

29-1822, Revised Statutes Cumulative Supplement, 2018, and section 29-1823, Revised Statutes Supplement, 2019; to change provisions relating to competency to stand trial and competency to be sentenced; to provide a duty for the Revisor of Statutes; to harmonize provisions; and to repeal the original sections.

**NOTICE OF COMMITTEE HEARING(S)**

Natural Resources  
Room 1525

Wednesday, January 22, 2020 1:30 p.m.  
James W. Hawks - Environmental Quality Council  
LB802  
LB858

(Signed) Dan Hughes, Chairperson

**MOTION(S) - Print in Journal**

Senator Lindstrom filed the following motion to LB765:

MO116

Withdraw bill.

**MOTION - Escort Governor**

Senator Hughes moved that a committee of five be appointed to escort the Governor of the State of Nebraska to the Legislative Chamber to deliver his State of the State Address.

The motion prevailed.

The Chair appointed Senators Albrecht, Crawford, Geist, Howard, and Linehan to serve on said committee.

**STATE OF THE STATE ADDRESS**

*“Through it all, Nebraskans showed the world what it truly means to be Nebraska Strong.”*

*“Property tax relief remains the top priority for the people of Nebraska and it’s my number one priority.”*

*“Our work in the coming days will take a spirit of collaboration and cooperation for each of us to do our part to keep Nebraska strong.”*

President Foley, Speaker Scheer, Members of the Legislature, Distinguished Guests, Friends, Fellow Nebraskans – good morning!

Congratulations on the commencement of the Second Session of the 106th Nebraska Legislature. I want to welcome each of you back to Lincoln, and I look forward to working together to keep Nebraska strong during what is certain to be a fast-paced short session. From property tax relief to flood aid, we have several important priorities that we must address.

As we enter this session, our priorities for 2020 have been shaped by events and circumstances our state has faced over the last year.

As I have said before, I believe that 2019 will be remembered as Nebraska's finest hour.

When we were faced with the most widespread and costliest natural disaster in state history, Nebraskans responded with heroic grit, determination, resilience, and generosity.

For 318 days—from February 4th to December 19th—Nebraska had a Flood Warning, Watch, or Advisory somewhere in our state.

Through it all, Nebraskans showed the world what it truly means to be Nebraska Strong.

Nebraskans not only rescued stranded neighbors, but they also sandbagged levies, donated hay and supplies, delivered hot meals, and raised money for those who had lost everything.

Last month, the First Lady and I had the honor of presenting several of our flood heroes with a token of our state's appreciation. These men and women are ordinary Nebraskans, who recognized a need and took lifesaving action. In many cases they did this, not because it was their job, but because they cared about their neighbors and their communities.

Sadly, the flooding claimed the lives of six Nebraskans. One of those Nebraskans was James Wilke. James was a farmer from near Columbus, who sacrificed his life while volunteering to save a stranded motorist. When local emergency responders asked for his help, James answered the call, put on his boots, and got in his tractor. While driving his tractor to the rescue, the bridge he traveled over could not withstand the powerful water and collapsed. Even though God called James home earlier than any of us expected, he will forever be remembered for his selflessness and heroism. His wife Rachel and family members are here today. Please help me recognize them.

Today, I also want to recognize the amazing work of our public servants here at the State of Nebraska. They are the unsung heroes who worked around the clock organizing rescues, clearing roads, and supporting communities.

During the flooding, members of the Nebraska National Guard drove nearly 45,000 miles and put in 335 hours of flight time. Along the way, they rescued 112 people, 66 of those rescues were by helicopter hoist.

The Nebraska State Patrol made more than 160 rescues in the weeks following the blizzards and floods in March. Rescues were made using patrol units, light armored vehicles, boats, and a helicopter to reach people in danger and bring them to safety. In July, when another round of flooding struck central Nebraska, the State Patrol was among the first on the ground to help. Troopers worked side-by-side with Kearney police officers and others to evacuate hundreds of people from flooded businesses and hotels in Kearney.

At the Nebraska Department of Transportation, teammates like Rudy Novacek sacrificed countless hours to keep people safe. Rudy was escaping through floodwaters in a plow truck when he turned around to go back and assist a Nebraska State Trooper that got stranded behind him. Since the flood, the agency has helped rebuild the state by reopening and repairing 3,300 miles of state highway along with 27 bridges.

And finally, I want to recognize the team at the Nebraska Emergency Management Agency (NEMA). They helped coordinate the response across the state, supported local emergency managers, directed resources, and ran a joint information center among countless other duties. They are the best among their peers in the nation!

Please help me recognize representatives from the Nebraska National Guard, State Patrol, Department of Transportation, and NEMA, who are seated in the balcony today.

Before I elaborate further on the state of the state, I want to briefly honor State Patrol Trooper Jerry Smith who lost his life in a tragic crash last year. He was the first trooper we've lost in the line of duty in the last 20 years. From the sands of war-torn Iraq to the highways and byways of Nebraska, Trooper Smith's life was distinguished by service—a service rooted in his deep love for his family, his community, his state, and his country. While his family was not able to be here today, please help me recognize his sacrifice, and the bravery of all the great men and women who serve in our law enforcement agencies.

Even though the floodwaters subsided and communities pulled together to rebuild, the events of the last year have compounded challenges for ag producers in our state's largest industry. In addition to the flooding, we experienced several other major events. A fire at a beef processing plant in Kansas depressed beef prices and hit our ranch families hard. An irrigation tunnel collapsed in eastern Wyoming, threatening our state's sugar beet industry and hundreds of farm operations. Trade uncertainty has shifted our focus towards diversifying markets for Nebraska's ag producers. And our

continued battle to enforce a robust Renewable Fuel Standard has made for a difficult year for corn growers.

As agriculture works to power through these tough times, each of us has a duty to be a voice for our farm and ranch families whether we come from a rural background or an urban one.

Even with these challenges, Nebraska has been able to achieve several significant milestones in the last twelve months.

In spite of unprecedented flooding and other unforeseen challenges, I'm happy to report that the state of the state is strong, resilient, and growing!

In 2019, Nebraska outpaced the national rate for GDP growth.

In March, Nebraska marked the first month ever that one million unique individuals have been employed in our state.

And in October, we added over 15,000 new jobs, which is the fastest year-over-year job growth since 2015.

Our team at the State of Nebraska has been working hard to support new growth. Over the past year, we've used our four pillars of prosperity to grow Nebraska and deliver on our mission of making state government more effective, more efficient, and more customer-focused.

We have connected numerous Nebraskans with great jobs and opportunities, launched new kinds of apprenticeships with CLAAS and Graepel, expanded registered apprenticeships, and created new Developing Youth Talent Initiative programming.

We continue to lead the nation in running government like a business. In September, Harvard spotlighted the great work our Center of Operational Excellence is doing to put our customers first, cut wait times, and eliminate waste.

Together, we increased the Property Tax Credit Relief Fund by over 20 percent to \$275 million annually, or almost double what it was before I took office.

And I led trade missions to Mexico, Vietnam, Japan, and Germany to promote Nebraska's quality products and to recruit new investment to our state.

These strategies have been key in bringing great opportunities here to the Good Life. Companies such as Costco, Google, Facebook, and Veramaris invested in our state. Investments like these helped us win our third consecutive Governor's Cup award for the most new investments per capita of any state in the nation.

Before I talk about legislative priorities, I want to take a moment to make a special announcement. Nebraska is not just a leader in growing job opportunities, but also in our work in the area of child welfare. You may have noticed that my lovely wife Susanne is not here today. She is in Seattle with Casey Family Programs accepting the foundation's Jim Casey Building Communities of Hope Award on behalf of our great state. Nebraska is receiving this national award because of the incredible work that private and public agencies have been doing through the Bring Up Nebraska initiative. This work is helping produce better outcomes for our children. Thanks in part to this work, the number of children in need of foster care in Nebraska has decreased by 18 percent over the last two years, helping to keep more children and families together. Please help me thank the Nebraska Children and Families Foundation and all the incredible partners who have invested so deeply in Bring Up Nebraska, our kids, and our families!

Now, let's turn to the legislative session, and what we can do to grow our state and keep Nebraska strong. Just a short eight months ago, we collaborated together on a two-year budget that set priorities for this year and next.

With the exception of a couple emergent priorities, I expect state agencies and our partners to manage within this two-year budget. Not including property tax relief, the budget adjustments I am presenting to you today continue to control spending and limit budget growth to about 2.9 percent over the biennium.

A strong finish to the last fiscal year helped us rebuild our cash reserve and has created the opportunity for us to work on key priorities for the people of Nebraska.

In October, the state's forecasting board raised its revenue projection by \$266 million for the current and upcoming fiscal year combined.

With this fiscal framework in mind, I have four major priorities I am presenting to you today.

First, property tax relief. Property tax relief remains the top priority for the people of Nebraska and it's my number one priority. Last year, we successfully increased the Property Tax Credit Relief Fund from the state to the people of Nebraska by over 20 percent. This was a step in the right direction, but more must be done.

Today, I am recommending roughly \$500 million in property tax relief over the next three years to help our farmers, ranchers, home owners, and businesses. I will be working closely with Senator Linehan and the Revenue Committee to direct this relief in a way that will make a difference in the local property tax bills Nebraskans pay.

As we work together, I have three principles I am following: No tax increases, protect the Property Tax Credit Relief Fund, and encourage spending restraint in local governments just like we are doing at the state.

We need local spending restraint because, over the last 10 years, local governments have raised local property taxes 54 percent while inflation only grew at 17 percent.

Second, flood relief. Communities across Nebraska have been rebuilding, but there's still a long way to go. The federal government will step up to provide significant support, but the state must do our part as well. Eighty-four counties and five tribal nations have submitted over \$400 million in disaster relief projects to the Federal Emergency Management Agency.

My recommendation includes \$50 million to address the state's share of these projects and another \$9.2 million to aid the counties most severely impacted by the disaster. I am also recommending an additional \$3 million to maintain an adequate balance in the Governor's Emergency Fund, so the state is prepared to address any future events.

Third, we need to do more to retain our veterans. Veterans continue to contribute to our communities and our economy after they complete their service. Nebraska is the only state in our region whose veterans' population is declining in part because we tax retirement benefits. This week, you voted 46-0 for military retirement tax relief. I want to thank you for advancing LB 153, and encourage you to deliver this tax relief that will help us retain our veterans.

Fourth, workforce and business expansion. These twin issues need ongoing work in both the public and private sector.

Connecting the next generation of Nebraskans to great opportunities in our state is key to helping our kids make Nebraska their home. I am proposing that we invest \$16 million in scholarships for students at our community colleges, state colleges, and University system to help connect the next generation of Nebraskans with great careers in fields ranging from math and engineering to healthcare and IT.

I also want to acknowledge University of Nebraska President Ted Carter who has joined us here today – we look forward to working with you as you lay out your vision for our University system!

My recommendations also include funding for LB 720, which would refine Nebraska's business incentives. It is critical that incentives are dealt with this legislative session, so Nebraska can remain competitive nationally as we work to recruit and expand job opportunities.

And finally on the topic of workforce, I am recommending \$8 million to attract and retain quality teammates in Corrections. This will support the new agreement recently reached with the Corrections Officer union. As we implement this agreement, Director Frakes and I continue to look at next steps for the agency and what we need to do to keep our people and communities safe.

Property tax relief. Flood relief. Veterans tax relief. And growing our people and businesses. These are four ways we can keep Nebraska strong and growing in 2020.

I know that there will be tough debates. Long nights. And an unpredictable journey ahead.

But I also know that the citizen legislators gathered here today can get the job done when everyone rolls up their sleeves and works together.

Before I close, I want to recognize the State Senators who are completing their final session. Each of these individuals has devoted the last seven years to serving their district and our state. Senators Bolz, Chambers, Crawford, Howard, Kolowski, and especially Jim Scheer, who has provided tremendous leadership for the State of Nebraska as Speaker of the Legislature. Would you all please stand? Thank you for your service!

This year also marks an important milestone. It is the 100th anniversary of women's suffrage. I want to recognize all the female legislators who have stepped up to serve our state. Would you please stand and be recognized?

Once again, thank you all for your service to the people of Nebraska. Our work in the coming days will take a spirit of collaboration and cooperation for each of us to do our part to keep Nebraska strong. I look forward to the days ahead.

God bless you all and God bless the great State of Nebraska!

The committee escorted Governor Pete Ricketts from the Chamber.

### **BILLS ON FIRST READING**

The following bills were read for the first time by title:

**LEGISLATIVE BILL 1008.** Introduced by Speaker Scheer, 19; at the request of the Governor.

A BILL FOR AN ACT relating to appropriations; to amend Laws 2019, LB294, sections 23, 24, 49, 50, 51, 92, 98, 99, 102, 105, 110, 130, 147, 169, 170, 200, 207, 215, 216, 217, and 244; and Laws 2019, LB297, sections 31 and 43; to define and redefine terms; to provide, change, and eliminate appropriations for operation of state government, state aid, postsecondary