

## Budget debate begins, two bills advance

Lawmakers began debate March 15 on the first of several bills comprising the Appropriations Committee's mid-biennium budget adjustment package.

The state budget is structured on a two-year basis, with the budget enacted during legislative sessions held in odd-numbered years. Adjustments are made during sessions held in even-numbered years.

The committee's proposed adjustments to the state's \$9.8 billion budget would result in a \$1.3 billion balance in the state's Cash Reserve Fund, also known as the rainy-day fund.

Gering Sen. John Stinner, chairperson of the Appropriations Committee, said the committee's proposed changes would result in a projected financial status that is \$453.5 million above the 3 percent minimum reserve for the current biennium and result in a 3.2 percent overall growth rate in state spending.

The budget process was especially complicated this year, Stinner said, due to the added factor of federal pandemic relief funds as well as having only a short, 60-day session in which to address a significant budget surplus. LB1014, which would appropriate the \$1.04 billion in federal American Rescue Plan Act funds that Nebraska has been allocated to mitigate the impact of the coronavirus pandemic, will be debated separately from the budget package.

Two of the measures contained in the package — which also includes state claims bills — cleared the first round of debate this week.

LB1012, introduced by Speaker Mike Hilgers of Lincoln at the request of



Sen. John Stinner said the Appropriations Committee's proposal reflects compromise and shared priorities for the state.

Gov. Pete Ricketts, would authorize and provide for certain fund transfers, create funds and change and eliminate provisions regarding a fund.



Sen. Mike Hilgers

The bill was replaced by an Appropriations Committee amendment, adopted 41-2, that incorporated the provisions of several additional bills including:

- LB759, sponsored by Adams Sen. Myron Dorn, which would change a limitation relating to microloans under the Business Innovation Act;
- LB911, sponsored by Omaha Sen. Mike McDonnell, which would change the grant amount

for the 211 Information and Referral Network;

- LB1074, sponsored by Brainard Sen. Bruce Bostelman, which would create the Surface Water Irrigation Infrastructure Fund and provide for a transfer from the Cash Reserve Fund; and
- LB1114, sponsored by Omaha Sen. Terrell McKinney, which would change provisions of the Business Innovation Act relating to purposes, funding preferences and the small business investment program.

Sens. Curt Friesen of Henderson and Justin Wayne of Omaha offered and later withdrew a series of amendments to LB1012 during general file

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debate March 15, questioning whether the committee's proposal properly reflects the state's funding priorities.

"I'm having this feeling that we're not going to make the wisest of choices when we're forced to do this much in one session," Friesen said.

He offered an amendment that would have removed creation of a fund administered by the state Department of Veterans' Affairs to be used for specific projects on Nebraska military bases.

The new fund would be created to repurpose a \$50 million transfer from the cash reserve authorized in 2021 – reduced to \$30 million in the committee's proposal – which would have been transferred only if Offutt Air Force Base was chosen as the site of U.S. Space Command Headquarters. A different site was chosen later that year.

The fund now would instead serve as a mechanism for provisions of LB1232, sponsored by Omaha Sen. Mike McDonnell, which would establish a U.S. Strategic Command Nuclear Command, Control and Communications public-private partnership facility, and LB1233, sponsored by Bellevue

Sen. Rita Sanders, which would fund landscape enhancements, a rooftop garden and other improvements at Offutt Air Force Base.

"When I look at the needs out there, I guess this doesn't rise to the top of them," Friesen said.

Wayne also expressed concern about the provisions. He said it was unclear that investing in amenities that non-military Nebraska residents cannot use should be included in the state budget. In addition, he said, some of those funds would go to a private company that operates housing on the base.

"I don't know if that's where we really want to spend our dollars," Wayne said. "Why are we paying for those improvements? Everyday Nebraskans can't go there, but we're going to spend our tax dollars to beautify the base."



Sen. Rita Sanders said state dollars for improvements at Offutt would be matched by private funds and would help spur economic development in surrounding communities.

Sanders opposed the Friesen amendment. Offutt has an annual \$2.9 billion economic impact on the state, she said, and the improvements outlined in her proposal would help ensure that the base keeps its current missions and is competitive when future missions are being assigned.

"We take this asset for granted. The reality of base realignment and closure is that bases can move or be closed at any time," Sanders said. "When missions are looking for new homes, they look at amenities for service members."

## UNICAMERAL UPDATE

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Following eight hours of debate on a number of amendments to strip various provisions from LB1012 that ultimately were withdrawn, Stinner offered a motion to invoke cloture, which ceases debate and forces a vote on the bill and any pending amendments and motions.

The motion was adopted 38-1 and LB1012 advanced to select file on a 38-2 vote.

### Mainline budget

LB1011, also introduced by Hilgers at the request of the governor, is the mainline budget bill. The bill would adjust appropriations for state operations, aid and construction programs in the current and next fiscal year.

Stinner said LB1011 closely reflects the governor’s budget proposal, with only a few significant changes made by the committee, including lowering the requested \$400 million Cash Reserve transfer for the Perkins County Canal project to \$53.5 million.

The committee proposal also would set aside \$175 million to be released to the Nebraska Capital Construction Fund for a potential new state penitentiary but would not appropriate those funds.

During three days of debate on LB1011, Sen. Steve Lathrop of Omaha, chairperson of the Judiciary Committee, offered more than a dozen amendments – including one to delete all funding to the state Department of Correctional Services – a process he said was undertaken to facilitate a discussion of Nebraska’s prison overcrowding situation.

Lathrop said his intention was not to “scuttle” the state budget process, but to highlight that the department’s budget has increased by more than



Sen. Steve Lathrop used his time during the budget debate to question the wisdom of funding a new prison without also enacting criminal justice reform measures.

50 percent in 10 years but has seen no corresponding improvement in overcrowding.

He said building a new prison alone would not solve the overcrowding problem and that lawmakers also must focus on reducing sentences for nonviolent offenses, easing parole requirements and other reforms recommended to the state by the national Crime and Justice Institute, outlined in his LB920.



Sen. Terrell McKinney said lawmakers should invest in struggling communities rather than focus on increasing prison capacity.

“This is one of the most significant issues facing the state,” Lathrop said. “It is, what are we going to do about the growth in our prison population? Because until we get a handle on it, you are ... going to have come up with a lot of money to build beds.”

Nebraska is one of only two states to have seen an increase in prison population in recent years, he said, and programming must improve in order for the state not to be in yet another overcrowding situation in three years, even if it builds a new prison.

“Whether you are concerned with the dignity of the people we incarcerate, or you look at this fiscally, we have a problem with both,” Lathrop said.

Omaha Sen. Terrell McKinney supported the amendment, saying Nebraska has the 10th highest incarceration rate for Black residents and that building more prison capacity won’t solve the problem. Many lawmakers are stuck in the mindset of being “tough on crime,” he said, rather than investing in underserved communities and in programming for incarcerated individuals.

“We have to address not only the future population but the current population,” McKinney said. “We have to be smart on justice and invest in people.”

Lincoln Sen. Anna Wishart, a member of the Appropriations Committee, opposed the Lathrop amendment but said she supported having a conversation about criminal justice reform.

“If it was up to me, we would take the money that we’ve set aside for the prison and we’d put the entire thing into the [LB1024] North Omaha [economic development] plan,” Wishart said.

She said the committee proposal, which she called a “middle ground”

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compromise, would set the money for a new prison aside until the department meets certain obligations and demonstrates how it will manage an efficient corrections system.

As introduced, LB1011 also would have prohibited the state Department of Education from using any of its appropriated funding to “research, adopt or implement state sex education standards for Nebraska schools.” The committee amendment would remove that provision. Thurston Sen. Joni Albrecht offered an amendment to reinstate it.

An attempt by the board begun last year to develop voluntary state health education standards proved controversial and subsequently was paused by the board.

Albrecht said she would refile the amendment for the next round of debate.

After eight hours of discussion over several days, Stinner offered a cloture motion March 17, adopted 40-4. Lawmakers then adopted an Appropriations Committee amendment, 41-5, that added provisions of approximately 20 additional bills, including:

- LB762, sponsored by Dorn, which would appropriate \$13.5

million in general funds for a 10 percent rate increase for Medicaid providers;

- LB893, sponsored by Stinner, which would appropriate \$26.4 million in general funds for developmental disability provider rate increases;
- LB989, sponsored by Stinner, which would appropriate \$26 million in general funds to the state Department of Health and Human Services to increase Medicaid nursing facility reimbursement rates;
- LB1023, sponsored by Hilgers, which would appropriate \$120 million in general funds for a variety of water recreation projects; and
- LB1164, sponsored by Wishart, which would appropriate \$13.2 million in general funds for a 15 percent increase in reimbursement rates for child welfare providers.

Stinner said the provider rate increases are directed toward a workforce shortage at the state veterans’ home, rural nursing homes and other residential care facilities.

Lawmakers advanced LB1011 to select file on a 40-6 vote.

### Cash reserve

Senators began debate March 17 on the final component introduced by Hilgers at the request of the governor, LB1013, which would change provisions relating to the state’s Cash Reserve Fund.

An Appropriations Committee amendment would use \$513 million from the cash reserve for a variety of transfers outlined in bills introduced this session, including:

- \$80 million to the Jobs and Economic Development Initiative Fund, from LB1023;
- \$53.5 million to the Perkins County Canal Project Fund, from LB1015;
- \$50 million to the Surface Water Irrigation Infrastructure Fund, from LB1074;
- \$50 million to the Nebraska Rural Projects Fund, from LB788;
- \$30 million to the Military Base Development and Support Fund, from LB1233;
- \$30 million to the Rural Workforce Housing Investment Fund, from LB1071; and
- \$15.6 million to DHHS for construction, renovation and equipment replacement at Youth Rehabilitation and Treatment Center in Kearney, from LB792.

Kearney Sen. John Lowe, sponsor of LB792, said funds would be used for important upgrades at the YRTC facility to ensure the safety of residents and staff. The creation of private rooms would help reduce incidents of youth feeling uncomfortable and threatened, he said, which has led to assaults in the past.

“[We’ve] worked hard to ensure that the youth at the facility receive the



Sen. Joni Albrecht said the extended prison reform discussion prevented consideration of her proposal to reinstate restrictions on funding to the state Department of Education.

best treatment services so when they are released, they have opportunities to become successful,” Lowe said.

Omaha Sen. Justin Wayne offered a motion to indefinitely postpone LB1013, which would end consideration of the bill for the session. He said that of the proposed transfers, only \$20 million – from LB1252 sponsored by Omaha Sen. Tony Vargas for middle-income housing in urban areas – would benefit Omaha and Lincoln.

He said some urban areas of the state have been discriminated against historically and should be higher on the state’s list of funding priorities.

“I don’t believe in leaving people behind,” Wayne said. “We are prioritizing everywhere else but Omaha and Lincoln. In order for all Nebraskans to matter, we have to put our money where our mouth is.”

Stinner opposed the motion, saying committee members were good stewards of the Cash Reserve Fund, in part by not authorizing the full \$400 million transfer to the Perkins County Canal Project Fund proposed by the governor.

The canal project to divert South Platte River water from Colorado to Ne-

braska has not been sufficiently studied, he said, and the committee’s \$53.5 million transfer to begin design and engineering studies and buy options on land where the canal could be built was a compromise that left more funding for other priorities.

In addition, he said, the committee’s proposal focuses on jobs and housing – Nebraska’s greatest needs, according to the state chamber of commerce – and would leave \$453 million to fund other bills passed this session.

“These are targeted programs; these are things that we’ve talked about for a long time,” Stinner said.

Omaha Sen. Tony Vargas agreed that the state needs to invest more in long-neglected areas of the state, and said he supports Wayne’s LB1024, which would direct federal ARPA funds to North and South Omaha to spur economic development.

In addition to that proposal, he said, there are numerous bills outside of the budget process that lawmakers could support to increase SNAP benefits, bolster Medicaid and improve educational opportunities and workforce development.



Sen. Justin Wayne said the lack of state dollars directed to urban areas in the budget demonstrates “intentional neglect and discrimination.”

“These are real, genuine gaps that exist within the system,” Vargas said. “There is a lot more that we have to do to make sure that we’re helping people ... so that our kids, our families, can be self-sufficient.”

Wayne’s motion was defeated on a vote of 10-30. After roughly three more hours of debate, the Legislature adjourned for the week before taking any other action on LB1013.

### Other measures

Also included in the budget package is LB1083, introduced by the Business and Labor Committee, which would provide for payment of almost \$600,000 in claims against the state and agency write-offs of approximately \$9.2 million in uncollectable debts.

A pending Business and Labor Committee amendment would authorize an additional \$300,000 in workers’ compensation claims against the state and adjust the write-off for the state Department of Labor.

Debate on the budget is scheduled to continue next week. ■



Sen. Tony Vargas supported the budget package but said he also would have liked to see more funding for North and South Omaha.

# GOVERNMENT, MILITARY & VETERANS AFFAIRS

## Year-round daylight saving time clears first round

Nebraskans would no longer spring forward or fall back if authorized by federal law under a bill that advanced from general file March 14.

LB283, introduced in 2021 by Albi- on Sen. Tom Briese, would adopt day- light saving time year-round if the bill’s provisions are not in conflict with federal law and three states bordering Nebraska also adopt year- round daylight saving time.



Sen. Tom Briese

Briese said 19 states, including Wyoming, have adopted similar laws. Changing clocks twice a year leads to negative health outcomes and decreases economic activity, he said.

“Between medical costs, sick days, heart attacks, strokes, car accidents, loss of work days to workplace injuries and [the] simple decreased efficiency at work, the costs really begin to add up,” Briese said.

Bayard Sen. Steve Erdman opposed the bill, saying that, if it passed, the sun wouldn’t rise in Lincoln until after 8 a.m. on many winter mornings.

“That is a significant problem for young people going to school,” Erdman said.

Sen. Mike Moser of Columbus supported the bill. He said many of his constituents dislike the twice-annual time change.

“They would like us to pick one and stick with it,” Moser said.

Senators advanced LB283 to select file on a 40-3 vote.

# HEALTH & HUMAN SERVICES

## Expanded perinatal mental health screening advanced

A bill to expand mental health screening for women who have recently given birth advanced from general file March 14.

LB905, introduced by Fremont Sen. Lynne Walz, would allow the state Board of Medicine and Surgery to develop educational material, policies and procedures to address perinatal and postnatal mental health disorders.



Sen. Lynne Walz

The bill also would allow licensed

health care professionals to educate pregnant women about perinatal and postnatal mental health and to offer pregnant women and new mothers a mental health screening questionnaire.

Walz said Nebraska is one of seven states without provisions in statute supporting maternal mental health and about one in seven mothers in Nebraska suffer from mental health issues. She said data shows that, since 2014, an average of one Nebraska woman a year who is pregnant or has recently given birth has committed suicide.

“This bill is a small step to prevent suicides and [help] keep mothers with their children,” she said.

Following the 42-0 adoption of a technical Health and Human Services Committee amendment, lawmakers voted 43-0 to advance the bill to select file. ■

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# COMMITTEE HEARINGS

Current hearing schedules are available at: [NebraskaLegislature.gov/calendar](http://NebraskaLegislature.gov/calendar)

## **Tuesday, March 22**

### **Health & Human Services**

**Room 1510 - 9:00 a.m.**

*Appointments:* Jeffrey Wallman, Michael A. Green - Rural Health Advisory Commission

*Appointments:* Douglas A. Bauer, Joshua M. Vest, Douglas Vander Broek - State Board of Health

*Appointments:* Frances Beurivage, Sandra Shaw, Brooke J. Fitzpatrick - Commission for the Deaf and Hard of Hearing

### **Transportation & Telecommunications**

**Room 1113 - 12:00 p.m.**

AM1880 (Friesen) Amending LB344

## **Wednesday, March 23**

### **Education**

**Room 1525 - 12:15 p.m.**

LR335 (Education) Encourage postsecondary educational institutions to adopt the seventy percent attainment goal

## **Monday, March 28**

### **Executive Board**

**Room 1524 - 12:00 p.m.**

LR307 (M. Cavanaugh) Provide the Executive Board of the Legislative Council appoint a special committee of the Legislature to be known as the Special Ethics Investigative Committee of the Legislature

## **Wednesday, March 30**

### **Nebraska Retirement Systems**

**Room 1525 - 12:00 p.m.**

*Appointment:* James Schulz - Public Employees Retirement Board

*Appointment:* Richard A. DeFusco - Neb. Investment Council

- Presentation of annual report by the Nebraska Investment Council pursuant to section 72-1243(3)

- Presentation of annual report of the Nebraska Public Employees Retirement Systems pursuant to section 84-1503(3)

## **Monday, April 11**

### **Health & Human Services**

**Room 1510 - 9:00 a.m.**

Hearing on the Community Block Grant State Plan by the Department of Health and Human Services. ■

## Youth Legislature Registration Open



High school students with an interest in law, government, leadership or public speaking are encouraged to register for the 2022 Unicameral Youth Legislature, which will convene June 12-15.

The Unicameral Youth Legislature is a four-day legislative simulation conducted at the State Capitol Building and coordinated by the Clerk's Office of the Nebraska Legislature. Student senators will sponsor bills, conduct committee hearings, debate legislation and discover the unique process of the nation's only unicameral.

Students will learn about the inner workings of the Legislature directly from senators and staff. Bills will be based on legislation considered dur-

ing the current legislative session.

Registrants are encouraged to apply for a Speaker Greg Adams Civic Scholarship award, which covers the full cost of admission. Applicants must submit a short essay. Other \$100 scholarships also are available.

Note that all scholarships are awarded prior to registration.

The University of Nebraska-Lincoln's Extension 4-H Youth Development Office coordinates housing and recreational activities for the camp as part of their Big Red Summer Camps program.

Registration forms can be obtained through the Legislature's Unicameral Youth Legislature page: [www.NebraskaLegislature.gov/uyl](http://www.NebraskaLegislature.gov/uyl).

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A group of former Nebraska state senators seated in the balcony of the George W. Norris Legislative Chamber were acknowledged by lawmakers during a pause in floor debate March 16.