the tricycle, and he takes a stick and he puts it in the spoke of his own bicycle and he flips over, and then is, like, "Oh my God, who did this?" That's what this feels like. This kind of feels like we've done something to ourselves, and now we are operating under this structure where we feel like our hands are tied and we have to do these things. And that's, I guess, what's frustrating to me about how we got to where we are on LB645. The original bill that was introduced was done in sort of this panic mode of "we have to find money somewhere," and-- would, would Senator Dorn yield to a question?

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

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DORN: Yes.

DUNGAN: I don't have a ton of time, Senator Dorn, but this, this goes to what you and I spoke about off the mic. The projected money that we would save from this bill, would that-- you're an Appropriations Committee member. Would that go to fill the budget shortfall, or would that go to education funding for programs like the Education Future Fund or Senator Hughes' proposals on how to save property taxes?

DORN: As we sit here today, and as we had a discussion yesterday in Appropriations, we were still at over a negative \$100 million in the budget, balancing it. This is one of two bills that would be put towards that deficit to bring us to a balanced budget.

DUNGAN: Thank you, Senator Dorn. And colleagues, I guess that's part of my concern, is that we find ourselves in this budget deficit, and yet again, the first thing we look at are schools and teachers. And so, I appreciate the work that's gone into this bill; I'll continue listening,--

KELLY: That's your--

DUNGAN: --and I appreciate the conversation. Thank you, Mr. President.

KELLY: Thank you, Senators Dungan and Dorn. Senator DeBoer, you're recognized to speak.

DeBOER: Thank you, Mr. President. Colleagues, now for something a little bit different. I would like to draw your attention to an email that I sent out to you earlier today. It may look a little weird because I sent it with the help of the folks who helped with the Planning Committee at UNO. And what it is, is it's a survey asking you to provide your insight as to what you'd like the Planning Committee to be working at-- working on for the next couple of years, for this biennium. So, it's a survey about wish-- which issues are most important to you, your constituents, and, from your perspective, the state of Nebraska. So, I think we have about a week for you set aside to fill it out, so please, if you see that email about the Planning Committee priorities, please colleagues. Last time I did this, it was amazing, we had almost everybody fill it out. It should only take a second. Please fill it so that we can make sure that your Planning Committee is tailoring itself to the needs of the body, the needs of the state of Nebraska from its 49 senators together, and their opinion thereof. So, please fill that out. Please, if you have any questions,

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just let me know, or if you didn't get it for some reason, please just let me know. Thank you, Mr. President.

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

JUAREZ: Thank you very much. Thank you, colleagues. And I want you to know that I sit here every day in this room that we're here, always trying to listen to everyone's perspectives. I looked at my calendar today, and I just was sworn in on January 8, and I'm amazed at all the topics that we're discussing and trying to catch up with everybody, to learn about the issues on this bill. And, you know, I want you to know that I felt the proposal of watching how the funds were going to be balanced in the plan, you know, if-- and watching the percentages to make sure that contributions were going to continue if the, if the balance went down, I felt that that was definitely an option that made me feel more comfortable with what we're trying to do here. And I had even raised the issue of, well, why can't we fund it a little bit over 100%? I mean, that's-- that doesn't even seem to be a bad idea to me; just a little bit more of a cushion, not, not gigantic, but I didn't have any problems with that idea, either. And I really think that we're trying to put forward something that is reasonable, and I will just continue to listen to the feedback that we're provided today and see if there's any, you know, other changes that need to be made. But I continue to appreciate the continued feedback, because obviously, I know that this is a really important issue, and I know that it is a huge benefit to the teachers to have a retirement fund. And it is, of course, something that I support for them because I realize the critical aspect that they play, you know, in our state. Who, who doesn't need a teacher, right? I mean, all of us have been educated; we have grandchildren that we're concerned get educated, and that's why I think it's so important that we make the right decisions for this plan. Thank you, and I'll yield the rest of my time. Let's see, Senator Conrad, would you like the rest of my time? OK, thank you.

KELLY: Thank you, Senator Juarez. 1 minute, 59 seconds, Senator Conrad.

CONRAD: OK. Thank you so much, Mr. President, and thank you, Senator Juarez. I really appreciate serving with Senator Juarez. I think we have every single committee in common this year, so we're in Retirement, Natural Resources, and Education together, and I appreciate the perspective she brings from the OPS School Board as well. But I want to note a couple of things quickly before-- with this remaining time, and I think I'm next in the queue. I really want to

thank Senator Dorn for his candor; for being 100% honest, as he always is. We need this bill to balance the budget, period, which has been my concern and my point the whole way along. So, I am grateful he was candid and clear about that, as I would expect he would be. And to be clear, in regards to truthfulness, my comment in regards to Senator Ballard's approach herein on this measure was related to the following: he has said throughout, from introduction to present day, that he wanted to start a conversation. That is one thing. That is a separate thing from what we have before us. Starting a conversation is an interim study. Starting a conversation is a thoughtful, slow, deliberate process. Starting a conversation on a key retirement issue is something like Senator Clouse did in regards to law enforcement retirement changes. He brought all the parties together early on, they all got on the same page before introduction, before the hearings; everybody had clarity. There was candor, there was exchange, there was no controversy once it started to move through the process. That is how you start a conversation. That is how you have a--

KELLY: That's--

CONRAD: --thoughtful retirement measure.

KELLY: That's time, and you're next in the queue, Senator Conrad.

CONRAD: Very good. So, my point is only that, in regards to the disparity in the rhetoric and the action. Senator Ballard has said he wants to start a conversation. This isn't starting a conversation; this is a major structural change to one of our key retirement programs. Starting a conversation-- that's actually a great idea. We should do that. We always do that. We, we, we shouldn't rest on our laurels. We should make sure that all the plans have what they need to be strong and to be solvent. We should be nimble when we have opportunities to increase their strength, to meet the stated objectives. And when it seems like there's an opportunity to shifts funds, we should do so thoughtfully, not recklessly. Reckless changes to retirement plans for political purposes are part of what got our sister states in trouble, and we all pride ourselves on the fact that we don't do that in Nebraska. We're cautious, we're conservative, we're pragmatic, we're careful. That's not what's at play here. The bill was introduced on Day 10 with little to no engagement from key stakeholders; a wave of opposition poured in from teachers across the state; a last-minute amendment was filed prior to the public hearing; an additional amendment was filed two days ago, prompting notice of another public hearing that changes the policy and the fiscal impact of this proposal that has not even been subjected to public hearing.

And yet, here we are. Senator Dorn was candid and being clear about what everybody knows: we have to rush this bill forward before Day 70 to balance the budget. And maybe, maybe it ends up being a win-win-win, and that's OK, and that could actually be great. But we haven't had time for deliberation and discernment on that topic. The most recent reports that we have available evaluating some of these plan subjected-- plan components subjected to public hearing show it might be fully-funded 56% of the time. That's what prompted NSEA leadership at the hearing level, at the committee hearing, to come in and say it's a coin flip at best as to whether or not this is a good plan. Now, things can change, and negotiations can happen, but they shouldn't happen entirely behind closed doors, without other committee members, without subjecting key components of the measure to public hearing as is a hallmark of our system, the transparency and engagement that we're required to do our work within. And it just begs the question: why rush? Why bend the rules? Why push forward without clarity and consensus? If you want to start a conversation, start a conversation clearly, with all stakeholders, with an opportunity for people to weigh in, to discern whether or not this is a sound plan, to discern whether or not current market volatility caution against making major changes like this. And if this is a thoughtful approach at this point, why aren't we looking at other plans that are similarly situated? No one's answered that question. That's a valid question. If we're pushing forward with this measure only out of concern for good governance, why aren't the other plans that are similarly situated being subjected to the same treatment? And teachers know that disparity, and they're dismayed by the potential political retribution for their willingness to organize and speak out, and challenge this body's voucher schemes time and time again. And there's an undercurrent of political retribution at play in this debate, and it needs to be on the record. Thank you, Mr. President.

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

STORER: Thank you, Mr. President, and good morning. A couple of things I guess I just wanted to address regarding LB645 and the amendment that I hope that we get to, and, and some of the comments that have been made in regard to that. This is, this is not a raid. I've been deliberate about asking questions to Senator Ballard, getting as much information as I could in preparation for today's discussion. I, too, had several emails several weeks ago from the education community concerned; had the ability to visit with several superintendents, some teachers. And since the committee and Senator Ballard have worked out these amendments, I have-- I-- it's crickets, and I take that as a

true compromise. I am not hearing those same concerns, receiving those same emails. And when I look at the reality of the numbers that have been-- that have been worked out, I, I compliment all of those who have, have worked hard on this. This is-- it's not apples-to-apples, but I will just say, when we talk about raiding something-- we're elected to-- I, I view our primary responsibility, whether you're elected to be a county commissioner or a school board member, or you're elected to come down here to the State Capitol, the number one responsibility is fiscal responsibility, and we're really-- we're managing the taxpayers' money. And this is just one example where I think it's been very responsibly looked at, to say it's not wise to continue to put more money into a retirement plan that is growing above its necessary 100% values, to make sure that no one is ever going to be under-- under-paid-out in that retirement program, but we're not letting money sit there that is not necessary; that we, that we utilize that to the best of our ability on behalf of the taxpayers. And that's what this is. This is not a raid; this is a very prudent financial decision to manage those dollars appropriately. And I'm very pleased to see that part of that compromise was that, that the contributions from all three segments-- the state, the employer, and the teachers themselves-- are all sort of reduced and that those triggers to-- if that fund fell below, there's a couple of, of triggers-- 96%, I think, and then the 97%, 98% that would trigger a, a, a decrease, and if it falls below 96%, it would trigger an increase. And that, that is just management. It's just pure management. There was a comment on the mic made-- and I won't call senators out by name, but there was a comment made about the property tax relief and, you know, we're just worried about these rich farmers. I find that fascinating every time I hear that, because clearly, nobody's ever looked at the balance sheet and the cash flow of an agriculture operation. When you go-- there's a, there's an article that Examiner did-- which is a great article. Those are my neighbors. And when you look at the, the dollar value of that land, it looks like stars in your eyes, and wow, look at all that money. You can't go buy that property and put the cattle on it and make a living to cash flow the payment on the land. And that's a much longer conversation. A lot of people will say, "Well, what are you doing in agriculture, then?" But you cannot go buy the capital resources you need with-- and, and, and cash-flow that investment. And just a real, real quick-- and by the way, there-- there's a reason maybe our, our economy here in Nebraska is sluggish, and it has to do with the farming economy is sluggish. Real quick breakdown. The last year, 2024, there was \$419 million in property tax relief; 38% of that went to Douglas, Sarpy, and Lancaster Counties. That's not where most of the farm ground is

by, by percentage in our state. But it took-- but those counties got almost 40% of the total property tax relief dollars, because that's where a lot of the residential properties are. And total property taxes levied in this state, over \$5 billion, 24% is ag land, 20% is commercial, and 54% is residential. So, for anybody that wants to start attacking the property tax relief, I would ask that you maybe go back and speak with your constituents and your homeowners and ask them if that's OK with them. Ask them if they're experiencing some, some pain and they want to--

KELLY: That's your time, Senator.

STORER: --continue to see property tax relief. Thank you, Mr. President.

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

J. CAVANAUGH: Thank you, Mr. President. I read that article that Senator Storer referenced. Some really pretty pictures in there. It's interesting. So, I-- yeah, again, I think I rise in opposition to the IPP, but I would support probably a motion to-- well, we could recommit, I guess, but also a bracket motion until the hearing is had. I appreciate someone sent me the actuarial report, so I'm working my way through that. And so, I'll probably push my light to talk about that a little bit more. But I wanted to take the opportunity to talk right now about-- today is Maundy Thursday, which I-- is, I would say, my favorite religious holiday, and anybody who knows me would know that. I talked about this last year, and it's a-- interesting, because Maundy Thursday is Holy Thursday, is the observance of the washing of the feet, and I came to love it as a result of being-- wondering "why are we doing this?" Because I thought it was really awkward when I'd been to the washing of the feet. Did not like having my feet washed. So, I started looking into it, and Maundy Thursday, you know, everybody knows Good Friday and Easter Sunday and Palm Sunday and Ash Wednesday and Christmas, and all those other things. And of course, a lot of other-- Ascension and things. Could go on. But Maundy Thursday is the day of the Last Supper, and I-- so, I said-- last year, I was talking about it, I was thinking about it. It's, it's the greatest hits of the Christian tradition pop culture references. You know, the Last Supper is where you get the Holy Grail, of course, of Indiana Jones fame, but you also have the-- where Jesus prays in the garden to ask that he doesn't have to do this, right? And then, you have-- Peter denies Jesus three times, which is a tremendous, you know, statement, I guess. And Jesus predicts it, of course. You have the betrayal with

a kiss, which has come-- is a-- is become a culturally significant thing. And let's see, what else today? [INAUDIBLE] Oh. So-- but yeah, the reason I was talking about this-- so, I was thinking about it this morning, and I was like, oh, should I talk about this again today? And I was like, oh probably not; it's not relevant to what we're talking about. But so then, of course, I was reading the gospel this morning, and I started with the Gospel of Mark, which was not the one to read if you want to read about the washing of the feet. You want read John. So, John 13, and-- goes through, and Jesus, of course, says he wants to wash the feet of his disciples. And they say, no, let us do it, you're the master. And he says, no, the master should wash the feet. And so then, he does, and they-- Peter allows him to wash his feet, and Jesus says, do you realize what I just did? And he says-- so, I'm going to read it, because I can't remember-- I'm not that good at biblical reference. You call me teacher and Lord, and rightly so, for what-- that's what I am. Now that I am Lord and teacher, have washed your feet, you should also wash one another's feet. I have set for you an example. You should do as I have done. Very truly I tell you, no servant is greater than the master, nor the master-- messenger greater than the one who sent him. Now that you know these things, you will be blessed if you do them. So, of course, Maundy Thursday is-- means commandment, and the new commandment is "love one another as I have loved you." But the-- so, the reason I brought this up today-- I was thinking about it-- is this line, "no messenger is greater than the one who sent them." We're having a session where we talk about the people who sent us here, voted on so many things. Paid sick leave, minimum wage, medical marijuana, and we have had countless people stand up who I think would consider themselves observant Christians, and who will say the people did not know what they were doing. The people didn't understand this. The hubris in that statement is laid bare by the, the words of Jesus, the Lord on Earth, saying no one is greater than those who sent them. No one is greater than those they serve. And so, we are all here in service, and we have got to put ourselves in that place where we recognize that we are the servants and not the leaders. And so, when the people speak, we should listen, and we should follow their example, and we should always hold ourselves to that standard that no messenger is greater than the one who sent them. So, enjoy Maundy Thursday. I hope you all enjoy it as much as I do. But it is a really interesting day, and one that goes overlooked too much. So, thank you, Mr. President.

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

M. CAVANAUGH: Thank you, Mr. President. I just love my brother. He's [INAUDIBLE] I love all of my brothers. I have five. But man, Senator John Cavanaugh-- that was very moving. I'm lucky to serve alongside you every day. This is-- this place is hard, and it is-- it's people who are good and decent to their core who not only talk about their values, but live their values, and I think that's one of the things that's hard for me about this, is that I hear so many people in here talk about the values, about the Gospels, as Senator John Cavanaugh was just saying, and-- in Christianity. And-- but then their words and their actions in this work are incongruous to that-- congruent to that, and that's really hard to sit through all the time. I was listening to Senator Storer's comments about the property taxes, and I don't know if that was in response to me, but I did talk about the property taxes. Here's the thing that my constituents would like, homeowners and renters alike: they would like us to be good stewards of our job, to honor their will at the ballot box. And would they like property tax relief? Yes, of course they would. But we don't tax them for their property, so it's not appropriate for us to give them property tax relief. We aren't proposing giving payroll tax relief, and we do tax that. Income tax relief, we only can do that for the most wealthy. When we enacted that awful tax cut bill two years ago that's putting us on a juggernaut to bankruptcy, there were proposals for middle-income taxes, and proponents of the tax cut said we can't afford to give tax cuts to the middle income people. That's because the working people of Nebraska are the people who are funding everything. It is on their backs that we even have the resources for property tax relief. And we stand up and we talk about how we put \$1.6 billion towards social services? Yeah, those are their tax dollars at work for them that we have to fight you for. We tax them so that we can provide them services. Public good. We do not tax the working poor, middle-class Nebraskans so that we can give wealthy farmers property tax relief; we tax them to serve them. The budget this year is so beyond a disappointment there-- I don't have words for the depth of how awful it is. Senator Dorn, answering Senator Dungan's questions, just acknowledged exactly what I had said: that this bill is here right now because we have a hole in the budget. And because we refuse to tap into \$1.2 billion in property tax relief that is primarily going to benefit wealthy Nebraskans, not working Nebraskans, we then have to raid the retirement fund of teachers. We refuse to take money from the prison, we refuse to take money from the canal, we refuse to take from property tax relief fund, but we're totally cool with this. This makes no sense. Nebraska, your elected officials are lost. They need your guidance. They need your voices. We are not doing our jobs. We are trying to destroy the working people of Nebraska.

KELLY: That's your time, Senator.

M. CAVANAUGH: Thank you, Mr. President.

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

LONOWSKI: Thank you, Mr. Speaker. I am a retired Spanish teacher. After 35 years as a full-time teacher and 35 years as a wrestling coach and football coach, I decided it was time. Most of my days during the school year were 10- to 12-hour days. Many, many of my Saturdays-- 15 Saturdays per year-- were spent in gymnasiums at long wrestling meets. Myself, along with 30 wrestlers and coaches, boarded the bus at 5:30 a.m.; we traveled to a meet, we wrestled, we boarded the bus, and returned home at 9 or 10 p.m. One time, we got home at 2 a.m. My summers were often spent at wrestling camps. At year 15, I questioned my ability to stick it out for the long run. Nobody-- not one Democrat, not one Republican-- in this body knows what it takes to stick out being a teacher for 35 years. I loved what I did. To be a Spanish teacher required me to speak two languages in a classroom. La habilidad de hablar español y enseñar español en cinco [INAUDIBLE] diferentes de era una [INAUDIBLE] única. Eso sí que es. But let's be clear. To have a decent retirement always ahead of me, knowing what was coming helped. My ability to maintain a high level of energy in the classroom for sure was paramount. At \$35,000 a year, I had to truly love what I was doing. Young people do not go into teaching for the retirement, however, many, many stay because of the benefits, including that retirement. It is absolutely paramount that we do not allow these benefits to erode. Now, I am asked to vote on a bill that affects the retirement of myself, of many of my children, friends, and even former students who have followed my footsteps into this profession. I have had many discussions with several people-- teachers, superintendents, school board members, and of course, Senator Beau Ballard himself. I let Senator Ballard know that I had to be 100% comfortable with his bill and the amendments before I would give it my support. With Senator Ballard's bill and the amendments, this plan requires different contributions at three levels of funding: less than 96% funded, between 96% and 99.9%, and of course, fully-funded, 100%, as Beau Ballard had discussed earlier. There are also different contributions required, and the percentages are different based on the levels of funding. The state will continue its responsibility of fully supporting public schools and teachers with this bill. So, I ask my fellow teachers, both retired and those still in the trenches, do your own research, read on your own, make your determination, engage with people you can trust. And with that, and

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with the conversations I've had with different people, I fully support LB645. I yield my time to Senator Hallstrom.

KELLY: Thank you, Senator Lonowski. Senator Hallstrom, 1 minute, 38 seconds.

HALLSTROM: Thank you, Mr. President, members. I rise in support of LB645 and opposed to M029. I'd like to commend Senator Ballard and the Retirement Committee for the work they've done since this bill was originally introduced, as well as the school administrators and the school teachers. I was out for a little while, but as I heard earlier comments, I heard the adjectives that the teachers were dismayed, they were concerned, and they were aghast. What I didn't hear as an adjective was "misled." There was a lot of talk that went out to the teachers that said that the school retirement fund was being raided. As Senator Storer indicated, that is not the case. But even though that is the case, I commend the representatives of the schools who mobilized their teachers. They made a difference; their voices were not only heard, but they were heeded, and we now have a situation where the school administrators and the school teachers themselves, as I understand it, are full on board in support of the amended version of LB645. I think we should listen to them. We should move the bill forward, and not replace our judgment for them-- for theirs at this point with regard to a bill that has been fine-tuned and worked out with all the parties, and would encourage the support for LB645. And thank you, Senator Lonowski, for giving me some time.

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

DUNGAN: Thank you, Mr. President. Colleagues, once again, I rise I guess agnostic about the IPP, but generally still curious about the underlying LB645. So, I just wanted to finish up a couple of the thoughts that I had earlier, which really are about sort of the big picture of how we got to where we are today where we are contemplating LB645. And I think what we're doing too often in this Legislature, in this session in particular, is that we are just adopting the premise, right? So, we're operating under this panic mode where we have this budget shortfall, which is real; I'm not saying it's a lie. We don't have enough money projected moving forward. And in order to fill that budget, we then continue to make decisions like LB645, the original bill that was proposed, in an effort to backfill this hole that we see in the budget. But the problem is that we, I think, are too often just accepting the premise of "Our hands are tied," "This is just how things are," "What can we do to actually fix the problem?" instead of

taking a more well-rounded and big-picture approach or analysis as to how we got here. We, as a state, have continued to cut our income taxes specifically for the wealthy earners and for the corporations since I got here. We passed a bill, and it created a stair-step down where taxes have consistently gone down over the three years that I've been here, and they are slated to continue to reduce into the next few years. Now, I absolutely think it's always important to look at our tax situation and see where we are, but when you're talking about our current economic situation, and when you are talking about this panic mode that we find ourselves in, trying to figure out where we can, you know, shake money out of the cushions or whatever analogy you want to use, and yet are unwilling, I think, to even approach the concept of whether or not we should pause continued corporate tax reductions, I think that you're not doing a service to the people of Nebraska. And my friend Senator Brandt brought a bill this year, LB171, which proposes a freeze to the continued reductions of the income tax, both personal income tax and the corporate tax, and I anticipate that we're going to talk about that quite a bit over the next few weeks as we talk about the budget overall. And what I find interesting about that is a couple of things. One, it's not a tax increase, right? We are continuing to decrease our taxes, and, make no mistake about it, our income taxes in the state of Nebraska have decreased consistently over the years that I've been here. And two, there is money to be made, a significant-- and I'm sorry, revenue to be saved, I suppose you could say. There's revenue that we can save by freezing the corporate income tax reductions and still allowing individual income tax reductions to continue until it gets to that 3.99% for the top bracket. During the hearing that we had on that-- I'll go back and look at my notes, but during the hearing that had on the Revenue Committee, which I sit on, there was a discussion about whether or not you could bifurcate those two things and allow the individual income tax reductions to continue but freeze the corporate income taxes where they are; not raise them, but freeze them where they are after already getting a tax reduction. My recollection is that a freeze in simply that corporate income tax portion would, I think, save about \$50 million in the next year, and upwards of, I think, \$120 million the year after that. That is a substantial savings that would result in us not having to raise the sales and use tax on everyday Nebraskans to balance this budget on their backs; it would result in us not having to, in a panicked situation, try to come up with some way for teachers to get less contributed into their retirement; it would result in us not having to increase the amount of things that everyday Nebraskans are taxed on; and it would have simply the corporations pay their fair share after already receiving a tax reduction over the last few years. It's a

pause, it's not a permanent injunction. So, until our fiscal situation gets healthier, to me, colleagues and Nebraskans, that is the best way that we should be looking at this. We should not be balancing our budget on the backs of teachers, and we should not be balancing our budgets on the backs of everyday, hardworking Nebraskans who are simply trying to make ends meet, especially in a time where we are not in an economic downfall. The situation we find ourselves in here today, colleagues, I think, is self-created, and we are smart enough and nimble enough to create a solution. Thank you, Mr. President.

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

DORN: Thank you, Mr. Lieutenant Governor. I-- when I was on the mic earlier and asked-- answered Senator Dungan's question, he asked me if that-- this bill was one of those included in the budget to help balance the budget. The budget we're sending to the printer, yes it will be in there, however, I also want to add another part to that story. If this bill or if the Revenue Committee bill don't get passed, we don't have a balanced budget when it comes through the discussion on the floor. So then, we get to do on this floor what we have done the last four months, three months in Appropriations. We get to discuss, are we going to put this in there or this in there, or not fund this or not fund that? We get to discuss where property taxes are, where the income tax is at. We get to discuss all those and start putting that together. I've commented many times to many people that this is like a big giant puzzle. What we're going to bring to the floor is a puzzle that's all put together. And then, what this body decides to do on the floor, we might pull out a piece and put a piece back in, but they are going to match. As far as my position is concerned, there are several options-- if this bill or one of the other bills doesn't pass, there are several options, and one of those is make more cuts. I think we've read many stories, many articles, a lot of talk about some of the cuts that have gone on here. Many people commented on it this morning. This is about approximately, I don't know, \$70 million, give or take; I've heard different numbers. But if this doesn't pass, we will go back to the drawing board and we will figure out are we going to cut? Are we going to bring back some money from somewhere? Are we going to do property tax pull-back? And I will not be in favor of that. I will not be in favor of pulling back any property tax relief we're giving. Senator Duncan [SIC] just brought up the income tax. Will we pull some of the money back from that? I will not be in favor of that. I'm one vote. There are 49 of us. We will all come together as a body, and when we get done with the budget, it will be balanced. Excuse, excuse me. Some people will be very unhappy with

how it was balanced, some people will be OK with it, some people will be-- yes, that's how we should have balanced it. That will be more of a discussion when the budget comes to the floor. Understand why everybody's having it this morning. Understand why they're having the talk about "This is how we are balancing the budget. It's not right." In my opinion, this is one of our options out there. As the committee looked at different things, this is an option. If this doesn't-- like many other things that will have amendments on the floor, if this doesn't, I call it, stay in there, or doesn't progress with the budget, now we, as a body, get to make other decisions. What are you going to have to replace that income, that revenue? What are you going to do to replace, I call it, that part of the General Fund so that the General Fund is balanced? Because when it comes time, or when we are done having the discussion of the budget on the floor, one thing we're required as a state legislative body is to end up with a balanced budget. Many people have had a lot of discussion this morning on "You shouldn't do this" or "You shouldn't do that" or "You should do this." I believe if you polled the body, there are many different priorities. But at the end of the day, we need to come together, we will come together, and we will vote on different things, and they either become a priority or they don't. So, at the end the day, when the budget comes to the floor-- yes, Day 80, it needs to be passed, it needs to be balanced. This is just one part of that puzzle; one part of the process is bringing the budget to the floor that has these two bills in it so that we can show everybody there is this opportunity to have a balanced budget. Whether that ends up being the decision of these 49 people or not, that's up to all of us. But yes, right now, it is in there, but it doesn't mean we have to pass it. If it doesn't pass, in my mind,--

KELLY: That's your time.

DORN: --I'm going to start looking at cuts. So, just so everybody--

KELLY: That, that's your time, Senator. Thank you, Senator Dorn. Senator Riepe would like to recognize some guests in the north balcony: fourth graders from Norris Elementary in Omaha. Please stand and be recognized by your Nebraska Legislature. Senator Sorrentino, you're recognized to speak.

SORRENTINO: Thank you, Mr. President. I'm going to attempt to steer this discussion back to the, I think, the legislative intent of LB645. There's a well-recognized group called the National Conference of Public Employee Retirement Systems, also known as NCPERS. They did a survey for 2025 of the biggest priorities for public pension plans,

which is the subject of our discussion today. There were four top priorities. One, apparently, was sustaining pension levels, which is really the crux of LB645. There's been a lot of testimony this morning, but frankly, I haven't heard any testimony, or valid testimony, or testimony that would be in any way, shape, or form not supported by the actuarial tables that our pension plan is healthy, it is funded well. It may even be, in some cases, overfunded, which, of course, we never, ever want to go there, from an actuarial standpoint. But the second priority was improving cybersecurity. I've heard no mention of that from those who oppose LB645. That would be a valid topic to talk about. Or updating their pension administrative systems, another valid topic; another valid expense for some day to talk about. Or, determining the role of artificial intelligence in pension management, which is probably front and center, top of mind these days as to what we should be doing. So, discussion of under LB645 to suggest that the-- sustaining the pension levels aren't necessary, they aren't timely, they weren't done and according to process, I think really should become a moot point. It-- it's just not what we're-- it is germane to this issue, and I think we've disposed of that quite well. And I'd like to yield the rest of my time to Senator Hallstrom.

KELLY: Thank you, Senator Sorrentino. Senator Hallstrom, 3 minutes, 5 seconds.

HALLSTROM: Thank you, Senator Sorrentino, members. I, I already had my piece said a little bit earlier, but I thank Senator Sorentino for the opportunity to get up and, and speak one more time in support of LB645. I think I am in the queue after-- or I'm in the queue before Senator Cavanaugh, and I understand he wants a few words to say. I was going to call the question, but I will pull out of the queue and allow him as the, hopefully, last speaker, to have his say. And thank you for your time.

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

J. CAVANAUGH: Thank you, Mr.--

KELLY: --and this is your third time on the motion

J. CAVANAUGH: Thank you, Mr. President. Well, thank you Senator Hallstrom. I don't think I-- now the pressure's on. I don't think I had anything that interesting to say. I just talked about my love of Maundy Thursday last time I was on the mic, and so I didn't get to

talk about what I've been thinking through on this. And I've listened to the conversation, and it-- I do think there's been some really interesting points brought up. I think there are some questions about process here, and obviously, where the bill started out. I actually was talking to Senator Ballard about, you know, the original bill he introduced. And I said, you know, I've done this before where I've brought a bill and, and it, you know, upsets everybody in the first version of the bill. And then you fix it, and it's hard to get that stink off of it, right? Where it's-- everybody's like, well, my first reaction to this bill was terrible. But, you know, I've been listening, I've been reading the actuarial report, I talked to Senator Ballard, I talked to committee counsel, and, you know, I, I have less concerns about this bill than others. I do have concerns about why we were looking at this money in the first place; I think that's a-- it's a bad principle to look at pensions for money. I think that's a really bad idea. I do think that the fact that teachers get a pay raise as a result of this bill is a good thing. I think the fact that we're saving money for schools is a good thing. I think fact that we're not putting money-- more money than we need to in accounts is a good thing, because we've had a lot of conversations here about cash funds that have a bunch-- we're collecting too much money in service fees and things from people, and then they become attractive targets for raiding. And so, you know, just funding things where we really need them to be, be is more efficient. So, I think there's a, a lot those sorts of things. One of my concerns I did raise and I was talking through with Senator Ballard and, and counsel was about the triggering mechanism, and I looked at it and I've talked with them about it. I think I'm less concerned about it, but I will look at it some more between now and Select, and if I have concerns, I'll talk with them and see if there needs to be a change addressed to the triggering mechanism, but that was the basis of my concern. So, I mean, I do worry about bringing up bills before we have the hearings on the, on the floor-- or, hearing in the committee. I think that's a bad process and bad precedent, so I probably would still support not taking up this bill until after that hearing. But at the moment, I think I probably would support the bill when we do get to that, that point. So, I appreciate Senator Hallstrom's respectful deference to me on this, and so I appreciate that. Thank you, Mr. President.

KELLY: Thank you, Senator Cavanaugh. Senator Wordekemper would like to recognize some guests in the north balcony: they are from Greenheart Exchange in eastern Nebraska. Please stand and be recognized by your Nebraska Legislature. Senator Raybould, you're recognized to speak.

RAYBOULD: Good morning, colleagues, and happy Easter. You know, I want to talk about budgets, and you cannot create a budget in a vacuum. How do I know this? I've been an elected official for 12 years as a county commissioner and on the Lincoln City Council, and we have to have a balanced budget. You look at everything. Everything must be considered. And everything that you consider, you also have to consider the impacts. And so, as the budget balancing process, you go through and incorporate and include all the stakeholders. You get them engaged, you get them involved, you ask them, how is this going to impact the livelihood of the people that you represent, or the department that you present, or the functionality of that department that you represent. These things are really standard elements in any budget-building process. So, as part of the process, I really commend Senator Ballard for reaching out to the teachers that this would impact. And I want to share with you that having a pension funded at 99.1% is absolutely extraordinary, incredible. I want to share with you, in the city of Lincoln-- and keep in mind the city of Lincoln has a AAA bond rating; that is the highest bond rating you can get. But our pension plan for our Lincoln Police Department and our Lincoln firefighters is the envy of Nebraska. And guess what that's funded at? It's funded about 66%. If you turn to my wonderful colleagues in Omaha, they know that that is not the same case for their pensions in Omaha. They are not funded to that level. As a city council member, we were very mindful to make sure that we were not shortchanging the pension on an annual basis just to balance our budget. So, what do we do? We turned to our actuarials that are the geeks of all numbers in the entire universe. They were extraordinary. We made a commitment on the Lincoln City Council, and we put it in our municipal codes that what the actuarials tell us is that placeholder number is what we have to put in our budget. We trusted them, because they do the smoothing; they take all the numbers based on the, the longevity of the current members and the cohort that you are analyzing, determine their longevity, try to pinpoint a point in time in the future when that individual or individuals are likely to retire and pulling out of that funding. I hope I've explained it in a simple enough way, but it's important to understand that the numbers matter, and so the crafting of your budget includes pension funding. So, I stand up here today against the motion to definitely postpone, and I do support LB645. And I was very moved and touched by Senator Lonowski's comments, because who better than him knows exactly how important a teacher's pension is to them so that they can enjoy retirement, so that they can pursue their hobbies or pursue more time with their families. So, I stand in support of this. I know that there will be amendments that put similar guardrails onto the state to make sure they uphold their end of the

bargain. Should things dip down too low for the comfort of that pension, then there will be additional funding from the state. And I know there's more amendments that will be coming on Select File. But I do want to say we have to include the stakeholders, and I know that Senator Ballard has. I went out into the rotunda, talked to the representatives of the, the teachers unions and others that are engaged with the education issues that impact our teachers and their retirement, and they support it. So, for those reasons, I support it. Then thank you, Mr. President. And everyone, have a happy Easter.

KELLY: Thank you, Senator Raybould. Senator Holdcroft, you're recognized to speak. Seeing no one else in the queue, Senator Conrad, you're recognized to close on the motion to indefinitely postpone.

CONRAD: Thank you, Mr. President, and again, good morning, colleagues. I appreciate the invigorated debate that we've had on this issue this morning. I take the feedback from my colleagues to heart that perhaps, from a process perspective, the most thoughtful way to deal with this-- and again, I filed the IPP motion on the original bill shortly after introduction-- would probably be to go ahead and withdraw this particular motion, let the committee amendment come up. And then, I've touched base with stakeholders including leadership and the Clerk to put forward a motion to bracket until after the public hearing-- which was literally set yesterday-- can be held next week, so that we can have a clear, informed feedback from all stakeholders, and we can have clarity as to policy and fiscal implications herein. It may-- it may well be a good deal for those involved. My point is, we should not rush. And the additional point is-- which has been undeniable in this debate, even by proponents-- that we are moving forward with this measure at this time to balance the budget. That, that is undeniable; that is absolutely undeniable. And at the same time that we're making major changes to this particular plan at a time of incredible economic volatility, we, we at least need to be careful and thoughtful, and ensure each component that has been negotiated or discussed is subjected to public hearing and analysis, and that all of the stakeholders who are involved in this conversation have the time to fully deliberate as to whether or not this is, in fact, the good deal that it is promised or purported to be. I have reservations about rushing forward with this measure at this time. I disagree with the policy underpinning to balance the budget on teachers. I am hopeful we can ensure a sound plan. I'm always going to be in favor of upping teacher take-home pay. So, like many issues that come before this body, there's good parts and there's bad parts. We know that other retirement plans that are similarly situated are not being subjected to the same treatment, and nobody has said why. We also know that we

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have work to do in regards to increasing the stability and solvency and strength of our retirement plan for our brave men and women in the Nebraska State Patrol. And members of the Retirement Committee-- and, you know, Senator Ballard and I don't always see eye-to-eye, but one thing we, we, we absolutely see eye-to-eye on was trying to make strides this biennium to at least ensure surviving spouses of deceased NSP members could have a fair benefit. Yet, Senator Sorrentino, Senator Clements and others are fighting against that as well. So, there's a lot of issues in play here; this measure relates to budget, it relates to issues moving through Education, it relates issues moving through Revenue, and there's this significant amount of discomfort. If the goal was to start a conversation, the conversation should happen carefully, not in 60 days. But at the very, very least, it should happen after key components are subjected to public hearing and fiscal analysis. The additional amendment was filed yesterday; the public hearing notice was set yesterday; the hearing has not been held. It is next week. That is not normal in our process. It shows the rough nature of the process, which has heightened anxiety and confusion about the underlying measure. But I would ask that this IPP motion be withdrawn so that we can hear the committee amendment, and then move to a time-limited bracket. Thank you, Mr. President.

KELLY: Without objection, it is withdrawn. Mr. Clerk.

CLERK: Mr. President, General File, LB645 introduced by Senator Ballard at the request of the Governor. It's a bill for an act relating to school retirement fund; amends Section 79-966; changes state contributions; harmonizes provisions; repeals the original section. The bill was read for the first time on January 22 of this year and referred to the Nebraska Retirement Systems Committee; that committee placed the bill on General File with committee amendments, Mr. President.

KELLY: Senator Ballard, you're recognized to open on the committee amendment.

BALLARD: Thank you, Mr. President. The committee amendment, AM876, is a white-copy amendment that replaces the bill. Under the amendment, for each fiscal year beginning July 1, 2025, the state contribution will remain at 2% of the compensation of all members of the retirement plan until the plan reaches 96% funded. If the funding ratio in the prior years is greater than 96% but less than 100%, the state contribution would drop to 0.7% of the comp-- of the compensation of all members of the retirement system, which is the rate of the state cont-- contributed in 2009. If funded, the ratio greater than 100% for

the prior year, the state would not make a contribution in that fiscal year. Similarly, AM876 provides that employees and employer contributions would remain roughly the current rates until the plan reaches 96% funded. Beginning July 1, 2025, the funding ratio for the prior year is less than 96% of the employee contribution rate, it would reduce slightly to 9.75%. If the funding ratio prior year is greater than 96% but less than 98%, the employee contribution would drop to 8.75%. If the funding ratio of the prior year is greater than 98% but less than 100%, the employee contribution rate would drop to 8%. And if the funding ratio for the prior year is over 100%, the employee contribution rate would drop to 7.25%, which mirrors the employer "contrabration"-- contribution rates prior to 2013. And there is a-- there is a handout that outlines some of the-- I know there's a lot of numbers, but there is handout that outlines some of these-- or, all of these contribution rates. Under the amendment, the employer contribution would continue to track employee contributions. Under the current law, the employers' contributions are set at 101% of the employees' contributions. So, if the employees' contribution rate decreases, employers' contribu-- employees' rate, rate contribution decreases, the employers' rate would decrease as well. The pages just discribe-- distributed a chart. As amended, the AM876, the benefits of LB645 are threefold. First, the bill would allow for a reduction in state contributions to the school retirement fund during the current budget cycle. The fund is currently over 99% funded, based on a 2024 actuarial study; it is on track to be over 100% funded in next year's valuation report. If the projections hold, the state contributions fiscal year 2025-2026 will be significantly reduced, and the state would not be required to make contributions in fiscal year 2026. Second, teachers in, in school districts in the state will see a reduction in their contribution rates. The projected reduction from 9.78% to 8% next year will lead to an increase in teachers' take-home pay, with teachers making the statewide average bringing home more than \$1,000 in additional take-home pay. Should the projections hold, the plan move over to 100% funded, the same, same rate would be about \$1,500 in additional take-home pay. Third, because employer contributions are linked to employee contributions, every school district except for OPS will see a significant cost savings related to retirement. Similar to the reduction in employee contributions, school districts could see a cost saving of over \$1,000 per school employ-- school teacher. If the district-by-district basis is changed, could potentially result in a not-insignificant amount of property tax relief. LB645 was advanced out of Retirement Committee on a 4-0 vote, with two members absent. I'd like to thank the representatives from the NSEA, the school boards and the administrators, and the Governor's

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Office for their willingness to work to find this compromise amendment. I ask for your green vote on AM876 and LB645. Thank you, Mr. President.

KELLY: Thank you, Senator Ballard. Mr. Clerk.

CLERK: Mr. President, Senator Conrad would move to bracket LB645 until April 24.

KELLY: Senator Conrad, you're recognized to open on your bracket motion.

CONRAD: Thank you, Mr. President. Again, good morning colleagues. Yesterday, April 16, Senator Ballard filed AM1023, and notice of a public hearing was also issued yesterday on April 16 for AM23--AM1023, which every party concedes has key components related to the policy and fiscal impacts contained in LB645. So, my contention is quite simple, that at the very least, we should end consideration on the bill until we have had a public hearing on this amendment that was very recently filed. I understand why Senator Ballard utilized this strategy, even if I don't agree with it. But I understand why he's doing that. And I, I think his goal is to try and err on the side of public engagement, which is a good goal, which I do agree with. But I'm, I'm, I'm nervous about having and moving a bill before we've had an opportunity for public engagement on a key component that was literally filed just yesterday, knowing that these issues impact thousands of Nebraskans and billions of dollars when you take into account the contributions of the schools and the teachers and the state. I'm, I'm just asking that we not rush forward with this bill until we complete the public hearing component. If there is no policy change coming forward with AM1023, which I think there is; if there is no fiscal impact with LB1023 [SIC], which I think there may be, we should at least wait so that members have clarity when voting on this measure about what it does and what it means from a fiscal perspective. I was talking with members of the Appropriations Committee, and they've penciled in the absolute necessity of LB645 moving forward to cover \$100 million of the budget shortfall. If you go and you're-- you look at the fiscal note on LB645 as it stands today, can you discern that there is \$100 million in additional revenue available to the state? I don't think that clarity exists. And if this measure is being utilized to balance the budget to the tune of \$100 million, that needs to be crystal clear to all parties involved. At the very least, we should postpone consideration of this measure to after the additional public hearing, which was noticed yesterday, to

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just a few days from now. We can easily take it up next week. Thank you, Mr. President.

KELLY: Thank you, Senator Conrad. Seeing no one else in the queue, you're recognized to close, and waive closing on the bracket motion. Members, the question is the motion to bracket. All those in favor, vote aye; all those opposed, vote nay. Record, Mr. Clerk.

CLERK: 7 ayes, 29 nays to bracket the bill, Mr. President.

KELLY: The motion fails. Mr. Clerk.

CLERK: Mr. President, Senator Conrad, Conrad would move to recommit LB645 to committee.

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

CONRAD: Thank you, Mr. President. I'd like to withdraw that, please.

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

CONRAD: I have nothing further on the bill at this time, Mr. President.

KELLY: Members, the que-- Senator DeBoer, you're recognized to speak.

DeBOER: Thank you, Mr. President. Would Senator Ballard yield to a question?

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

BALLARD: Yes.

DeBOER: Senator Ballard, I've been listening to what Senator Conrad has to say about this last bracket motion and the public hearing, and the timing of all of this. Can you explain why we're doing it in this way?

BALLARD: So, we scheduled-- so, I met with the education stakeholders, particularly the NSEA,--

DeBOER: Uh-huh.

BALLARD: --and they were satisfied enough with the actuarial report that they believes there's an additional room for added benefit in the plan. And so, as a--

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DeBOER: I, I get all of that. Like, I'm just wondering about the procedure. Why are we having the debate on General File before we have the, the hearing?

BALLARD: Because seven days out, we're going to be-- we wanted this to-- before the budget, and we're seven days out. It's going to take-- we're just trying to get on-- as General File as soon as possible. So-- and I believed that the amendment needed enough conversation that-- I agree with Senator Conrad that it needed a public hearing, and so scheduled that out in advance.

DeBOER: OK. Well, that is highly unusual. I-- I've not seen something do that very often. In fact, in my recollection, there was a couple of times in my service where we've had to return things to the committee and then do the public hearing, and then we could move forward with them. This, this seems like we are going against our precedent. Does it feel that way to your recollection as well?

BALLARD: It does not. I think this has been a comm-- it's been a practice of scheduling something on Select File. And it was not supposed to be on General File; that would have been considered out-of-order, and I agree with the Clerk in our conversation this morning that that would be considered out-of-order because it's-- it is a pretty substantial change or policy conversation. And so, I filed it on Select File to have that opportunity for public input.

DeBOER: OK. Thank you, Senator Ballard. Senator Arch, would you yield to a question?

KELLY: Speaker Arch, would you yield to a question?

ARCH: I will.

DeBOER: Thank you, Speaker Arch. So, I'm just trying to understand the logic for why we're doing it in this order, because--

ARCH: Sure.

DeBOER: --Senator Conrad's concerns actually do sound valid--

ARCH: Right.

DeBOER: --very much to me.

ARCH: Thank you, Senator DeBoer. So, here's my understanding. There is an amendment. Not AM876 if I am-- if I am correct, it is not AM876,

Senator Ballard. But it is-- there is an amendment that will be heard next week. That amendment has been filed on Select File. So, that amendment filed on Select File will not be on the board today, will not be considered by the body today. So, there will be a hearing. So, the question of out of order, I don't think is, is appropriate. In other words, if, if that, if that item is not in front of the body to being considered, then we're not out of the order. The hearing has not taken place, the amendment is not in front of body today; that amendment has been filed on Select File, so if this bill advances to Select File, and if that amendment comes up on Select File, at that point, the hearing will have been held, the amendment will be considered. And so, that is the-- that is appropriate. I mean, I, I, I will tell you that my concern is this: that if, if we say that you can't-- that it is out of order to, to file something on Select File as an amendment without, without-- when we're, when we're on General, and you then say well then you've got to pull this off the-- you've got to pull this off the agenda, my concern is, like, well then let's do that on every bill we don't like. Let's just file something on Select File without-- that needs a hearing, and then the Speaker will pull this off the agenda. So, I don't believe we're out of order with the order that we're doing at this time.

DeBOER: OK, I understand that. One more question, though, and I don't-- I just don't know the answer to this. Will there be a fiscal note on the amendment available? And my, my thought would be that there wouldn't, because usually, it has to be actually amended onto the bill before you get a fiscal note. Is that-- am I correct in that?

ARCH: Will not have a-- I do, I do not believe we'll have a fiscal note until we vote.

DeBOER: So--

ARCH: And then, the fiscal note will appear.

DeBOER: So, it would appear after Select File--

ARCH: That's correct. And so, that's why we have three rounds of debate,--

DeBOER: Yeah. The--

ARCH: --so that we would see that on Final,--

DeBOER: The--

ARCH: --and we could debate it-- we could debate it on Final as well.

DeBOER: That would be the one sort of thing that I would say is a little bit concerning, when we're talking about this amount of money, that--

ARCH: Yeah.

DeBOER: --we won't be able to have a fiscal note until Final Reading.

ARCH: I would say ideally, I mean, I'm with you 100%. I mean, that has been my message to committee chairs. It doesn't always work ideally where everything's buttoned up--

KELLY: That's time, Senators. Senator DeBoer, you're recognized to speak.

DeBOER: Thank you. I was wondering if Senator Arch would yield to--

KELLY: Speaker Arch, would you yield?

ARCH: Sure.

DeBOER: Maybe we could just finish your sentence there and figure out where we were.

ARCH: Well, I was just saying, ideally-- and that's been my message to committee chairs, is, like, absolutely do as much of this work in committee to, to have this type of movement on the floor in a floor debate, not ideal. It-- sometimes, it happens; sometimes, those ideas come late to the table and, and it's necessary. But-- I mean, I, I don't, I don't disagree. Ideally, this amendment would have been-- would have been heard earlier and would have been here on General, that we could consider. But we are where we are, and I don't believe that it is a violation of rules or out of order.

DeBOER: I understand your points, and I think you're right that it-- that then-- I mean, you've convinced me that it's not a violation of rules or anything like that. But I would say, since we're talking about such a substantial amount of money, not having the fiscal note until Final Reading is a bit tricky. So, maybe we could have some accommodation for that by a very long period of time between Select and Final or something, so that folks can at least take the time to absorb the information that they won't get until after Select. All right, thank you, Mr. President-- or, thank you, Mr. Speaker. I guess we'll move forward at this point, but I-- you know, I think the, the

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amendment that we're not talking about and hasn't had a hearing yet is probably going to be a good one, but it is a little concerning to not have all of the information at this point on such a huge bill. Thank you, Mr. President.

KELLY: Thank you, Senator DeBoer. Seeing no one else in the queue, Senator Ballard, you're recognized to close on the amendment.

BALLARD: Thank you, Mr. President. I'd just like to thank my colleagues for the conversation today. I'll just make one quick note before we, before we vote on this amendment. I did pass out the actuarial study to ever-- to everyone in the body. Take a look at it, let me know if you have any questions. But these are required under rules to have an actuarial report on a retirement plan change. With that, I would ask for your green vote on AM876 and LB645. Thank you, Mr. President.

KELLY: Thank you, Senator Ballard. Members, the question is the adoption of AM876. All those in favor, vote aye; all those opposed, vote nay. Record, Mr. Clerk.

CLERK: 41 ayes, 0 nays on adoption of the committee amendment, Mr. President.

KELLY: AM876 is adopted. Mr. Clerk.

CLERK: Mr. President, Senator Ballard, I have AM248 with a note that you would withdraw.

BALLARD: Yes.

KELLY: Without objection, so ordered.

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

KELLY: Senator Ballard waives closing. Members, the question is the advancement of LB645 to E&R Initial. All those in favor, vote aye; all those opposed, vote nay. Record, Mr. Clerk.

CLERK: 38 ayes, 0 nays on advancement of the bill, Mr. President.

KELLY: LB645 is advanced to E&R Initial. Mr. Clerk.

CLERK: Mr. President, Select File, LB388. There-- I have nothing on the bill, Senator.

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KELLY: Senator DeBoer? Oh. Senator Guereca, you're recognized for a motion.

GUERECA: Mr. President, I'd move that LB388 be advanced to E&R for engrossing.

KELLY: Members, you've heard the motion. All those in favor, say aye. Those opposed, say nay. LB388 is advanced to E&R Engrossing. Mr. Clerk.

CLERK: Mr. President, Select File, LB613. I have nothing on the bill, Senator.

KELLY: Senator Guereca, you're recognized for a motion.

GUERECA: Mr. President, I'd move that LB613 be advanced to E&R for engrossing.

KELLY: Members, you've heard the motion. All those in favor, say aye. All those opposed, say nay. LB613 is advanced for E&R Engrossing. Mr. Clerk.

CLERK: Mr. President, Select File, LB414. First of all, Senator, there are E&R amendments.

KELLY: Senator Guereca, you're recognized for motions.

GUERECA: Mr. President, I'd move that the E&R amendments to LB414 be adopted.

KELLY: Members, you've heard the motion. All those in favor, say aye. Those opposed, say nay. The E&R amendments are adopted. Mr. Clerk.

CLERK: I have nothing further on the bill, Senator.

KELLY: Senator Guereca, you're recognized for a motion.

GUERECA: Mr. President, I move that LB414 be advanced to E&R for engrossing.

KELLY: Members, you've heard the motion. All those in favor, say aye. Those opposed, say nay. LB414 is advanced to E&R Engrossing. Mr. Clerk.

CLERK: Mr. President, Select File, LB9. Senator, I have E&R amendments, first of all.

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KELLY: Senator Guereca, you're recognized for a motion.

GUERECA: Mr. President, I'd move that the E&R amendments to LB9 be adopted.

KELLY: Members, you have heard the motion. All those in favor, say aye. All those opposed, say nay. The amendments are adopted. Mr. Clerk.

CLERK: I have nothing further on the bill, Senator.

KELLY: Senator Guereca, you're recognized for a motion.

GUERECA: Mr. President, I move that LB9 be advanced to E&R for engrossing.

KELLY: Members, you have heard the motion to advance to E&R Engrossing. All those in favor, say aye. Those opposed, say nay. LB9 is advanced for E&R engrossing. Mr. Clerk.

CLERK: Mr. President, Select File, LB246. First of all, there are E&R amendments, Senator.

KELLY: Senator Guereca, you're recognized for a motion.

GUERECA: Mr. President, I'd move that the E&R amendments to LB246 be adopted.

KELLY: Members, you have heard the motion. All those in favor, say aye. Those opposed, say nay. The E&R-- the E&R amendments are adopted. Mr. Clerk.

CLERK: Mr. President, Senator Conrad would move to amend the bill with AM882

KELLY: Senator Conrad, you're recognized to open on AM882.

CONRAD: Thank you, Mr. President. Good morning, colleagues. AM882 is an amendment that would replace the bill, and would require alternative protein products to be accurately labeled. Specifically, this amendment would amend the Nebraska Pure Food Act to establish labeling and advertising requirements for manufactured protein foods which are derived from cell-cultured proteins, or from plant-based and insect-sourced meat analog food items. No pun intended, but that is a mouthful. OK. AM882 is literally Senator-- my friend Senator Andersen's LB658 as amended by our Agricultural [SIC] Committee,

AM568. Senator Andersen's bill was advanced unanimously by the Agricultural [SIC] Committee-- Committee. Senator Andersen's bill was supported by the Nebraska Cattlemen, the Nebraska Eagle Forum, and individual ranchers. There were 25 online proponents to the measure. Senator Andersen's bill was also co-sponsored by my friends Senator Holdcroft, Senator Sanders, Senator Sorrentino, and Senator Storer. During General File debate, I stated that I would bring an amendment to provide for specific labeling requirements for these protein items. I bring this amendment because the proponents of the bill have not demonstrated a justification for a ban. The record in the committee hearing and on General File is scant as to any actual health or safety concern in regards to this alternative product. No one has clearly articulated how these alternative products are manufactured or grown, or why we should have a total ban. No one has explained how a total ban will actually protect Nebraska farmers and ranchers. In preparing for this session and having an opportunity to evaluate Governor Pillen's priorities for the 2025 legislative session, he was very clear about his effort to move forward with a total ban on these products in Nebraska. That has-- that priority listing generated a great deal of debate, deliberation, and dialogue, including from Nebraska's leading agricultural groups. And the clear consensus from agricultural leaders in Nebraska was that a labeling approach was a more thoughtful policy approach than the total ban that was contained in the measure. My friend Senator DeKay decided to bring forward the total ban at the request of the governor; I appreciate and understand why he's committed to that. My friend Senator Andersen decided to bring forward a measure in regards to labeling; I understand why he did that. If we're going to have the debate on this issue, we should at the very least have a clear record, a clear vote, a clear debate about whether or not the preferred option-- which would ensure consumer education, consumer awareness-- and leave the choice to consumers if these products came to Nebraska. I believe that's a better, more thoughtful approach that's in line with agricultural leadership's thinking on this emerging topic. I think a ban is too restrictive and proscriptive, and I know many members in private conversations had deep reservations about the government overreach in the total ban contained in LB246, as advanced from General File. That's why I thought it was important that we at least have a policy choice, another policy option before the body, to ensure that we can have a thoughtful debate about the merits of a labeling approach, as is contained in AM882. With that, I thank you for your time and consideration, and look forward to the debate. Thank you, Mr. President.

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

J. CAVANAUGH: Thank you, Mr. President. Good morning, colleagues-- almost afternoon. I'll probably take us into the afternoon. We'll see. Thank you to Senator Conrad for bringing this amendment. I think this is a really good middle-of-the-road. I was opposed to Senator DeKay's bill of the total ban, and I was in favor of the idea of labeling, and I was glad when I found out that there was an option to do a labeling instead of banning. I-- I'm not in favor of really banning just about anything. I mean, I think that there's some stuff, of course-- you know, you could think of an extreme example-- but for most things, the role for the government is not to tell people what they can and can't have, but we do have a role to provide information and, and make sure things are, are up to a certain standard for safety and human consumption and those sorts of things when it comes to food. And I think that's what AM822 strikes that balance, where-- I certainly am not interested in eating this fake meat or whatever. What did-- what does the governor call it? Bio-reactor meat. I'm not really interested in eating that at this point, but I think there's other folks who might be interested in, in eating it. But I do think that people have a right to know what it is, and so I think that this, this strikes that balance where it ensures that if somebody does try to start selling it in Nebraska, that it is labeled and clear that that's what it is, as opposed to saying that nobody can sell it. I mean, again, we had this conversation on General File. I don't think anybody's really doing it yet, I think it's very expensive, I think there's not really a market for it yet. But to say that we can't-- that people shouldn't or can't have it is, I think, not the right solution. And I, I, I heard Senator Conrad list off some folks who have a position on this, and I do think Farm Bureau supports this bill and not the underlying LB246, which-- I always say if Farm Bureau and I are on the same side of something, then that's certainly something people should be taking seriously. I used to say it about myself and Senator Erdman, but he's not here right now, so-- but it, it-- you know, when you bring together two very different perspectives on something and, and it gets you to a solution, then maybe that's the real compromise. I don't think that LB246, a total ban, serves a purpose, or I don't think it's-- it achieves the right goal, I guess. I think it does serve the purpose of intending to, to depress this "nascent" industry, but labeling would serve that same purpose. Because if I'm going to the grocery store and I see, you know, clearly labeled that this is some mechanical, you know, process-created thing, and I have, you know, ground beef from Nebraska, I'm going to want that instead and not the,

you know, lab-grown meat. So, that's-- I support AM882, and if we adopt AM882, then I'd be in support of LB246. But if we don't, then, I'm opposed to LB246 as written. So, maybe I'll stop right before noon so somebody else can say "good afternoon." Thank you, Mr. President.

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

DeKAY: Good morning, Mr. President. Good morning, colleagues. I rise in opposition to AM882, the amendment. I acknowledge that there are sentiment on both in this body and outside the chamber to address the cultured protein issue through labeling alone, and I do not disagree that, should cultured-protein products at some point eventually become commercially viable and commercially available, at the very least, we would need rules to clarify, distinguish the product from meat products from animal husbandry. While I do not necessarily accuse producers of synthetic meat of intending to pawn their product off as actual meat from harvested animals, I do believe the, the possibility of misrepresentation could occur. And my primary reasons for agreeing to partner with the governor to bring this bill-- he and I were in agreement on the following points. First, even if there was a strong labeling rules in place, the synthetic meat industry would necessarily cultivate a perception of equality of cultured proteins with the real meat products that they would compete against. My concern is that cultured proteins would be marketed to take advantage of the cultural, culinary, and nutritional values that consumers associate with meat products. There are too many uncertainties at this point about the nutritional composition of cultured proteins to make an accurate representation to the public to allow the products on the marketplace. Next, synthetic meat would be entering the marketplace with an unknown and uncertain record of food safety. In fact, there's a great deal of uncertainty that we have identified from the authority of sources that we can anticipate at this time are the avenues of food-safety risks, both in the composition of the product resulting from cell cultivation, or in the contamination that can be introduced during the product production process. I'd like to quote from the March 2023 review by the Food Standard Agency of the UK, entitled "Identification of Hazards in Meat Products Manufactured from Cultured Animal Cells." The report was a literature review of academic research into cultured proteins with the goal of advising on developing a regulatory program to accept-- access cultured proteins. There are considerable gaps in the type of knowledge that is required by the UK novel foods regulation. For instance, there was little or non-empirical data found on the final an-- "antilical" composition of products, key toxicology data, nutritional profiles, product stability, allergy risk, and any

recorded adverse effects when consumed by animals or humans. There are several areas where the data is lacking, or more information is needed to truly understand the risk or hazard that these new products may pose. Third, why we often hear that cultivated proteins will only be a complement to real meat and is unlikely that cultivated meats will displace the market for real meat, it is clear that many of those who are behind the development have a goal to displace real meat and end animal husbandry altogether. In the event of synthetic meats do, do become commercially viable, I believe it will only add to the arsenal of groups and individuals who want to engineer our dietary choices, increasing pressures to legally and culturally deny real meat out of animal welfare activism. Let me quote from an article in the Washington-- in "the Washingtarian," entitled Meet the DC Activists Behind the Alt-Meat Revolution. Bruce Friedlich [SIC] was responsible for some of the animal rights movement's notorious stunts. He is the founder and president of Good Food Institute, a "Washingtarian" think-tank whose goal, broadly speaking, is to usher meat-eaters into an alternative future. A future in which livestock isn't necessarily because it has been replaced by plant-based imitations or cultivated meat. I'd like to also share this quote from Bill Gates from an article entitled Rich Nations Should Move to Eat [SIC] 100% Synthetic Beef. I-- and he said: I do think all rich countries should move to, to 100% synthetic beef. You can get used to the taste difference. And the claim is that they're going to make it taste even better. I acknowledge two things.

KELLY: That's your time, Senator.

DeKAY: Thank you.

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

DUNGAN: Thank you, Mr. President. Colleagues, I rise today, I think, in support of the amendment for AM882 as it pertains to the labeling over the banning. And I just, I guess, wanted to speak briefly about some of the, the issues, I think, that come into play here. I was just having a conversation off the mic with somebody about how it's difficult for me to understand some of the, I guess, larger culture war issues that often get lumped in with all of this. I listened to a lot of the debate on LB246 on General File, and didn't really engage because I was genuinely curious what some of the arguments were for, for banning this quote, unquote lab-grown meat. And I guess I still am, am struggling to understand what the concern is. So, I've spoken with individuals, obviously, from organizations that represent a

number of our rural friends, like Farm Bureau and the Cattlemen and other folks like that, and my understanding is that the, the bill that I think had originally been brought by Senator Andersen as it pertains to the labeling is absolutely the route that I would think would be preferred. And so, I guess I'm struggling to understand why there's a necessity to ban something when we can simply label it and let the consumers decide what they would like rather than have this sort of big government overreach in an effort to ban something that, frankly, doesn't even really exist at this point. When LB246 first got introduced by Senator DeKay, I, I went and read it, and I was a little bit curious as to what would be included in the definition as it pertains to these, I guess, lab-grown meats or these, these meat-like products. It's of particular personal interest to me because, while I am not a vegetarian-- I love a good hamburger, and I love Nebraska beef-- my wife is a vegetarian, and so I have learned over the years to cook with things like tofu, which-- I would say I make some mean tofu in the air fryer. I've also had to learn how to use Impossible Beef and things like that, which, while to me are nowhere near as good as the original product, I do think they provide an opportunity for individuals who may have health reasons or other, or other reasons to be a vegetarian to still enjoy certain kinds of cuisine. And so, I think that we start to run the risk of limiting options of the consumer, and we start to run the risk of limiting the options of everyday Nebraskans when we come in and say "We simply don't like this thing; we're going to ban it." And this is part of a larger thing that I've seen this year, is there's been pieces of legislation introduced by various senators who target a specific industry or a specific product, and seek to ban it at the state level. And I tend to be very hesitant when we say, you know, we don't like this one thing, we're going to ban it. It becomes problematic because we start to use the heavy hand of the state Legislature to decide what is and what isn't correct for people to do. And it, and it-- you know, obviously, there's a lot of people out there, including friends of mine who think tofu is absolutely disgusting, and that's totally fair. Everyone gets to feel that way. But when we start say that, you know, we, the 49 senators in here, are going to tell people what they can and can't buy from the store to consume-- so long as it's safe, so long as we're abiding by, you know, safety procedures, and that it's approved by the government in terms of actually not getting you sick-- I just don't think it's our job. I know there was some conversation on General File about the production of lab-grown meat, and there was sort of this, I guess there was this "ick" factor over let's describe how this gets made, and it made me think about a lot of the documentaries or things that I've seen over the years about the way that we currently produce

commercial meat. You know, famously, there's the conversation about McDonald's chicken nuggets getting made out of pink goo, right? And if you see the, the quote, unquote chicken that gets put into the chicken nuggets, it's this pink goo that comes out of these extruders. Or, you look into a very simple Google search about what goes into commercial meat products in terms of chemicals in order to change the texture and in order change the taste, or the preservative nature of the meat, and you start to see a long list of chemicals. Now, I'm not saying we can't eat that; it's absolutely fine. But to stand up here and to go into great detail about how gross, to put it simply, you think lab-grown meat is, I just-- it's a little bit of the, you know, looking at one side but not looking at the other when how we look at commercial-- large-scale commercial production of meat is handled. So, I just don't think it's our job to tell people what they can or can't buy or eat-- again, as long as it's safe-- and I think that if people want to try some sort of new product, they should be able to do so. But they should be informed, and they should be informed as to what it is. And so AM882, I think, is a really good balance between making sure a consumer knows what that they're-- what they're purchasing, so that way they're not being duped into buying some fake meat when they want to buy real meat, but I-- it allows them to do it. And I think that it's our job as a Legislature to not step in and be so heavy-handed. Thank you, Mr. President.

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

RAYBOULD: Thank you, Mr. President. I want to thank Senator DeKay on working with all the protein producers in our state and trying to come up with a bill that will address some of their concerns about lab-created proteins. And I think you just have to step back a bit. And let's, let's look at the whole process. You know, to-- in order for a lab to succeed, they need investors, they need shareholders, they need concrete funding to go down this pathway of trying to be a Frankenstein and come up with a product that has results, that the product probably tastes good, and that the project is actually safe. So, that has to go through that, like, low bar. The next bar, it has to meet rigorous results, high standards set by the Food and Drug Administration to verify that it is safe, and safe to all consumers. The next thing, the results need to have a market. Who are they designing this product for? And we understand that there are a number of folks out there concerned about our environment that might buy this. Perhaps they might buy it; I can't say for certain. But the, the market needs to be able to sell the product. And the question is, will it be economically viable? Think of the cost. I think Senator Kauth

did a great job of talking about the chemical components that go in. Some of them were really very scary. But with all this doctoring and oversight and engineering, is it going to be at a right price point that our Nebraskans would want to buy? OK, if they can't afford to buy it, if it doesn't taste great, it has lack of sales, and the product gets pulled from the shelf. It won't sell. And if it doesn't sell, guess what? The funding for the lab-- all the investors, they want results, they want a return on their investment. And so, guess what? That lab might close, or that line of experimenting might close down, or the lab goes bankrupt. So-- or, maybe one of the very unintended consequences of all this experimentation is that that lab actually comes up with something that cures a disease or cures cancer. But the investors need a return on investment. Now, I want to switch gears a bit and talk about-- I'm on the Ag Committee, and I can tell you exactly what the Ag Committee saw. The Ag Committee were presented with two very important bills that deal with this lab-created protein. The first bill was introduced by Senator DeKay on behalf of the governor, which was very draconian. Like, we're going to ban it because nobody's going to want to buy it. Well, you don't know. There are, there are people out there. As a grocer, I kinda know what people like and what will sell, and if it doesn't, it gets pulled. The other bill was introduced by Senator Andersen. So, let me back up a bit. The bill that was introduced by Senator DeKay, it had-- one, two, three, four, five senators voted for it, I voted against it, and then we had two senators that were present not voting, which we all know is a very polite way of saying we don't support it. However, I know it was mentioned earlier, Senator Andersen's bill came out of our committee 8-0, which is what we're looking at with AM882 from Senator Conrad. It came out unanimously because consumers like choices, even though there are choices that we would never purchase, never consume. And the labeling is what is being done in a lot of states, but right now, this product is not even being marketed out there on a test-case basis, and I think-- they mention in California. I have family in California; I can tell you that no one has ever bought any of this stuff, nor would they ever buy anything like this. But so, I want to say that it came out 8-0 in the committee. And if I have time to talk about it-- I've talked about this before because I felt, the first time I saw this legislation, it was in search of a problem to solve. There's not a problem yet. You know, our cattlemen and the other ag industries, they're not afraid of competition. We know we've got the best product in the entire United States. They're not afraid of this competition, and we shouldn't be fearful of this either. Labeling, if it by some miracle gets out and is approved by the Food and Drug Administration, and if, by some really long-shot chance, it gets marketed and it has a

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market that will support and buy this, maybe that is when we should be a little bit more concerned. But until that point in time, AM882 is a more reasonable approach.

KELLY: That's your time, Senator.

RAYBOULD: Thank you, Mr. President.

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

JUAREZ: Thank you very much. Senator DeKay, could you yield a question, please?

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

DeKAY: Yes.

JUAREZ: I'm trying to understand how do you think that the consumer at a restaurant is going to be informed of a product like this. I'm-- I honestly eat out a lot. I don't like to cook, so I, I know it's important to have food labeling at the grocery store. But for me, I'm more concerned what a restaurant or even a fast food place, if they use the product, how am I going to find out about this?

DeKAY: That's a good question. You probably-- in a restaurant, you probably wouldn't know. Yeah, if we label it on a grocery store shelf, you would probably know what's in it, but you still don't know what the health-- you don't what-- you don't know what you know until, until you've try it, and you're not-- you don't know what to know until you do it. And what Senator Dungan said, and I agree with him, and he said we don't want to ban it if it's safe. And bingo, that's the answer. We don't know if it is safe yet. The research hasn't been clarified to show that it is a safe product, and the ban doesn't mean that we can't raise the ban. It's more of a moratorium. If it found to be a safe, viable product, we can put it on the shelves at any time, but until the research shows that it is, I don't want to use a labeling process to sign off on it as a safe product, as, as shelf-ready. So, that is my-- most of my concerns with all of this.

JUAREZ: So, I guess if the product does come to market, then it's going to be on the consumer's end to make sure to raise the right questions at a restaurant, you know, about the, about the products or the meat products that they're using?

DeKAY: The restaurant would have to probably ask some questions about it before they buy the product, and know exactly what they're buying

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and offering as an entree for the customers coming into that restaurant, and provide those-- be able to provide those answers to a customer.

JUAREZ: Well, I think that I would hope that they would be transparent in their descriptions, you know, of what they're serving, if there was a product of this nature being included. I mean, to me, it doesn't sound good at all, but that's just me. And I-- I'm just concerned about definitely what requirements there are for the restaurant, so I'm just going to make-- have to definitely make sure that I'm listening if, if these products do arrive, that I speak up and ask questions. That's for sure.

DeKAY: That would be good, good advice to adhere to. Thank you.

JUAREZ: Thank you. I yield the rest of my time-- do you want to speak, [INAUDIBLE]-- or, Machaela? Danielle, do you want to speak?

CONRAD: Sure.

JUAREZ: Thank you. I yield the rest of my time.

KELLY: Thank you, Senator Juarez. Senator Conrad, 1 minute, 27 seconds.

CONRAD: Very good. Thank you, Senator Juarez. Thank you, Mr. President. One thing that I failed to pinpoint in my opening on the amendment was the fact that as this emerging issue has been brought up, our different, different sister states have taken different approaches. And, as we well know, the states are the great laboratories of democracy, so we have a chance to test out different policy approaches, identify pros and cons of the approaches, and move forward. So, even though fake meat bans were introduced in a variety of states, they only passed in two, including one in Florida which has sparked litigation. Most other states that have taken this up, including our neighboring states, have bolstered and strengthened labeling laws, including Missouri, Iowa, and South Dakota. That is the policy approach that is present in AM882 that follows the labeling approach, that is a better, more thoughtful consumer-driven kind of, kind of option, and that wouldn't spark some of the same sort of legal concerns regarding interstate commerce and otherwise as bans have sparked in our sister states. Thank you, Mr. President.

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

MURMAN: Thank you, Mr. Lieutenant Governor. I stand opposed to AM882, and support LB246. As a former dairy farmer, we've had similar issues in the dairy industry for at least the last 40 years. I've served on boards and commissions in the industry, and we've been trying to force property-- properly-- proper labeling of imitation milk for, for that-- at least that long. Dairy farmers have spent billions of dollars promoting milk. Remember the promotion "Got Milk?" that I think first appeared in the 1960s was one of the most popular advertisements of all, all time. And now, there is imitation milk on the shelves that is only still labeled as milk, and it's in the dairy case right beside true dairy milk. And there is a definition in the Pure Food Act [SIC] at the federal level that says milk is the excretion from the mammary gland of a mammal. So, producers of imitation milk-- almond milk, other nut milks, soy milk-- should not be able to use milk as a labeling of their product. And because of that, because of the failure, the losing battle that dairy farmers have fought for decades, I, I think we need to nip this in the bud and make it illegal to sell imitation fake meat, because all of our efforts to properly label imitation milk have failed, and-- it-- it's milk. It's been-- dairy milk is milk, and it's been properly defined, and billions have been spent to promote it. And if fake meat is still called meat, the same thing will happen in the beef industry. And with that, I'll yield back my time.

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

J. CAVANAUGH: Thank you, Mr. President. I appreciate Senator Murman's perspective and story there. I would point out that the logical extraction of what he just said is that we should ban almond milk, oat milk, soy milk, and whatever other things-- pea milk is a thing? OK, pea milk. But so, the, the logical attraction of that argument is that we should ban all those things, and I don't think anybody thinks we should ban those. Because the argument, of course, here is we should ban this lab-grown or bioreactor meat, or whatever it is, because of the process by which it is created, not because it's a competition with natural-produced beef or chicken, but it's because of the process. So, those are two different arguments. But of course, he's saying industrial protectionism is the argument, and I don't think that's a justification. I consume both regular milk, whole milk, and almond milk; I put it in my smoothies. And I'd be fine if they-- if we called it something else, and if people, you know-- if we put more effort into making sure that people knew that they were distinct things and not actually milk. I think I would still use it for what I use it for if it wasn't called milk, but I, I do think that just from,

like, a capitalism-- a lot of folks around here are capitalists, and government should stay out of the way. And I do agree, the government should stay out of the way, the government should be involved in some respects in things that the government is the only one situated to do, has minimum standards. But in a-- in most respects, the government should just stay out of our lives if it is unnecessary for the government to be there, and this is a place it is unnecessary for the government to tread. Government does not need to ban people consuming this fake meat. The, the "ick" factor of it will do it on its own. The labeling will do-- it will help people discern which thing it is. And maybe over time, people will become more comfortable with it. I was-- actually punched my light because I wanted to criticize my mentee roommate over here for "yucking my yum." Big fan of the McDonald's chicken nugget. You know, when they have that 20-piece container, like, I feel like that's not enough for me. But I-- yeah. So, I love the, the McDonald's chicken nugget, but I understand that-- yeah, the process to produce it, I don't like to think about it a lot, but maybe that would gross people out. And there are lots of things that the-- in the manufacturing process maybe are gross, but the food is delicious, or, you know, we grew up with it and we like it, and have all these nostalgia and things like that, and whatever. Food is, you know-- people have a complicated relationship with food. Some of it is dietary, like my smoothie that includes the almond-- let's see, we'll call it "pressed almond juice." I don't know. Maybe something like that. Some kind of-- the liquid that comes out of almonds when you crunch them up. I'm-- I have that with spinach and kale, and, you know, I actually have grown to like it, but I'm eating it for a nutritional basis, not because I love it as much as I love chicken nuggets. But yeah, so people eat food for health reasons, people eat food for, you know, coming together for family reasons. People eat food for, obviously, you know, just to stay alive. But there's all different reasons people eat food, and they have different relationships to them, and they want specific types of food. I mean, I love, you know, going, having a steak, and I, I don't want to eat this, this other type of meat. I did actually talk to Senator Brandt at one point about having a taste test of some sort where we have the bio-grown meat and some Rocky Mountain oysters. I drive every day-- those of you who drive from Omaha drive by the sign that's for the testicle festival that's, I believe, outside of Ashland. And, you know, I've driven by it for years; I've seen it years before that, and always thought that would be interesting to go to, but I just don't think I can bring myself to eat it. But if you had to do some side-by-side, I would probably-- I don't know. I'd-- honestly, I don't know. I might eat the fake meat. But anyway. I'm just saying that that

exists; there's a sign on the highway, and I choose every day, every year, not to stop and eat it because it gives me the "icks." And so, it's-- it doesn't need to be banned for me not to eat it, right? So, I think that's-- and I'll push my light because I didn't really get to what I was originally going to talk about. Got sidetracked on a number of things. But yes, Senator Dungan, please don't yuck my yum. Thank you, Mr. President.

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

DeBOER: Thank you, Mr. President. So, I-- the meat thing, this fake meat stuff, does not sound good to me. I also think it sounds disgusting. Additionally, my understanding is that there's no way to scale it at this time. I have questions about the treatment of the animals that will be involved in it, so I don't like this at all, this meat stuff, this fake meat stuff. I don't know if labeling gets entirely to it because of the fact that I also have concerns about the production of it, and what's-- how the animals that are part of that production process, so I'll be voting for this. But I would say that as a general premise, I have noticed in this year especially that this body has really moved towards a very heavy hand of making everything just banned, just banning a lot of stuff. We've seen this over and over and over again, that there are all these bans happening. And I tend to agree with others who have said that banning things has generally not been successful, and it doesn't, it doesn't work for folks, there develops a black market. I really don't think there's going to be a black market for fake meat, but, you know, as a general premise, I think we should be very, very careful about just banning things instead of trying to regulate them or label them. In this instance, I have a variety of concerns from a variety of different levels about this particular product, and so I'm going to go ahead and support the, the bill. But we just-- we need to, I think, reflect very carefully on how heavy-handed we're becoming as a state legislature in telling people what they should or should not do, what they should or should not make, what they should or should not ingest. So, that's a general premise, and I guess I have enough information about this top to bottom, as well as some confidence if it comes 8 our-- 8-0 out of our Agricultural [SIC] Committee that I'm willing to go ahead and do this at this time. But boy, am I concerned about the, the number of times we've been banning things just straight-up. So, thank you, Mr. President.

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

DeKAY: Thank you, Mr. President. We could have probably called this a moratorium. This isn't a ban forever. If future legislation sees that it is proved to be safe, it meets the nutritional need-- needs, they could raise that and put it back on the shelf, sell it, label it at that time. You got to know what you're eating. You don't know what you don't know, until the research has been done on it. There are studies in the UK, UC Davis are doing studies, and they are both backing off on their support for bioreactor meat. Three states that have passed banning laws on lab-grown meat so far are Florida, Alabama; Mississippi just did. There are other-- about six other states that are debating banning meat at this time this year. And there's also the worry of contamination. There's worry about-- they are worried about contamination in a sterile bioreactor laboratory. And if this goes commercial, that would expediate the cut-- the possibility of contaminated product being sold out there. And you don't know what-- if it's being fed to grow cultured cells, if you have a bacteria in there, that also grows that bacteria too at an expediated rate, too. And when we're talking about milk, this ban does not ban the milk products that are out there, doesn't ban plant-based food. Most of those are put in place, especially the milk products are [INAUDIBLE] put in place because of allergies to whole milk, so-- but bio meat does not address allergies at all. It's just basically a first step to end animal husbandry in the United States, and that's the bottom line behind this. Obviously, right now, it doesn't meet the financial responsibility to be a viable product, and it absolutely does not have the research behind it to prove that it is a safe product to be put on the shelves, because of the elements that are put in it to grow it that are actually cancer-causing elements. So, until those are proven not to be something that you do not want to ingest into your body into the future, and with proper labeling, we're going to-- we're signing off that we're saying this is a safe product; it's shelf-ready, go out and buy it if you can afford it. And absolutely, it's not there yet, and that's why this ban is in place, and that's why-- that's-- if it can be proved through research in future years, this ban could be lifted at that time. But until then-- everybody wants to slow-walk things; this is one we should slow-walk. This is the one that we don't say is available. And right now, California has chicken products on the shelves. Whether it sells or not, that's up to the consumer. But they are signing off that this is a safe product without the proper research behind it, they show that what they're ingesting into their systems at some point in their future isn't going to be a cancer-causing product. So, with that, I yield back the rest of my time.

KELLY: Thank you, Senator DeKay. Senator Storer, you're recognized to speak.

STORER: Thank you, Mr. President. I rise in opposition to AM882. And this is a really good conversation, and this wasn't, wasn't a position I came to quickly because I actually agree with Senator Dungan and, and Senator John Cavanaugh and some of the others that have spoke to the value of the free market. We have to be very cautious about being heavy-handed in government. Those are things that I do agree with. Ultimately, what got me to the point of supporting LB246 was, the more I started to read about the development of the product, what do we know, what do we not know. And as an elected representative-- and I stated this on General File when we debated this, so, so I'm just going to repeat a little bit of, of what I said then. When we put our seal of approval on something, when we say it's OK to label it, which means it's OK to put it on the shelf, the public takes that as our seal of approval that it's safe. Now, while this body is not the USDA-- we're not Food and Drug Administration; technically, we're are not charged with all the duties of those specific organizations-- there is a perception that I think is realistic that when we approve the sale of a product, that we are conveying to the people that it is safe, whether or not it's good to eat, whether or not it tastes good, whether or not we think it's gross, that's not, that's not what we're here to do. But, but there is a confidence put in the decisions of this body that our constituents and the citizens of Nebraska rely on. And I said it before, I will say it again, I cannot look someone in the eye and tell them with confidence that I believe this product is safe. I can tell them with confidence I think it's gross; I cannot tell them with confidence that it is safe. And just a couple-- just a couple of real quick-- this is from a medical journal, and I won't, won't go into a lot of detail, but lab-grown meat has been hailed as the future food for a variety of reasons. Meat technology is constantly making advances and is improving, but the safety and health regulations for lab-grown meat should be established carefully, keeping in mind the environmental and consumer-- environmental and consumer health. We're not there yet. The FAO-- this was from a report in the World Health Organization-- also cautions us about moving forward until we understand the process and the safety, and I'll just read the last sentence of their, of their document, which was, like, a 132-page document: extreme caution is needed, as there is still too little information and insufficient data on the actual safety of lab-grown meat. Now, I have lots of other information here that goes into chemical terms and scientific terms that's far less interesting to listen to, but I think that sentence sums it up. From the World

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Health Organization: extreme caution is needed, as there is still too little information and insufficient data on the actual safety of lab-grown meat. And I like Senator DeKay's reference to moratorium. Maybe we, we call-- we call this "moratorium," not "ban," because at this time, there is not enough data. And by the way, to, to respond to Senator Door-- DeBoer's question about if animals were harmed, I can guarantee you they weren't harmed, because-- not to gross people out at lunchtime, but the, but the cells are derived from the blood of the dead animal. So, they were not harmed; they're being harvested after death, or the cells are being harvested after death. So, I'll let you just think about that for a minute. So, anybody that's interested in additional information from a, from a bit more scientific level, I'm happy to provide you--

KELLY: That's your time, Senator.

STORER: --with what I have. Thank you.

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

M. CAVANAUGH: Thank you, Mr. President. I actually wanted to highlight or lift up some of the things that my colleague and brother Senator John Cavanaugh said in reference to his mentor, Senator George Dungan, about the "icks" and "yuck my yum." So, Senator John Cavanaugh has been on a real tear today, which maybe most of you haven't noticed. But he-- first of all, he's in a gray suit, and he's wearing a pastel floral tie for Easter, and he is at his most whimsical today. So, if you haven't noticed, please take note. But when he was talking earlier this morning about Maudy [SIC] Thursday, or the Holy Thursday and the washing of the feet, he really took a deep dive into some cultural references that I want to elevate because normally, he's not one to make contemporary cultural references. And the fact that he took historical biblical passages and acknowledged their contemporary use now, I found both impressive and out-of-character for him. So, he was talking about the Last Supper, and the pieces of that story, that narrative in the Bible. I, I lost my notes that I was writing earlier today when he wrote it, so I have to refresh my memory. But he said he was reading one of the books, but that's not the book you want to read. If you want to about the Last Supper, you read, I think, John 13. I hope I got that one right. I think he said that he was reading Mark, but you want to John 13. Anyways, the Last Supper-- things that are now pop cultural references from the Last Supper. Well, the Last Supper itself, the Holy Grail, betrayal by a kiss, and then the asking-- or, the denying Peter-- Peter denying Jesus three times. I

think those are maybe not all of the ones that he mentioned. But what really struck me to talk about this now was when he said, Senator Dungan, "don't yuck my yum." And I don't think I could have ever won a bet if somebody asked me would Senator John Cavanaugh say on the mic "don't yuck my yum." But he's got a great mentor in Senator Dungan, and he's learning to say things that the kids say today, making him a little bit hipper. So, I'm, I'm grateful to Senator Dungan for that. I'm, I'm sure Senator John Cavanaugh's children are also grateful that maybe he's a little bit lower on the, the dad jokes now that he has such a great mentor sitting next to him. So, that was really all I wanted to say on that. I actually did have a question for Senator DeKay about the bill. Would Senator DeKay yield to a question?

KELLY: Senator DeKay, would you yield?

DeKAY: Yes.

M. CAVANAUGH: Thank you, Senator DeKay. I think this is probably a pretty easy question. You were talking about how this is not a permanent, but a-- could-- I don't want to put words in your mouth. What did you say?

DeKAY: I don't want to say it's not a permanent, because of-- I don't want to put a timeline on it, because if research does show that it is a safe product in the future, then future legislation could pass a law that says we're pulling the ban off and it is a safe, viable, nutritional product.

M. CAVANAUGH: OK, that's-- yeah, that's what I was looking for clarification, because I, I-- when you said that, and then Senator Storer kind of lifted that up again, I was wondering if there was a sunset in this. But your, your point was that it could be reversed. Yeah, go ahead.

DeKAY: Yes, the sunset would pla-- be put in place when research does show that it is a product safe for the shelves.

M. CAVANAUGH: OK. Well, thank you for answering that question. That was really my biggest question, and I mostly just wanted to have the opportunity to highlight the, the whimsical side of Senator John Cavanaugh that you don't get to see every day. But I guess with the Easter holiday coming up, and he's, he's getting ready to be celebratory for the rising of Jesus Christ. But right now, we're still in mourning, so I know he would not want me to portray him as

celebrating too early. So, with that, I yield the remainder of my time.

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

DUNGAN: Thank you, Mr. President. Colleagues, I do rise again in favor of AM882, and I guess, again, hesitant about LB246. I appreciate the conversation we've had today, because there's a lot of people talking about, I guess, areas that they're more of an expert in than others. And, and I appreciate, for example, Senator DeKay's leadership on a lot of these issues, given his background. Senator Storer, especially, I always appreciate your, your perspective on this. I also appreciate it when we agree about something; that's fun. And I do want to apologize for the record to my mentee, Senator John Cavanaugh, for yucking his yum. I do, I do-- that was not my intent. But I think that the conversation we're having is important, because there are some broader implications with what we're trying to do here that I think, again, we can't just skate over as we talk about some of these, these particular industries. As Senator Storer did say, and I think one of the things that a lot of us agree on in here, believe it or not, is we actually do believe in not having government interference, especially in the free market, when it comes to a lot of these, these kind of concepts. And generally speaking, my understanding of the, the market economy is if something is not enjoyed by consumers or if it's causing harm, usually, in some-- most circumstances, it's not going to be purchased, and I think that it will tend to work itself out. I think we do have a role, as a governmental entity, to ensure that there is safety and to ensure our citizens of Nebraska are not allowed to, I guess, purchase things or consume products that put them at danger when it comes to health risks or things like that. It's interesting though, I think-- and I guess what, what sort of sticks out in my mind is when we decide to do that and when we don't. And obviously, we all come to the Legislature with our personal beliefs and our, our deeply-held convictions, but there are certain things that I think we all agree on, like having healthy food, but also things like healthy water, healthy air, healthy environment, things like that. And it's, it's interesting, because you start to have these conversations about when the government should or should not step in when it pertains to things like, just to pick one, nitrates in the water, which is a conversation we've had quite a bit of since I've been in the Legislature, for a number of years. And when you start to talk about more regulation as it pertains to some of those kind of issues, you tend to get a lot of pushback, and you tend to get pushback from people who say, you know, we will self-regulate, we will do what we

can in the community to stop that, but don't use the heavy hand of the government to change our practices or to change the way that we conduct our farming or agriculture or livestock, what have you, because there's a concern that it's going to be too heavily-handed. And I, I listened to a lot of those, those arguments, and I think there's a fine line that we walk between being overly heavy-handed but ensuring safety and ensuring that we have healthy Nebraskans. I, I think that this bill, it sort of flies in the face of a lot of what people say when they talk about that issue, though. There's this idea that we can figure it out on our own, we can try to, you know, let people come up with their own solutions and let individuals live their everyday life. This seems antithetical to the idea that we enjoy here in Nebraska less governmental regulation, and it flies in face of what a lot of my colleagues in this Legislature will say-- will push back on when we talk about more regulation as it pertains to nitrates in the water and various chemicals that we do or don't use in certain industries here in this state. And so, I, I think that for those watching at home who pay attention to our Legislature on a regular basis, you may sometimes be confused. I certainly am, because there is occasionally, I think, a lack of consistently-- consistency when it comes to our logical analysis. And every issue's nuanced, right? I'm not trying to say that there's always a, a logical through-line between everything, and we always differ based on certain criteria and bills. But it does strike me that LB246 seeks to have a, a very heavy-handed approach. And I appreciate Senator DeKay highlighting that, as time goes on, perhaps things change with regards to the analysis of the safety of things. But certainly, I think at this juncture, I have not been convinced that there is a necessity to outright ban something that is otherwise acceptable in other states. I think the proper route to take is to ensure that consumers are educated, and to ensure that consumers know what it is that they're actually purchasing and then eating. And so, I think that Senator Conrad's thoughtful AM882, along with Senator Andersen's labeling bill that he brought this year, seek to achieve that goal in a way that balances protection with freedom of choice, and I think that those two things married together is oftentimes the best compromise. And so, I appreciate my colleagues engaging in this today. I think this has actually been a very interesting conversation, and-- thank you, Mr. President.

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

RAYBOULD: Thank you Mr. President, and I want to thank my colleagues for a really good debate. I, I know that Senator DeKay had pointed out

that UC Davis is pulling back their funding on this, and it's no surprise. I mean, as a business person and a Democrat that believes in our free market really determines the success or failure of any startup or any endeavor or any initiative. And so, I just started to Google while we were sitting here, and one, one organization that deals-- it's, it's AgFunderNews, AgFunderNews. It said preliminary AgFunder data point to 78% decline in cultivated meat funding in 2023. Investors blame general risk "adversion." And so, the article goes on to really talk with a very serious tone of investors, like Senator DeKay had mentioned, that they're pulling out from this very risk-adverse product that has had no demonstrated results that have been proven to be safe for the consuming public. So, it, it starts out-- it's interesting, it talks about all these food labs that have been growing out there. It says, with Finless Foods rumored to be making big cutbacks-- cutbacks to conserve cash, New Age Eats shutting up shop after running out of funds, and Good Meat sued by its bioreactor supplier over allegedly unpaid bills, the last 12 months have been challenging to say the least for cultivated meat and seafood companies trying to raise capital. As AgFunder crunches the numbers for its forthcoming annual global AgriFoodTech investment report, preliminary data shows that funding for cultivated meat startups peaked at \$989 million in 2021, dipped slightly to \$807 million in 2022, bolstered by a \$400 million round into Upside Foods, and then dropped off sharply in 2023 to -78% against a backdrop of a -50% drop in AgriFoodTech investing overall. So, the point is that-- I think if we all just sit back and watch and see how the markets react to something like this, and at right now, when there is so much volatility in the markets and investing, you're going to see that there is very little appetite-- not that I'm a financial advisor or, or prognosticator, but I do watch markets-- you're going find that nobody's going to want to be investing in such a risk-adverse type of industry as this. And then, one thing I want to point out too, it's my understanding-- you know, there have been a lot of cuts in the federal government, but it's, it's not my understanding that they have been slashing the Food and Drug Administration. And it's their job, it's their duty to have regulatory oversight, to make sure that any product that the consumer might have access to is safe. Has to be safe; does not have any of these horrific, harmful, adverse impacts to the public safety and well-being. So again, you know, this is something that is highly likely to just fade away because of the lack of marketability and the lack of success in getting a return on investment for, for the investors and the shareholders. Unless, unless, if-- you know, lab reach-- research is good; that's why the United States is an cutting edge of developing great things-- unless it comes up with a cure for a

disease or for cancer in the, the pro-- you know, in the, the normal course of doing their lab research. I know I might have one more time on the mic to talk about GMO and non-GMO and how that has been a well-fought battle going on for at least three decades about consumer products, so. Thank you, Mr. President.

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

McKINNEY: Thank you, Mr. President. Kind of have been quiet on this. Kind of just listening to debate. This is an interesting conversation, you know, about fake meat or lab-grown meat. I've seen some of the videos. It's kind of interesting, to say the least. The one thing I've, I've thought about on this topic: how do we balance protecting the public, but also balance encouraging innovation, in a sense? So, that's, that's one thing I've, I've thought about about this, but I do understand the, the concerns and making sure that if one day some of these products do hit the market, number one, they're safe for people to consume, for people to eat and those type of things. Because you don't want something that's grown in a lab and then being fed to people that's killing people off. You don't want that. So, I 1,000% understand that. I just also think about, you know, a lot of science and innovation is done, and may-- and this is obviously not a viable product yet. And do-- does this preempt or does this stifle potential innovation? And I think we should think about that, but also with those safety concerns as well. Also, in the-- the environment of the world that we're in today is chaotic. And, you know, if you study history or look at history, it don't look like we're on a great track of, you know, not ending, ending up in, you know, some conflicts in the near future. And we should probably consider that, and consider that because what if there's a shortage of food, for example? I'm not saying it's going to happen; I'm just saying I think about these things sometimes. When I look at what's going on in the world and all these conflicts keep brewing, and all this chaos at the federal level, might need an option for some-- to-- for foods, you know? You never know. You watch some of those-- I was watching The Last of Us the other day, and I don't know if people have seen The Last Of Us, but something bad happened, and, you know, people are the last of us. And you know, you might need an option to, to, to get some more food. So, that's what's going on in my head. I'm just saying the world is crazy, we might need an option, and we probably shouldn't stifle innovation. That's all I'm saying. And we got to be careful on, on how we do this, and-- which I understand. But it was just interesting. Then, I saw another-- was it last week? I saw that this lab-- I think it's in Texas or somewhere in Wyoming-- they genetically figured out how to

grow a dire wolf. A-- like, a 13,000-year extinct wolf, they, like, somehow cloned it or whatever they did in the lab, and now there's, like, three or four of them somewhere I think in Wyoming or Montana somewhere. But it's just things like that, that you probably think can never happen. So, I think it's important to protect our people, protect, you know, our citizens, and think about safety. But we also-- I believe we shouldn't stifle innovation. And with a crazy world and a crazy environment that we all are living in, we probably should keep some options on the table, because if you look at history and the route that the world is on today, we're probably going to end up in a conflict. So, that's just my thoughts. That's the things I think about at night. Maybe I'm wrong, maybe I'm right. But that's what I was thinking. Thank you.

KELLY: Thank you, Senator McKinney. Senator Juarez would like to recognize some guests in the north balcony: they are fourth graders from Karen Western Elementary in Omaha. Please stand and be recognized by your Nebraska Legislature. Senator John Cavanaugh, you're recognized to speak.

J. CAVANAUGH: Thank you, Mr. President. Hi, kids. Welcome. Well, I'm told I'm the last person that's probably going to get to talk, so I guess try and wrap it up. I was actually thinking about a number of things; I probably had more to say on this. But I was going to talk about hot dogs. You kids like hot dogs? Yes, there we go. I'm a big fan of hot dogs, and famously, they say you don't want to see how hot dogs get made. I've made my own sausage before. Big fan of bratwurst. But that's-- they always analogize the legislative-making process to sausage-making, right? So, grinding things together and jamming it in there, and all that. But anyway, sausage is delicious and I love it. And that, you know, just because something maybe has these other processes doesn't mean it's not something people should be able to eat, and the government shouldn't be injecting itself into that process. Of course, I want, you know, clean factories, and I want to make sure things are up to health and safety standards; I want inspections and those sorts of things, and we do-- and those are reasonable things for the government to insert itself into the food process. Health, safety, cleanliness, reliability, storage-- all of those things are legitimate places for the government to interject. An outright ban on something because it might cause competition or because you don't like its process, I think, is problematic. I think regulations on the process, sure, fair. Labeling, of course. So, in the interests, you know, of capitalism and these processes or products, I think that the labeling, AM882, is much better than a ban. And so, I would support LB246 with the laboring requirement instead of

the outright ban. But as long as we're getting to the end, I thought I would just circle back to my original comments, in light of-- this is the last time we're together before the observance of the Easter holiday, so I hope everybody has a nice restful weekend with their families. And those who observe Easter, I hope you enjoy it. And those who don't, I hope that you enjoy the downtime. But I talked earlier about the fact that today's Maundy Thursday, and that the basis of the whole-- Maundy Thursday is named as such because it means the new commandment, and the new command is to love one another as Jesus has loved us, right? And so, I hope, as we're thinking through this, we're going to have some real tough votes and some conversations next week that center on political things; there's going to be some, some political conversations, some emotionally-charged conversations, but there's also potentially conversations that center around a vote-- us taking up, again, issues that the voters approved. And I-- again, the reason I, I thought to talk about it today was the, the quote from, from John 13, which was that after Jesus washed the feet and talks about the significance of that, that-- the-- you know, that he was-- he's the master and he is acting as a servant or subservient to the folks, to his followers, and he's-- that's important, to be a servant. So, why are we all here? We all are in service, right? This is a public service. We are to be legislators, and we are serving our constituents. And so, we are, we are servants. But to remember that when you are serving, you, you know, are-- you can-- are also subservient to people, and it's about not putting yours-- exalting yourself above those who you serve or who serve you, and vice versa; it's about that everybody is of service to each other. And then, so he goes on to say that no one is greater than the master, and no-- nor is the messenger greater than the one who sent them. And so, I think that is relevant in these conversations. When we're talking about the wisdom of overriding the will of the people, as we're going to talk about minimum wage again, we're going to talk about sick leave again, we're going to talk about medical cannabis at some point. Probably going to go-- I'm going to go talk about it in a minute here. But we should always remember that, though we are here, put into place by the people to exercise our judgment, but that we are not greater than those people. And though they put their trust in us to, to represent them, we are here to serve them; not to serve ourselves, not to serve our own interests, not to serve the party or whatever other organization you might think you owe service to. We owe service to the people, and that we are not above them, but we are entrusted and "emplaced" with that power by them. And so, I hope people can think on that over the weekend when we come back, and I hope that everybody has a great weekend. So, with that, thank you, Mr. President.

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KELLY: Thank you, Senator Cavanaugh. Speaker Arch, you're recognized for an announcement.

ARCH: Thank you, Mr. President. Right prior to our adjournment today, I just wanted to give you a quick announcement. First of all, as Senator Cavanaugh said, please enjoy the weekend. Nice four-day, spend time with family, get some rest. We begin our-- we begin our long, our long days, our evening, our evening days beginning next week and continuing through the session, so this is the opportunity to get some rest before that. One additional announcement is-- it's just a reminder that, with the Appropriations Committee now not needing that additional half-hour at lunch beginning next week, we'll begin our shortened lunchtime next week. So, we'll have a one-hour lunch break instead of the one-and-a-half that we're used to with recess at noon, reconvening at 1:00 instead of 1:30. Wanting to do that because of the number of bills we have yet to hear, and just picks up an extra half-hour. So, with that, please enjoy the weekend. Thank you, Mr. President.

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

CLERK: Mr. President, your Committee on Judiciary chaired by Senator Bosn reports LB694 to General File. Additionally, amendments to be printed from Senator Fredrickson to LB217, Senator Brandt to LB317, and Senator Machaela Cavanaugh to LB317. New LR: LR126 from Senator von Gillern, LR127 from Senator Hallstrom, and LR128 and LR129, both also from Senator Hallstrom; LR126 will be referred to the Executive Board, the others will be laid over. Notice that the General Affairs Committee will have an exec session upon adjournment in Room 2022. General Affairs, 2022, exec session upon adjournment. And the Revenue Committee will have an exec section in Room 2102 upon adjournment. Revenue, 2102, exec session upon adjournment. Transportation and Telecommunications Committee will have an executive session Tuesday, April 22 at 10:00 in Room 2102. Transportation, Tuesday at 10:00. Finally, Mr. President, a priority motion. Senator Ibach would move to adjourn the body until Tuesday, April 22 at 9:00 a.m.

KELLY: Members, you've heard the motion to adjourn. All those in favor, say aye. All those opposed, nay. The Legislature is adjourned.