

Transcript Prepared by Clerk of the Legislature Transcribers Office
Government, Military and Veterans Affairs Committee February 8, 2024
Rough Draft

SANDERS: Welcome to the Government, Military, and Veterans Affairs Committee. I am Rita Sanders. I am the Vice Chair. Senator Brewer is out today. So we'll just go ahead and move on without him. The committee will take up the bills in order posted on the agenda. Our hearing today is your public part of the legislative process. This is your opportunity to express your position on proposed legislation before us. The committee members might come and go during the hearing. This is all part of the process as we have bills to introduce in other committees, as well. I ask that you abide by the following procedures to better facilitate today's proceedings. Please silence your cellphones and electronic devices. Please moved-- move to the reserved chairs in the front when you're ready to testify. These are the first two chairs on either side in the first row, and move forward. Depart when you are done if limited in room space. Introducing senators will make initial statements followed by proponents, opponents, and neutral testimony. Closing remarks are reserved for the introducing senator only. If you are planning to testify, please pick up a green testifying sheet that is on the table in the back of the room. Please fill out the green sheet before you testify. Please print and it is important to complete the form in its entirety. When you turn to testify, give the green sheet to a page on the committee clerk-- or to the committee clerk. This will help us make a more accurate public record. If you do not wish to testify today, but you would like a record with your name as being present at the hearing, there's a separate gold sheet on the table in the back of the room that you can sign for that purpose. This will be part of the official record for the hearing. If you have handouts, please make sure you have 12 copies and give them to the page when you come up to testify and they will be distributed to the committee. If you do not have enough copies, the page will make sufficient copies for you. When you come up to testify, please clearly speak into the microphone. Tell us your name and please spell your first and last name to ensure we get an accurate record. We will be using the light system for all testifiers. Can I have a head count of how many will be testifying today? OK. And on the first bill, how many? The second bill? The third? And the fourth? OK. No one on the fourth? OK. When you see the yellow light-- well, first of all, we're going to do 3 minutes to make your initial remarks to the committee. When you see the yellow light, that means you have 1 minute remaining. And then there'll be a red light, and that will indicate your time has ended on the alarm-- or an alarm will sound. Mr. [INAUDIBLE], are we going to have an alarm?

_____ : Yes. Yes, we are.

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SANDERS: And then, questions from the committee may follow. No displays of support or opposition to a bill, vocal or otherwise, are allowed from the audience at a public hearing. The committee members with us today will introduce themselves, starting on my left.

AGUILAR: Ray Aguilar, District 35, Grand Island.

LOWE: John Lowe, District 37. Gibbon, Shelton and Kearney.

HALLORAN: Good afternoon, Steve Halloran, District 33, Adams, Kearney, and Phelps County.

SANDERS: And on my left we have our legal counsel, Dick Clark. And to the far left is our committee clerk, Julie Condon. And we have a couple pages, I think.

AGUILAR: One.

_____ : Just one?

SANDERS: Page, would you like to stand up and introduce yourself?

KRISTEN PEREZ: Yeah. I'm Kristen. I'm a senior at UNL, studying political science.

SANDERS: All right. Thank you very much. We will move on to the first item. Senator Bostar, welcome.

BOSTAR: Thank you, Vice Chair Sanders and members of the Government, Military and Veterans Affairs Committee. For the record, my name is Eliot Bostar. That's E-l-i-o-t B-o-s-t-a-r. I represent Legislative District 29. I'm here today to present a LB1300. In recent years, we've witnessed escalating challenges to international peace and stability. Russia's invasion of Ukraine can be seen in this framework, and we should remember that Russia's invasion occurred immediately after President Putin, Chairman Xi met at the 2022 Winter Olympics and declared themselves to be in an unlimited partnership. Neither Russia or China has revoked that unlimited partnership, but rather, they declared a deepening of their partnership in October of 2023. Also, beginning in October of 2023, Iran and its proxies have challenged and directly attacked U.S. assets and allies across the Middle East, most notably the October 7 attacks on Israel, but also Houthi attacks on Red Sea shipping lanes, and even a drone attack on American servicemen in Jordan that resulted in 3 American deaths. Furthermore, it has been widely reported that when Chairman Xi met with President Biden at the

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November 2023 Apex Summit in San Francisco, Xi told Biden he intends to bring Taiwan under control of the People's Republic of China. Taiwan's January 2024 elections revealed that Taiwanese voters opposed unifying with Beijing. Against this backdrop, Beijing has been simulating a potential invasion of Taiwan after Speaker Nancy Pelosi visited Taiwan in August of 2022, all while Beijing has kept up a pace of military preparations and hostile behavior toward their neighbors that needs to be taken seriously. LB1300 prepares the state's supply chains and critical infrastructure for the risk of a Pacific conflict that Beijing consistently signals might occur. The bipartisan House Select Committee on the Chinese Communist Party has reported that any invasion of Taiwan would likely include cyberattacks and other disruptions targeted at the U.S. homeland. Given that Nebraska is the home to Strategic-- to Strategic Command and other critical American assets, it is not hard to imagine Nebraska being a target of cyber attacks and other disruptions. We cannot control these global risks, but we can and should prepare for them. The legislation, as amended, directs the Department of Administrative Services and the State Investment Officer to audit procurement supply chains and state-managed funds in order to assess the risk of disruption in the event of a Pacific conflict and to create a contingency plan to mitigate the risk of supply chain disruption. The act creates the Committee on Pacific Conflict that will assess current vulnerabilities in Nebraska in the event of a Pacific conflict, and to develop a plan to address outstanding risks to Nebraska's critical, critical infrastructure, telecommunications, state supply chains, cybersecurity, as well as public safety. The committee shall be made up of 5 voting members: the chair, appointed by the Governor, the Director of Administrative Services, the State Investment Officer, the Adjutant General, and one additional member, also appointed by the Governor. The committee will also include 4 non-voting members appointed by the Executive Board of the Legislature. Foreign adversaries continue their effort to penetrate federal and state technology ecosystems. In March of 2022, cybersecurity firm Mandiant reported that hackers operating at the direction of Chinese government had penetrated 6 state government computer networks. Mandiant noted that the intruders were able to conduct the cyber breach by exploiting a previously unknown vulnerability in an off-the-shelf commercial web application used by 18 states. Maligned actors are gaining access to network systems through loop-- through loopholes in ordinarily-- ordinary, commercially available technologies, independent of country of origin. However, Chinese companies are particularly dangerous, due to the institution of China's 2017 National Intelligence Law, which

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increases the risk of Chinese companies funneling sensitive American data to Beijing. Under article 7 of the law, all businesses registered in China are obligated to hand over whatever information the Chinese Ministry of State Security demands of them, and that could very well include sensitive user financial and health information. This law requires network operators, including all companies headquartered in China, to store select data within the country and allow Chinese authorities to do spot checks on a company's network operations. To counter this threat, LB1300 would prohibit companies organized under the laws of a foreign adversary or having its principal place of business within a foreign adversary, from bidding upon any state and local procurement contracts for any information, surveillance, light detection and ranging, communications technologies, networks, or related services. Last year, 9 states enacted legislation to thwart this threat, including Arkansas, Florida, Georgia, Indiana, Louisiana, South Dakota, and Vermont. And before I just wrap up, I want to say that I handed out a copy of an amendment. Although it isn't the final amendment that we will need, we've been working with interested stakeholders in ensuring that as we collect and assess the strategic risks and threats to industry in Nebraska, that that sensitive information is protected and that information doesn't end up being disclosed publicly, ultimately providing a security vulnerability for Nebraska in and of itself. So that language will be coming to the committee. I would ask the committee to hold off on any action until that can be provided. I want to thank all the different stakeholders who have been working on this legislation. In particular, I want to thank Governor Pillen, for his commitment to these issues, ever since he came in office. And I am bringing this bill on behalf of the Governor. And also, distributed a written letter, from Brian Cavanaugh, the former senior director at the-- on the National Security Council and now, senior vice president of American Global Strategies. I would encourage you to read that letter. It's-- I found it to be persuasive and informative. And with that, I would be happy to answer any questions prior to continuing testimony.

SANDERS: Thank you, Senator Bostar. Are there any questions from the committee? Yes--

CONRAD: Senator Conrad. I know, it's been a week.

SANDERS: [INAUDIBLE] I know. Senator Conrad.

CONRAD: Oh, what's her name? Yeah. Thank you, Senator Bostar. Thank you, Vice Chair Sanders. Sorry if you mentioned this already, Senator,

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Senator, but I understand what you're trying to do is a policy goal. I think we're all aligned in wanting the best for Nebraska's security and safety. My question is, why is legislation necessary? Why can't this happen with existing resources or executive orders?

BOSTAR: I think-- so that's a good question. So there--

CONRAD: Thank you. I know. I'm teasing around.

BOSTAR: And I think-- I mean, I will-- I'm going to answer your question, but I also want to say that I think testifiers behind me--

CONRAD: OK. OK.

BOSTAR: --will also have their own perspectives on this. But I'll just say upfront that, you know, there's, there's 2 sides to this legislation. There's the piece on procurement--

CONRAD: Yeah.

BOSTAR: --and ensuring that we are not procuring sort of critical information components from countries of concern. And then there's the, the committee responsible for creating a stress test of our readiness and vulnerabilities, should a conflict in the Pacific occur. The procurement side, while the state-- the Governor could certainly order, on his own, independently--

CONRAD: Yes.

BOSTAR: --to create those procurement prohibitions, he couldn't for political subdivisions. And so, you know, we want to make sure that the state as a whole, since it's an interconnected and interdependent system, that we are-- that we're covering everything we need to.

CONRAD: OK.

BOSTAR: And the, the state stress test part, I think it's important that the legislative branch of government and the executive branch of government are partnered on this together.

CONRAD: OK. Thank you very much. Thank you. Thank you, Senator.

SANDERS: Thank you, Senator Bostar. Any other questions? Seeing none, are you going to stay for closing?

BOSTAR: I wouldn't miss it.

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SANDERS: Thank you. Any other proponents? Welcome, Lieutenant Governor.

JOE KELLY: Thank you. Vice Chairman Sanders and committee members, my name is Joe Kelly, K-e-l-l-y. I serve as the Lieutenant Governor. I'm here today to support LB1300. Thank you to Bo-- Senator Bostar for partnering with our administration on this important issue. LB1300 will address a major concern for many in the event of a military conflict in the Pacific arena. Nebraska's economy could see a major negative impact in such an event, and it is important that we as a state are well informed on how such conflict could affect our state's economy, ag number one. LB1300 will serve well. Further actions taken by Governor Palin to ensure that Nebraska governmental agencies are not allowed to accept bids for procurement contracts from adversarial countries, company-- coun-- countries, countries that are partially owned and operated by countries like North Korea, Iran, China, Russia and others, who should have no place in providing sensitive products to government agencies, such as information technology, communication technologies, networks, and other related services. As a former United States Attorney, presently serving also, as the Governor's advisor on the Homeland Security Advisory Council, additionally, with some of the events that Senator Sanders and I have engaged in with the American-- or the Aerospace Association of America, it really rings true to me the need for this entity and-- for this legislation, I should say. During my time as U.S. Attorney, it-- for the District of Nebraska, this is now 5 years ago, I suppose, I was briefed regularly on the China threat in particular. And at that time, there were still many, many skeptics within government in the U.S., who just didn't quite believe in the scope of that threat. I think everybody pretty easily can do that now. So I can tell you that the foreign adversaries are looking for vulnerabilities at all levels of government and in all levels of our communities, with our things like power and our other utilities. Senator Bostar stated in his opening, he's aware of the concerns and wants to make sure we aren't sharing vital information that should be secret. We'll keep it secret. I think he's making some efforts to do that and strengthen that legislation. It's necessary, I think, for Nebraska to exercise this important opportunity and pass something very close to this bill. So, thank you for an opportunity to testify today.

SANDERS: Thank you, Lieutenant Governor Kelly, are there any questions from the committee? Senator Halloran.

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HALLORAN: Thank you, Vice Chair Sanders. Welcome, Lieutenant Governor. Maybe I should have asked this of Senator Bostar, but he's going to stick around for close, so maybe I can ask him then, too. But this is from this point going forward. What about vulnerabilities that are already in place?

JOE KELLY: I think those vulnerabilities, let's say we think something's already going on around a military installation or something. I think this would cover it because, for one thing, on an annual basis, you'll be looking at the state's vulnerable assets. What do we need to do to protect them? And that will include those that may already be endangered. And again, it's one of these opportunities where the state and feds can work together, share information, and, and figure out who knows what about some of these problems. So I, I think it would address those that are already a problem.

HALLORAN: OK. I hate to throw this in the mix, but what about the potent-- potential vulnerability to voting machines, and the hardware and the software in those voting machines?

JOE KELLY: In the context of this bill, I hadn't really-- I hadn't drilled down on that. I think you've got some experts here today who kind of-- I guarantee you they've dealt with that, so it's a good question.

HALLORAN: OK. Thank you.

SANDERS: Thank you. Any other questions? I see none. Thank you very much.

JOE KELLY: Thank you.

SANDERS: Any other proponents? Welcome to the Government Committee.

ALEX GRAY: Thank you very much. Thank you, Vice Chairwoman and members of the committee. My name is Alex Gray, A-l-e-x G-r-a-y. I'm currently the chief executive officer of American Global Strategies. More pertinent for this hearing, I was the deputy assistant to the President and Chief of Staff of the White House National Security Council from 2019 to 2021. I'm here to testify in favor of LB1300, the Pacific Conflict Stress Act and the Foreign Adversary Contracting Prohibition Act. I'd like to particularly focus on the importance of the Pacific Conflict stress test in the context of what we're facing from the Chinese Communist Party, based on my experiences in national security and foreign policy. When I served President Trump at the

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White House, we were particularly focused on the all-encompassing threat from the Chinese Communist Party. This is a threat that does not confine itself to one vector. It does not confine itself to one geographic location. It is a threat unlike any we have faced in the history of this country for a variety of reasons. I would note that unlike in previous potential conflicts, China poses a unique economic challenge because of the size of its economy and the interconnectedness of the American and the Chinese economies. We are seeing the military dimension grow. We're seeing the espionage dimension grow. We're seeing China-- the Chinese Communist Party exerting influence, covert and overt, over the United States and its allies in an unprecedented way that's only increasing. What I would like to convey to the committee, based on my experience, is really two things. One, as we think about the threat posed by the Chinese Communist Party, we need to understand that the threat is not theoretical, and the threat is not in some distant point in the future. The threat is now. Admiral Davidson, Phil Davidson, who served as the top U.S. commander in the Pacific, said several years ago that he believed that the threat of an invasion of Taiwan, probably the window for that invasion probably close-- closes in about 2027. Admiral Davidson has since said he believes that window is actually getting closer, that China's internal pressures, the challenges they're facing economically and demographically may be accelerating that window of threat. So this is not simply theoretical. This is real, and this is something that we could face in the very near future. Second, this is not a conflict should it happen, and we all pray that it won't, that will be confined simply to the western Pacific. This is not like previous conflicts, one where we have the luxury of watching on TV as this plays out thousands of miles away. If you look at the doctrine of the Chinese Communist Party, you will see that they intend to have a conflict that-- what they consider our soft underbelly, our homeland. They intend to take this conflict directly to us in a variety of ways. And that's why I would encourage members to view the stress test as an opportunity to evaluate the vulnerabilities Nebraska faces and to address them now, in peace time, so we don't have to address them in a conflict. This is an opportunity to act proactively prior to what I believe could be a truly devastating conflict that will not be confined outside of our shores. I thank you for the opportunity to appear before you. Appreciate your time.

SANDERS: Thank you very much. We'll see if we have any questions from the committee. Are there any questions? Senator Lowe.

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LOWE: Did you have any other closing thoughts?

ALEX GRAY: I would just simply say, Senator, that I think what makes the stress test unique and uniquely valuable is I alluded to the, the vectors that we're facing, whether it's economic, whether it's influence, whether it's procurement, all the different ways in which the CCP has sought to infiltrate our society. The FBI director called it a "whole of society" threat. I think that's why we need a mechanism that allows us to penetrate deeply into all of those different vectors, before it's too late and we're trying to solve this at the barrel of a gun.

LOWE: OK.

SANDERS: Senator Lowe.

LOWE: And how important is Taiwan, its location, for the United States?

ALEX GRAY: I would say it's one of the most strategic geographies in the world, not just because of the shipping lanes that pass through it. A very large chunk of global shipping transits through the, the region surrounding Taiwan. But the reality is, if China takes Taiwan and, and annexes it, they'll be able to project power across the entire Indo-Pacific. And I think it's fair to say they will quickly surplap-- surpass the United States and replace the United States as the predominant power in Asia.

LOWE: OK. Thank you.

SANDERS: Thank you. Are there any other questions? Thank you for--

ALEX GRAY: Thank you very much.

SANDERS: --your testimony. Appreciate it. Any other proponents? Welcome to the Government Committee.

JASON JACKSON: Thank you, Senator Sanders. Good afternoon, Chairwoman Sanders and members of the Military, Government and Veterans Affairs Committee. My name is Jason Jackson, J-a-s-o-n J-a-c-k-s-o-n, and I'm the director of the Department of Administrative Services. I'm here to testify in support of LB1300, the Pacific Conflict Stress Test Act and the Foreign Adversary Contracting Prohibition Act. As a former naval officer and currently serving Nebraska National Guard officer with experience in the Pacific theater as well as in my current capacity

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overseeing state procurement operations, it's my belief that this bill will represent a strong step towards Nebraska's preparedness and deterrence of a potential conflict in the Pacific theater. The bill is in keeping with the longstanding executive branch policy that our procurement operations should support our national foreign policy objectives. And it builds on a number of initiatives over the last couple of years, both legislative and executive branch, that are designed to ensure that that alignment is obtained. I want-- in particular, I want to thank Senator Bostar for his longstanding leadership on this issue. Among LB1300's key provisions, it directs the Governor to, on an annual basis, submit a national defense assessment to the Legislature. It directs DAS state procurement to conduct a comprehensive audit of our supply chain and identify key supply chain vulnerabilities. It directs the creation of a-- I'm sorry-- similarly directs the investment council, as amended, to conduct a similar audit of our funds and our investments. It creates a committee populated by executive branch and legislative branch policymakers that is tasked with, on an ongoing basis, assessing our national defense preparedness. It directs the Governor to assign a lead agency that's responsible for coordinating efforts with that committee, and in particular, reporting upon our critical infrastructure vulnerabilities. And then from an administrative services perspective, perhaps most critically, basically prohibits government entities at all levels from engaging in contracts with commercial entities that are affiliated with foreign adversaries. Collectively, we think that these steps represent a strong initiative towards Nebraska's overall preparedness for a Pacific conflict. And by adding our own preparedness to that of our nation's preparedness and national defense posture, we contribute directly towards deterring a potential conflict in the Pacific theater. So I would just again conclude by thanking Senator Bostar for his leadership and his office's willingness to work with us also on some of the final language. And with that, I'd be happy to take any questions you may have.

SANDERS: Thank you, Director Jackson. Much appreciated your testimony.

JASON JACKSON: Yeah.

SANDERS: Something we all need to be aware of. See if there are any questions from the committee. I see none. Thank you for your testimony.

JASON JACKSON: Thank you.

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SANDERS: Welcome to the Government Committee.

RICHARD EVANS: Thank you, Senator Sanders. Vice Chair Sanders and members of the committee, my name is Richard Evans, R-i-c-h-a-r-d E-v-a-n-s. I'm pleased to testify in support of LB1300 today. I would note, although I served as executive director for the National Strategic Research Institute at the University of Nebraska, I am appearing on my own behalf today as a citizen of Nebraska and a national security leader. I served in the Nebraska Air National Guard for 35 years, retiring at the rank of Major General in 2019. And my last 7 years, I was fortunate to spend at U.S. Strategic Command in a variety of positions, including acting deputy commander in 2016 for 4 months, the number 2 officer at U.S. Strategic Command. So my lengthy military service, of course, gives me a good estimate of the threat. And, and so that's what I want to highlight today. After retiring, I have been actively involved in a number of things, including my role at NSRI, because we are 1 of only 15 Department of Defense designated university-affiliated research centers. And we focus on supporting U.S. Strategic Command and other Department of Defense and national security agencies within the government with research. And I'll serve on the Nebraska Commission for Military and Veterans Affairs, and that entity works to preserve and protect military installations located across the state and to attract new missions to the state. All of the senators know that we have many important military missions assigned here in Nebraska. And I think the last economic estimate, there was about \$2.6 billion worth of impact, and about 24,000 jobs created that are tied to that economy. But I would like to highlight today that we can't focus solely on the military assets that are here in the state, which are significant. And as the Lieutenant Governor pointed out, agriculture contributes about 10 times that amount of economic impact, or about \$26 billion a year. And we know that about a third of our small business activity and probably a quarter of our jobs also are tied to ag sector. And so, I would-- took note that the Governor testified in-- on LB1301 earlier this week, stating food security-- this is a quote-- food security is national security, and it's imperative that we as Nebraskans take stock at who owns our land. Well, the Governor is spot on with that assessment. And he's not the only one. The President of the United States, if you weren't aware, issued National Security Memorandum 16 in 2022, focused specifically on and I quote, strengthening the security and resilience of U.S. food and agriculture. The Department of Homeland Security highlights in their publications that threats to food and ag are matters of national security. Even the Department of Agriculture at the national level has

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a national security division. These reflect that our national security interests in the state are not just military oriented, but affect all aspects of our economy. And certainly the threat that's been highlighted with the People's Republic of China and other potential adversaries, it makes it clear that we need to focus on this going forward. And so, in Nebraska, I view LB1300 as a start with the right goal in mind, which is minimizing the disruptive impact on any potential conflict around the world on Nebraska and Nebraskans. We need to identify the critical infrastructure in our supply chains, identify those risks so that we're prepared for that, and as mentioned earlier, deterring potential adversaries from taking action. And, and I also note that the amendment that was proposed-- that was actually my last prepared remark, was to just highlight, since I think about things from a military perspective, that we should be cautioned about highlighting these in public because a bad actor could potentially use that in a nefarious way to take advantage of us. So I, I would support the amendment not seeing the details, but that sounds like a very smart thing to do. I appreciate the time and I'm available for any questions.

SANDERS: Thank you, General Evans. Was-- is there a few more things that you wanted to add? Did we cut you off?

RICHARD EVANS: No. I think that covers most everything.

SANDERS: OK.

RICHARD EVANS: I think the important thing to highlight as we look at things in the military, we, we have a very unique and important asset. I spent over 2 hours yesterday talking to a group about the supports of U.S. Strategic Command to our nation. Job 1 is deterring strategic attack on our nation, and that belongs to STRATCOM, and STRATCOM is in our state. So we have to think about what's going on around there and how do we protect those assets. We also have to think about the larger impact across our state, because our-- even our military economy extends from all 4 borders of the state. And so, that's very important. And certainly, the economic factors of a threat from China or any one of the, the potential adversaries that we think about from a national perspective need to be on our mind here in the state, just like they are at the federal level every day.

SANDERS: Thank you.

RICHARD EVANS: My pleasure.

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SANDERS: Are there any questions for General Evans? I See none. Thank you for your testimony. Other proponents? Welcome. Welcome to the Government Committee.

CHRISTOPHER MOHRMAN: Thank you. Good afternoon, Vice Chair and members of the committee. My name is Christopher Mohrman, C-h-r-i-s-t-o-p-h-e-r M-o-h-r-m-a-n, and I'm here to testify in support of, of the measure, and particularly the procurement [INAUDIBLE]. And I'm representing China Tech Threat. The, the organization has done a fair amount of research in this area. I don't want to start with how important it is. And I think the previous speaker said that you're paying attention to this issue. Just last week, there was national coverage on the issue that while we view federalism and decentralization of power as a strength of our society and our nation, our adversaries, particularly those in China, view it as an opportunity to exploit. So I'm here to speak specifically to Sections 10-16 of LB1300. There is an old saying, and this came up a little earlier, that if you're in a hole, step 1 is to stop digging. And I think that is what Sections 10-16 are in a nutshell. The senator did a, a great job in introducing this measure, of outlining the problem, and why allowing China-- technology that is from companies controlled, owned, domiciled, in China or other foreign adVER-- adversaries can allow windows into the incredible amount of data that federal, that the state and local governments control, and possibly worse than windows to the data. General Spider Marks, who's senior advisor to our organization, has referred to the current Chinese strategy on this as a huge vacuum, a data vacuum. And what for? Well, I've asked General Spider Marks that, and he says, I'm not sure, but I'm sure it's not good. And I think we could all probably agree with that. Years ago, state legislators might have thought that these are very important concerns, but they're concerns for the Department of Defense, the CIA, the intelligence community, etcetera. I, I would submit that's just not true anymore. And Sections 10-16-- and as you look at it, I ask you to consider this. Our national intelligence agencies, Congress, etcetera, do have very, very important roles in all of this, but they do not and should not control the expenditure of state funds. I would submit that is the direct responsibility of the people on, on the committee and in the Legislature. I will-- I have handed out CCT, China Tech Threat. We did research in Nebraska, and did find about \$200,000 worth of expenditures on technology items, including with the State Patrol and other agencies. It's detailed in the handout-- in the past few years, on technology that is linked to companies that have been banned by the Department of Defense and, and,

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and others at the, the federal level. So simply stopping the integration of technology from these scrutinized companies into your networks is a really good place to start on all of this. And I, And I apologize. I'll just stop digging is--

SANDERS: Please continue.

CHRISTOPHER MOHRMAN: --my final thought.

SANDERS: OK. Are there any questions?

CONRAD: I have a question.

SANDERS: Senator Conrad.

CONRAD: Thank you so much for being here. And thanks for this really good information. And just so that I'm clear, does your company provide these services to, to other states, as reflected on the--

CHRISTOPHER MOHRMAN: Yes.

CONRAD: --the map that you passed around?

CHRISTOPHER MOHRMAN: Yeah, yeah. No, if you go to the website, you can click on a state and see the data for any of the states.

CONRAD: OK. Great. And then, I know that Senator Bostar indicated that the amendment was a work in progress, as is every piece of legislation that's, that's working its way through.

CHRISTOPHER MOHRMAN: Absolutely.

CONRAD: And again, just want to reaffirm, I think there's no disagreement about the policy goals here, but I, I want to make sure we get the, the technicalities right. Can you give me a-- kind of a general sense about the price tag on your work? Because it seems like this anticipates that it might be a no-bid contract-- tract, and it might happen, perhaps in private. And so I, I, I want to be really thoughtful about what that means from a taxpayer perspective.

CHRISTOPHER MOHRMAN: Are, are you speaking to the, the, the threat assessment? Because the-- what I'm really specifically testifying on is the procurement, Sections 10-16.

CONRAD: OK.

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CHRISTOPHER MOHRMAN: And we-- we've not done a, a fiscal analysis on that.

CONRAD: OK.

CHRISTOPHER MOHRMAN: But I, I do believe, you know, most technology products that, that, that you'd be procuring, will have multiple potential providers, many of which would not be owned or controlled or domiciled in a foreign adversary.

CONRAD: OK. And then how much does your company charge states to do this kind of work, generally?

CHRISTOPHER MOHRMAN: We, we don't do any work for-- China Tech Threat, we, we--

CONRAD: OK.

CHRISTOPHER MOHRMAN: --we, we produce this research, we produce model legislation. We don't do any business [INAUDIBLE].

CONRAD: OK. Like a nonprofit advocacy organization--

CHRISTOPHER MOHRMAN: Yes, exactly.

CONRAD: --or something?

CHRISTOPHER MOHRMAN: Yes.

CONRAD: Got it. OK. That's helpful. Thanks so much. Thanks.

SANDERS: Thank you. Are there any other questions? Senator Lowe.

LOWE: So, thank you for coming. These purchases that you handed out to us, were they done before the Department of Defense banned the [INAUDIBLE] software?

CHRISTOPHER MOHRMAN: The, the-- these purchases were post, because I believe it was 2019 when the Department of Defense-- it's in-- I'm not going to look in here, but in, in 2019 or 2018, the Department of Defense took those actions. And, and some of these purchases are, are post that. But I think there, there was a question earlier, about why do this in state law. And I think, you know, procurement is highly state law governed. And at this point, there-- you know, I, I don't believe there's any provision in state law saying that security concerns are to be taken into account in procuring information

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technology. And I would submit that is something that ought to be encoded into law, and I think the way the senators drafted it is, is a good way to do it.

LOWE: All right. Thank you.

SANDERS: Any other questions? See none. Thank you for your testimony, Mr. Mohrman.

CHRISTOPHER MOHRMAN: Thank you very much.

SANDERS: Any other proponents? Welcome to the Government Committee.

MICHAEL LUCCI: Thank you. Good afternoon, Vice Chair Sanders and members of the committee, committee. My name is Michael Lucci. That's M-i-c-h-a-e-l L-u-c-c-i. I'm here testifying in favor of LB1300, and I'm testifying from State Armor, the organization of which I'm the founder and CEO. State Armor prioritizes state solutions to global security threats to protect critical infrastructure, to build supply chains based on free countries, and to shut down influence operations conducted by malicious foreign adversaries.

CONRAD: Thank you.

MICHAEL LUCCI: With respect to this problem today, I, I first want to point to a headline in Newsweek from this morning. So this is in the newspaper today. U.S. and Allies Warn Chinese Cyberattackers Preparing for War. This headline came out of committee hearings from the House Select Committee on the Chinese Communist Party that were held last week, on January 31. Those hearings featured CIA Director Leon Panetta, Director Pompeo, FBI Director Wray, and Cybersecurity and Infrastructure Security Agency Director Jen Easterly. So it's a real collection of bipartisan experts on federal security issues. I want to just share a few quotes that came out of that hearing that really show how serious this problem was. From Director Wray: China's hackers are targeting American civilian critical infrastructure pre-positioning to cause real world harm to American citizens and communities in the event of a conflict. From Director Easterly: It is Chinese military doctrine to attempt to induce societal panic in their adversary: telecommunications going down so people can't use their cell phones, people start getting sick from polluted water, trains getting derailed, air traffic control systems going down, port control systems going down, malfunctioning. This is truly an everything, everywhere, all-at-once scenario, and the purpose is to crush American will to

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defend our allies. From General Nakasone: PRC cyber actors are pre-positioning in U.S. critical infrastructure. From Congressman Raja Krishnamoorthi: They're putting malware in Texas' electric grid. Why? To harm us. The purpose was not to gather Intel. The purpose was to instill malware to potentially harm us in the time of conflict. And from Congressman Gallagher, who chairs the committee: This is the cyberspace equivalent of placing bombs on American bridges, water facilities, and power plants. This is an imperative for states to lead on. And I want to say 2 things in closing. First, to thank Nebraska's Legislature, Governor, and government for leading on another critical issue, which was removing Huawei Telecom equipment from your telecom grid, particularly around the nuclear silos in the western state. Because of Nebraska's leadership, other states will be taking action on that exact same problem. This is another opportunity for Nebraska to get out in front and lead on a critical issue and take the position that the state government, with the executive and the Legislature are going to take this problem very seriously as an institution, and put thought and resources into preparing for what we all hope won't happen. But if it happens, we better be prepared for it. Thank you. And with that, I'll accept any questions.

SANDERS: Thank you, Mr. Lucci. Did you need to finish on any other statements that you might had?

MICHAEL LUCCI: I think our timing was really good there.

SANDERS: Then, OK. Great. Any questions for Mr. Lucci?

CONRAD: Yes.

SANDERS: Senator Conrad.

CONRAD: Thank you so much, Mr. Lucci, for being here. And you may have heard my questions to the previous testifier. Did-- how is your organization organized? Are you a corporation, are you nonprofit?

MICHAEL LUCCI: Thank you. I, I should have clarified--

CONRAD: That's OK.

MICHAEL LUCCI: --that up front. We're a nonprofit. We're a fairly new organization, but we've been working on these problems for a number of years now, to get ready to develop state solutions.

CONRAD: And where do you get your funding from?

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MICHAEL LUCCI: Entrepreneurs and foundations.

CONRAD: OK. Are-- then, are you seeking to conduct some of this contract work if this measure is successful?

MICHAEL LUCCI: No, I, I-- I'm a, I'm a policy person. I don't have any capacity to do--

CONRAD: OK.

MICHAEL LUCCI: --anything but the stress test. I'm happy just, you know, on the pro bono basis to advise on policies anywhere--

CONRAD: OK.

MICHAEL LUCCI: --where the Legislature would be interested. But I don't conduct stress tests or anything like this.

CONRAD: Great. Thank you so much. Thank you.

SANDERS: Thank you. Are there any other questions from the committee? I see none. Thank you very much, Mr. Lucci, for your testimony and information. Thank you. Any other proponents? Welcome to the Government Committee.

DEB SCHORR: Thank you. Good afternoon, Vice Chairman Sanders and members of the Government, Military and Veterans Affairs Committee. My name is Deb Schorr, D-e-b S-c-h-o-r-r I serve as district director for U.S. Congressman Mike Flood. The Congressman had a previous commitment this afternoon in Papillion and asked me to give a few brief remarks on his behalf regarding LB1300, introduced by Senator Bostar. Last year, Nebraska enacted the country's first state law to require the removal of sanctioned telecommunications equipment.

CONRAD: Thank you.

DEB SCHORR: With his background in TV and radio, this issue continues to be very important to the Congressman. This year, Nebraska can lead again by becoming the first state to enact an innovative idea of a Pacific conflict stress test. The importance of countering global security threats cannot be understated. As Senator Bolster mentioned, the tension between China and Taiwan continues to escalate. Any invasion would be hugely disruptive to the American homeland, as our supply chains are heavily intertwined with China, Taiwan and neighboring countries. For example, China is a major refiner of rare

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earth minerals that are essential for modern technology, and they manufacture essential ingredients for antibiotics and other pharmaceuticals. Taiwan produces the best chips in the world, which power nearly every tech device we own. Should such invasion occur, war strategies would not limit activity to the Pacific event of the conflict. As referenced earlier, recent testimony before the House Select Committee on the Chinese Communist Party described China's pre-positioning of malicious assets within U.S. critical infrastructure, including state power grids. As you know, our home is state to-- is home to many American military assets: Offutt Air Force Base, STRATCOM, and dozens of military sites, making Nebraska a very possible target. We need to research, strategize, and harden our critical assets prior to potential conflicts. This legislation would prepare Nebraska for a situation that no one wants but might occur. The more that states like Nebraska prepare, the less likely conflict will be. Thank you for your time today, your interest in this very important issue, and your support of LB1300.

SANDERS: Thank you very much for your testimony, Ms. Schorr. Let me check to see if there are any questions from the committee. I see none.

CONRAD: Thank you. Good to see you, Deb.

SANDERS: Good to see you. Thank you very much. Any other proponents? Any opponents? Welcome to the Government Committee.

SETH VOYLES: Thank you. Good afternoon, Vice Chair Sanders and members of the committee. My name is Seth Voyles, S-e-t-h V as in victor, o-y-l-e-s. I'm a registered lobbyist for the Omaha Public Power District. I'm testifying in opposition of LB1300 on behalf of OPPD and the Nebraska Power Association. The Nebraska Power Association is a voluntary association representing all of Nebraska's approximately 165 consumer-owned public power systems. Thank you for the opportunity to testify. I want to start off-- we agree with the intent of LB1300. We've said that numerable, numerable times, but we have concerns with the language in the bill and feel changes need to be made, which we've talked with a lot of people about. We all want to do everything we can to protect our critical assets, and especially for Nebraska, where we feel that buildings work to ensure that happens. I've been told by numerous veterans, military personnel and my own dad, who was a Vietnam veteran, that you do not publish your OpSec. You are less safe once anyone knows your operational security plans. The information being sought in this bill is sensitive and possibly controlled

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information. One only needs to look at the recent stories that everyone have been talking about, seeking to disrupt U.S. utilities and other critical infrastructure. To know that that type of information this bill requires be re-- reported and collected is dangerous in the wrong hands. For utilities, much of this information is already collected by the Federal Energy Regulatory Commission, the Department of Energy, and the Department of Homeland Security, Security, including the Cybersecurity and Infrastructure Security Agency within DHS. They have processes for how this information is handled, safeguarded, and disseminated. In that aspect, many of these requirements are redundant for utilities and seem overreaching for the state when federal requirements of this nature are already being met. Utilities are governed by multiple federal-based standards administered by the North American Electric Reliability Corporation. These include, include NERC critical infrastructure protection requirements, NERC CIP standards designed to secure the assets required for operating North America's bulk electric system. This area is regulated with significant potential for civil penalties. Utilities are already deeply engaged in managing these kinds of risks addressed in LB1300. Further, nothing in LB13 [SIC] talks about how this compilation of what is arg-- inarguably sensitive information will be protected nor does it address proper processes for how the state will even collect this information from utilities or other entities. Providing detailed vulnerabilities of systems to the public creates even more risks to those systems. Utilities are vigilant securing our critical assets, and work with state and federal entities to do so. Hence, every 2 years, utilities participate in GridEx. GridEx is the largest grid security exercise in North America, hosted every 2 years by NERC's Electric-- Electricity Information Sharing and Analysis Center, E-ISAC. Grid give-- GridEx gives E-ISAC member and part-- and partner organizations a forum to practice how they would respond to and recover from coordinated cyber and physical security threats and incidents. NEMA and other state agencies have taken part of GridEx, as well. These are intense simulations, exercises, and drills to ensure we are securing everything and help participants strengthen their capabilities to respond to and recover from severe events. We are staying vigilant in the world of evolving threats and constantly improving our defensive posture. And even though we are proposing this legislation as written, all the utilities vow that we want to work with the Governor's Office, the committee, Chairman Brewer, all the [INAUDIBLE] committee members and Senator Bostar to come up with language that works to protect Nebraska. With that, I'll try to answer any questions you may have.

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SANDERS: Perfect timing. Thank you very much. Are there any questions for Mr. Voyles?

SETH VOYLES: Trying to hustle through there a little bit.

SANDERS: I see none. And we'll continue to work on this together.

SETH VOYLES: Thank you.

SANDERS: Thank you very much. Are there any other opponents?

CONRAD: Are we on 5 minute or 3 minute?

SANDERS: What's that? 3. 3. And we're having a little bit of problem with our lighting system. So you may get the yellow light from me or Dick or Julie, and then the red. Say that again?

CONRAD: The, the live feeds and the technology are down like, across all the committees.

SANDERS: Oh. So we'll signal you if we need your help on infrastructure failure, security failure. Please, welcome to the committee.

JILL BECKER: Good afternoon, Vice Chairman Sanders and members of the Government, Military and Veterans Affairs Committee. My name is Jill Becker, spelled J-i-l-l B-e-c-k-e-r, and I'm a registered lobbyist on behalf of Black Hills Energy. I appear before you today in opposition to LB1300. And similar to the other testifier in opposition, while we don't disagree with the intent of LB1300, and actually, I had comments that the proponents used in their testimony, we really don't disagree with a lot of what is said. This threat is here. It is now. And we recognize that there are many critical pieces that the state is interested in. However, we don't believe that this bill is the way to accomplish the goals of the state. And in particular, our main concern with this legislation is that on page 5, lines 7-13, that a state risk assessment is produced and published. This essentially gives a road map to bad actors of the state's vulnerabilities, putting the state and its citizens at even greater risk. As the previous testifier mentioned, we as an organization, are involved with many agencies, primarily federal agencies in this area. And I would certainly offer the resources that we have internally with our experts in helping the state look at what they-- what you as a state may wish to do in this area, but we just don't think that the way that this legislation is written is how we should accomplish that. There's some talk about the

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procurement statutes, too, in here, and I'm not sure if those would include us or not. I'm, I'm just not quite sure. But we would ask you to please not advance LB1300 at is currently written. And if the committee would like to have the-- further conversations, as well as the introducer, we would be happy to engage in additional conversations. And with that, I'll conclude my comments.

SANDERS: Very good. Thank you very much for your testimony. Are there any questions? Questions from the committee? See none.

JILL BECKER: Right. Thank you.

SANDERS: Thank you very much. Any other pro-- opponents? Opponents? Any in the neutral? Welcome to the Government Committee.

ELLEN HUNG: Good afternoon, Vice Chair, Committee members. My name is Ellen Hung, spelled E-l-l-e-n H-u-n-g. I'm the state investment officer, and it's my job to manage the state's assets in a prudent manner. LB1300 has a section regard-- requiring the Treasurer to produce a report to recommend strategies for immediate divestments of asset-- of identified assets. State legislation with divestments of specific investments will have an effect on our portfolio expenses and investment returns. While it's hard to quantify the ongoing effect on investment returns, we can estimate the increases in expenses. We invest and passively manage commingled accounts in equity markets that are highly efficient. This is the most prudent way to invest in these markets, as it is difficult for active managers to consistently outperform in a highly efficient market. Passively managed commingled accounts also have the advantage of low investment fees. Prohibitions of specific companies would preclude us from using commingled funds, as customizations can't be made in these types of accounts. The Investment Council would be forced to use separately managed accounts resulting in increased management fees of approximately \$1.3 million per year and additional transaction costs associated with divestments. It can be difficult to get into highly performing private market funds, such as private equity and private real, real estate, as these funds are often oversubscribed, meaning they have more investors than the fund size. Restrictions on investments would make it impossible to get into these prefer-- these preferred funds. The difference in performance between the top tier versus bottom tier managers can be significant. In 2022, top quartile private equity funds generated an internal rate of return of 5.5%, versus bottom quartile funds at -20.9%. In 2021, it was 15.3% versus -4.9%. I'm sure you guys can realize which funds we would prefer to be in. I would like to make

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some suggestions to minimize the effect of LB1300. It includes excluding certain holdings, which would be indirect holdings, and excluding private markets from this bill. I'm also suggesting, since I'm seeing a yellow light, I would also introduce the idea of a fiduciary exemption. It would reduce the loss that we would have. So if our portfolio loss is projected to be over 50 basis points, it would allow us to, to stop divestments.

SANDERS: Wow. Thank you very much for your testimony. Are there any questions? What's that?

CONRAD: No. She's fantastic.

SANDERS: She is, yeah. Any questions for Ms. Hung? I see none. Thank you very much for your testimony.

CONRAD: Thank you. Thank you.

SANDERS: Are there any other in the neutral? I see none. This will close our hearing for LB1300. Senator Bostar, would you like to come forward, closing? Sorry. We have our position comments for the hearing record summary: zero opponents, zero opponents, zero proponents, zero opponents, one in the neutral.

BOSTAR: Well, thank you, Vice Chair Sanders, as well as committee members for your focus and attention to this very important issue. I want to-- I think I want to just talk a little bit about some of the opposition. We, we are and will continue to be working on language related to ensuring that sensitive information, that could pose its own threat if released to the state of Nebraska, won't ever be released, right? We won't be putting that information into a position one, that is currently not public and, and nor would it become public. So we will-- we'll, we'll have language on that. That's, that's not a problem. Both of the opponent testifiers have already been informed that that's the case. And so, we'll, we'll, we'll have that worked out here shortly. The other kind of component, I think some of that language, I appreciate everything that public power and the gas utilities, utilities in general, they, they go through a lot of work on security preparedness, critical infrastructure hardening, cybersecurity defense. Right there-- there's a lot of programs that they are required to be a part of that are-- some of them led nationally and some that are voluntary, that I know a lot of them also participate in. And I, and I really appreciate that they do that and they take that as seriously as they do. I just want to, though it--

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make clear for the committee that just because those things are happening doesn't mean that there isn't a role for what we are trying to do in this legislation. There are gaps in what the federal programs cover as far as both, both scope and, and sort of thoroughness of what we are talking about when we, when we talk about a comprehensive threat assessment. So for example, on something like procurement, of course, it would be noteworthy if you're getting strategic components for your operations from a country like China, right, that would, that would probably be flagged. That would probably be addressed. But it isn't necessarily addressed if you're getting critical components from, for example, Taiwan. Right. In, in the event of a Pacific conflict, we're probably not getting things from either place. So we need to be taking a holistic approach to what the current landscape of threats are, and try to develop some mitigation strategies to protect the people of Nebraska. Speak briefly about the, the investment side. I certainly understand what the investment officer is refer-- I've, I've-- we've had conversations and, and I appreciate her perspective on this. It doesn't actually-- the legislation wouldn't require divestment of anything. It requires the development of a strategy. And so, I, I think that that's safe to do. You know, I don't think we need to worry about losses and basis points right now before we've even made a strategy. That's all this legislation would do. It was call-- it would, it would call for the completion of, of a strategic effort to, to deal with what may be significant or irrelevant issues within our investment portfolios. I don't know. We don't know until we look. That's all this is doing. With that, I'd be happy to answer your final questions.

SANDERS: Thank you very much. Are there any questions for Senator Bostar?

HALLORAN: Absolutely not.

SANDERS: I see none. Thank you for bringing this forward.

BOSTAR: Thank you very much.

SANDERS: This does now close our LB1300 hearing. We'll clear the room. We'll move on to LB1198, Senator Moser. Boy, that cleared the room, didn't it?

MOSER: Looks like I cleared the room.

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SANDERS: They don't want to hear you. So just for the record, all the cameras down in the Capitol. So if you were wanting to record yourself on the TV or anyone else, that's not a capability we have. But we will continue as normal, and make sure we record on our end.

MOSER: Maybe the Chinese are hacking them. OK--

SANDERS: Welcome to the committee, Senator Moser.

MOSER: Welcome. Thank you, Vice Chair Sanders and members of the Government, Military, and Veterans Affairs Committee. My name is Mike Moser, M-i-k-e M-o-s-e-r. I represent District 22, which consists of Platte County and most of Stanton County. I'm here today to introduce LB1198, which provides for the withholding of the residential address of county attorneys and deputy county attorneys. I introduced this legislation at the request of the Platte County Attorney's Office, with the support of the Nebraska County Attorney's Association. As it stands, Nebraska Revised Statute 23-3211 currently applies to law enforcement officers, members of the National Guard, and judges. It requires that the county assessors withhold the residential address of individuals that fall into one of those three categories from the general public, unless that information is specifically requested from the county assessor in writing. That law recognizes the fact that these public servants provide a great public service to their communities. And in executing their duties, sometimes they put themselves and their families' safety at risk. LB1198 would add an additional category to this statute, allowing county and deputy county attorneys to obtain the same measure of protection should they wish to seek it. Upon release of LB1198, I was con-- contacted by a group representing the city of Omaha Prosecutor's Office, requesting the same level of protection for city prosecutors. AM2231, which is a white copy amendment, which you should all have a copy of, simply creates language that incorporates both groups into a single unified group. There will be county attorneys and prosecutors who will follow me, to testify with specific information regarding the bill. I ask for your support in advancing the bill to General File, and I'm happy to answer any questions.

SANDERS: Thank you, Senator Moser. Let's check to see if the committee has any questions. Senator Conrad.

CONRAD: Thank you so much, Vice Chair Sanders. Thank you so much. Senator Moser. We don't get to see you that much here at Government, so welcome.

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MOSER: No, I'm, I'm just tickled to be here and see what happens here.

CONRAD: All right. Very good. In-- and I know that there will be other folks that are, are coming up later, and perhaps you'll be here to close, but I will let you know that I'm generally skeptical of this proposal. I see it as an evisceration of the public's right to know. And I know that county attorneys and city attorneys are awesome public servants, and they have really tough jobs, but I'm not persuaded that they have a different right to privacy as other official-- than other officials. Right. Your contact information is in the phone book and all over the newspaper-- or the internet. So is mine, as an elected official. So I'm, I'm really grappling with it, to, to understand the, the policy distinction. And if you want to think about it, great. If maybe the county attorneys can talk to it when they come up, but--

MOSER: I think they're in a different class than politicians. We choose to put ourselves out there. And, you know, we take positions on all kinds of issues, and we can expect some negative feedback from time to time. But if you're representing someone and-- or prosecuting someone and they don't like the result of the prosecution, sometimes they'll do some pretty illogical things. And I don't know that there's any public right to know that would be violated by at least putting up a little bit of a shield toward these addresses. Now, you can still write in, in writing, and ask for it. They just wouldn't be able to find it on the website anonymously and that sort of thing. So if there's a public purpose to them knowing what the address is of the prosecutor, they can appeal to the assessor and, and get that information. So I think it's just-- in today's world, it's a sad--

CONRAD: Yeah.

MOSER: --commentary that we've come to the point where, when we can't get along, we want to kill each other. And, and, and there are-- have been incidences-- in fact, I had a conversation with the ACLU rep yesterday, and he would like to include public defenders. Because sometimes, the people who represent people on the county dime or the state's payroll are not happy with the rep-- representation they got and, and, and he would like to include them. So I don't know. We'll see whether or not that--

CONRAD: OK.

MOSER: --amendment is, is popular or not. But I appreciate your perspective, and--

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CONRAD: Yeah. And, and I think that's a great response, actually. The, the parts I'm struggling with, though, are the following. I mean, county attorneys and public defenders, in some instances, run for elective office. Many times, they'll utilize, like most of us, their home address as their campaign headquarters for all their disclosures on all of their different campaign ads and things of that nature. So, now maybe the folks who aren't at the top of the ticket, right, who just work in an office, that's going to be a different, a different standard. But I'm just trying to think about how this would intersect, say, for example, for elected county attorneys or public defenders under our accountability and disclosure statutes. And maybe we can harmonize that or think about that as we're moving forward. But that was one thing that, that kind of popped into my mind. And the other thing is, is that, you know, these positions are not mandatory. It's voluntary that people seek to practice in a county attorney, city attorney's office or a public defender's office, and that when there are true threats that implicate, implicate public safety, there is a criminal justice system available to address those threats. Yeah?

MOSER: Well, after they're dead, yes, then you can go after the person who, who shot somebody or something.

CONRAD: Sure. And--

MOSER: --I mean, in, in, in the most--

CONRAD: --and I, I appreciate you bringing forward a hypothetical. But do you have any specific information that would back up a hypothetical like that of a county or city attorney in Nebraska being killed?

MOSER: I think there will be people testifying after me that might have better examples than I do.

CONRAD: OK.

MOSER: I mean, I hardly ever get any calls at home.

CONRAD: Yeah. Same. Yeah.

MOSER: I had one wacko one over the weekend, but that's the first one I've had in--

CONRAD: Very good.

MOSER: --a year, probably.

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CONRAD: Thanks. Thanks for your-- thanks for hanging with me. Thanks, Senator Moser.

MOSER: Sure, sure.

CONRAD: Thanks.

SANDERS: Are there any other questions for Senator Moser? I see none. Are you going to stick around for the closing?

MOSER: Sure.

SANDERS: All right.

MOSER: Sure. Just in case something interesting pops up-- something else interesting.

SANDERS: Are there any proponents on LB1198? Welcome to the Government Committee.

JOSE RODRIGUEZ: Thank you. So thank you, Vice Chair Government-- the Government, Military and Veterans Affairs Committee. And my name is Jose Rodriguez. Spelling for the record is J-o-s-e, first name, last name R-o-d-r-i-g-u-e-z. And I apologize. This is literally my first time testifying.

CONRAD: That's OK. Welcome.

SANDERS: Yeah. Yeah.

CONRAD: You're doing great.

SANDERS: So as a reminder, there's a green light. And then when we're 2 minutes into it, the yellow light will come on, then you'll have a, a-- 1 minute left, and we can answer questions after.

JOSE RODRIGUEZ: Thank you. So I'm, I'm testifying on behalf of myself, the Platte County Attorney's Office, and the, the Nebraska County Attorney's Association. So I serve as chief deputy county attorney in Platte County. I've served as a prosecutor in Platte County, Nebraska since January of 2016. And in that time, I prosecuted criminal cases at all levels, including traffic, misdemeanor, and then, low and high-level felonies. In October of 2023, after discussing this matter with another senior prosecutor, I chose to propose the amendment to Senator Moser and requested that he considered sponsoring it. I-- to

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be quite frank, I don't think that it comes as a surprise to anyone in, in this room that, in the course of serving our respective communities, criminal defendants, in some cases that we prosecute, sometimes become angry and-- very angry with us.

SANDERS: Um-hum.

JOSE RODRIGUEZ: Prosecutors generally are accustomed to that. Most defendants are either afraid of, of the consequences of, of their conduct and they lash out. We've all-- we've, we've-- I've personally seen that. We've-- we have seen that-- or in some situations, they're frustrated with, with, with the process itself. That's common. In other situations, some defendants raise serious concerns. And sometimes, it's not just the defendants, but also the, the families of defendants that raise serious concerns. So throughout my career, like many prosecutors, I've, I've received numerous threats, both direct and indirect. Until a few years ago, I, I was always of the mindset that that's something that came with the, with the territory. However, as I'm sure you probably guessed, life changes alter that perspective. And my wife and I had kids, and now I think of my family. My wife and I are very safety conscious. We're very aware of our surroundings, and we take our safety seriously. However, kids are kids, and our, our little-- our kids are, are young, and they're not as conscious of this. And this is the same issue that many families throughout the state face when one of the parents is, is a prosecutor. And to give you some specific examples, so on 2 occasions during the course of 20-- of 2023, while monitoring recorded phone calls at the, at the detention facility in Platte County, defendants with other individuals raised the fact that they knew where I pers-- where I lived. They knew my home address. In a separate case, in 2022, I had a defendant's--

SANDERS: You have a couple more items. Please continue.

JOSE RODRIGUEZ: I had a-- thank you. I had a defendant specifically raise the fact that he knew where I lived, and he made various threats through-- throughout the course of the prosecution of the case. However, at one point in the case, his mental health provider, under her duty to warn, breached her duty of confidentiality and contacted me directly, to advise that if and when he was released, he was-- he had a very specific plan as to how he would, he would engage in, in, in harmful conduct. So just to conclude, this amendment wouldn't-- it wouldn't necessarily hide prosecutor's addresses. What it would essentially do is, is put up a, a-- first, a buffer, because an individual would have to write to an assessor's office in order to

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obtain that prosecutor's address. Secondly, what it would also do is bring the fact that an individual is seeking out that prosecutors address to, to, to the county's attention. In situations where that individual may be a criminal defendant or the-- or a relative of a criminal defendant, that would go a long ways in terms of providing a, a warning. And with that, I'll answer any questions you might have.

SANDERS: Thank you for your testimony. Are there any questions for Mr. Rodriguez?

CONRAD: Yeah.

SANDERS: Senator Conrad.

CONRAD: Thank you so much for being here. And thank you for your commitment to, to public service. My husband's home, home community is in Columbus, so it-- it's always good to see Nebraska neighbors from Columbus. When you received threats regarding your position or your work, did you turn those over to law enforcement?

JOSE RODRIGUEZ: Yes.

CONRAD: And what came of those reports?

JOSE RODRIGUEZ: Specifically, the one in 2022, that individual was-- that individual was specifically being charged for sexual assault of a child. We ultimately elected to-- well, he was approaching sentencing at the time. We ultimately chose to wait to see what would happen at sentencing before prosecuting the case, because there was, under the Criminal Code, terroristic threats applied.

CONRAD: Yep.

JOSE RODRIGUEZ: And in that situation, we ultimately-- he was sentenced to a term of incarceration. And we-- I, I ultimately advised law enforcement and a, a separate pro-- prosecutor that, that would have been handling the matter as a special prosecutor, that I, I preferred to simply not prosecute it--

CONRAD: OK.

JOSE RODRIGUEZ: --because what it would essentially do is draw more attention. And once this individual was-- is released, right, if he's further prosecuted for the threats that he made, that essentially puts

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a bigger target on my family's back. So that's-- that was the concern at issue at that time.

CONRAD: OK. I understand. Was that-- so it was just the one instance that road-- rose to the level of potential criminal wrongdoing, that you're aware of?

JOSE RODRIGUEZ: That I'm aware-- that I'm--

CONRAD: OK.

JOSE RODRIGUEZ: --that I'm aware of in the past 2 years, yes.

CONRAD: OK. OK. Can you help me understand more about the thread in your testimony, where you wanted to provide a warning to prosecutors or if public defenders are included about who is assessing their information on the assessor's site?

JOSE RODRIGUEZ: So essentially, if you go on any GIS--

CONRAD: Yep. Yep.

JOSE RODRIGUEZ: --website any time, and you're fam-- you're familiar with this, you can look up anyone's address at any time.

CONRAD: Yep.

JOSE RODRIGUEZ: The conc-- the issue that comes up is when individuals are specifically looking up a prose-- a prosecutor's address, there, there is that potential for it to be an individual that-- that's, that's vindictive or, or wants to seek to harm that prosecutor. That's, that's a concern. And so, what, what the amendment would do is, is-- as, as, as it exists for law enforcement, it exists for judges, and it exists, I think, National Guardsmen as well, if I, if I remember correctly. It wouldn't hide the prosecutor's address. What, what it would essentially do is create a situation where the assessor would become aware of who was contact-- of who was, was researching that prosecutor's address and could bring it to the attention of the county attorney, or if the additional proposed amendment were to be incorporated, the city prosecutor's office, as well.

CONRAD: Yeah. OK. So this is what I'm a little bit worried about on this thread.

JOSE RODRIGUEZ: Shoot.

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CONRAD: So anybody that makes the request for this information, and the government, the assessor or whoever else is going to keep a watch list of these folks and then turn them over to law enforcement, and then what happens with that?

JOSE RODRIGUEZ: It's-- I'm sorry. I, I, I, I didn't-- I wouldn't see it as a watch list. Like what--

CONRAD: What is it then?

JOSE RODRIGUEZ: --what, what, what you're describing is essentially a running tab of all individuals who have ever sort of sought, sought out this address. It's not necessarily a watch list. I-- as envisioned, it would simply be a situation where an individual asks for the address and that could be forwarded, not necessarily to law enforcement but to the prosecutor themselves, so that the prosecutor himself or herself is, is essentially aware that their address is being sought after. Or it could be forwarded to the pro-- to the, to the office, the, the prosecutor's office.

CONRAD: Right. And for what purpose?

JOSE RODRIGUEZ: Well--

CONRAD: Because prosecutors explore potential-- these-- charges for actual criminal activity. Right? Looking at somebody's address doesn't equate to criminal activity.

JOSE RODRIGUEZ: No, it doesn't. But to some extent-- so to some extent, if, if-- I'm trying to figure out how to, how to, how to phrase this.

CONRAD: It's tricky. No, I think it's tricky. And I think there's--

JOSE RODRIGUEZ: Well, without--

CONRAD: --a lot bigger concepts in the bill than the bill appears on its face.

JOSE RODRIGUEZ: So the issue isn't the prosecution of-- isn't a pro-- if I, if I understand your question, to some extent, your concern is that there be some sort of a, a, a, a repercussion for inquiring as to a, a prosecutor's address, or it might-- am I misunderstanding it?

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CONRAD: No. I thought you said, as part of your testimony, that one of the benefits of the legislation is it provides a list of who's looking at the address. And I was like, oh. OK. But let's tease that out from both sides. What's this list and who's using it and for what purposes? So I was responding to your testimony.

JOSE RODRIGUEZ: OK. So in, in the context of an individual making that specific request for, for a prosecutor's address, taking that down the line-- well, first, the prosecutor is, is, is made aware of the fact that an individual has, has, has asked for their address. And in that context, depending on who the individual is, they, they could be on alert. Let's say it's a relative of a defendant that's being prosecuted for a violent crime. Let's say it's the, it's the defendant--

CONRAD: Yeah.

JOSE RODRIGUEZ: --himself or herself that's being prosecuted for a violent crime. At that point, obviously, the, the prosecutor could take steps in order to essentially [INAUDIBLE]-- look after their safety. Right? In the con-- are you asking me in the context of a criminal prosecution in the future, what could happen?

CONRAD: No. I'm trying to understand what you meant by that part in your testimony.

JOSE RODRIGUEZ: I'm sorry. And I'm-- and maybe I shouldn't--

CONRAD: That's OK.

JOSE RODRIGUEZ: --have used the word list. I apologize.

CONRAD: No. That's OK.

JOSE RODRIGUEZ: But--

CONRAD: It's OK. I, I, I think I got it. I-- and it's important to, you know, kick the tires from all angles to try and figure out potential unintended consequences here and, you know, just the intersection with other areas of law. But I, I understand your concerns, in regards to, to your-- to your safety. And, and I've had this happen as well. Being a high profile not only politician, but civil rights attorney--

JOSE RODRIGUEZ: Right.

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CONRAD: --when I was running a civil rights organization, we frequently received threats, due to the nature of our work. And it's the nature of our work. So, yeah. I, I, I understand, and, and I thank you for being here. And I thank you for helping me think through the issues. Yeah.

JOSE RODRIGUEZ: Thank you.

SANDERS: Hold on. Let me check to see if there are any other--

JOSE RODRIGUEZ: Sorry.

SANDERS: --questions. There are-- Sen-- Senator Halloran.

HALLORAN: Thank you. Thank you, Vice Chair Sanders. And thank you, Mr. Rodriguez, for being here. I think your testimony kind of cuts to the chase and the heart of what we're trying to do here, what the bill is trying to do here. When you took this position, you, you understood the potential risks involved with--

JOSE RODRIGUEZ: Correct.

HALLORAN: --right. But then you had kids. Right. OK. And that, that cuts to the chase to me, to where this bill's going. You're not looking out just for your own-- you're a big boy.

JOSE RODRIGUEZ: Yes.

HALLORAN: You're not looking out for your own welfare, specifically. I think the question, Senator Conrad's issue, could maybe be answered very simply. It's a heads up.

JOSE RODRIGUEZ: Correct. Right.

HALLORAN: It's a heads up that-- that's-- this person has asked for your address, and that heads up, well, all that does is give you more situational awareness. Yeah, OK. There may be a threat. So you, you know, you take personal precautions to, you know, to avoid that threat if it should happen. Is that--

JOSE RODRIGUEZ: That's--

HALLORAN: --reasonably close to--

JOSE RODRIGUEZ: Yes. And, and to-- I actually literally had the word, I'm a big boy-- the, the sentence, I am a-- I'm a big boy. I can take

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care of myself in here. I crossed it out. Think-- but that's exactly the point. My kids are young. I have a-- well, I won't dis-- I won't say their ages, but I, I have young kids and--

CONRAD: Yeah.

JOSE RODRIGUEZ: --I'm just worried about-- If I would have known that-- I would-- I think, a, a younger version of myself-- I don't think anyone expects family and kids to alter their perspectives as, as much as it does. And to be quite frank, on a daily basis, I think of my kids. On a minute by minute basis, I think of my kids. And really, as you said, the aim of the bill is to protect families, not, not just prosecutors.

CONRAD: Yeah.

HALLORAN: All right. Thank you.

SANDERS: Hold on just a moment. Senator Conrad has another question.

CONRAD: Thank you so much, Vice Chair. Thank you, Senator Halloran. And-- one more, I promise, and we're going to let you out of the hot seat.

JOSE RODRIGUEZ: It's fine.

CONRAD: But I, I-- and I hear that, as a parent. I have little kids, too, and have had little kids during the course of a high profile career that has had based really serious safety threats--

JOSE RODRIGUEZ: Um-hum.

CONRAD: ==particularly from people on the right, due to the nature of my work and my advocacy. So those questions and concerns and that, that heart piece does not go unnoticed. I've, I've, I've shared these experiences. I'm just not sure this is, is the right remedy. And I'll tell you, it's a different area of statute, but another piece that I'm really grappling with is, you know, the county attorneys have been incredibly obstinate in terms of making any updates or revisions to our strong public records laws, and now they're seeking an exemption for themselves. I know it's a different area of statute, but there's a lot of similarities there. And I'm finding that a-- an inconsistent position. So you may-- maybe weren't aware of that when you hit the hot seat today, but--

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JOSE RODRIGUEZ: I, I didn't. I didn't.

CONRAD: --it's part of another area that the committee's working on. So I'm just-- I'm thinking out, out there, but I appreciate it. Yeah.

SANDERS: So was that a question?

CONRAD: No.

SANDERS: Thank you for your testimony.

CONRAD: If you'd like to respond.

SANDERS: Thank you for your testimony.

CONRAD: Yeah.

SANDERS: Much appreciated. Thank you, Mr. Rodriguez. Are there any other proponents? Welcome to the Government Committee.

JESSICA KERKHOF: Thank you. Good afternoon, Vice Chair Sanders, members of the Government, Military, and Veterans Affairs Committee. My name is Jessica Kerkhofs. It's J-e-s-s-i-c-a K-e-r-k-h-o-f as in Frank, s as in Sam. I am the chief prosecutor for the City Attorney's Office here in Lincoln, and I'm testifying today on behalf of the prosecutors in my office, as well as Omaha City Prosecutor's Office, in support of, specifically, AM2231. We are thankful to Senator Moser for his willingness to include city prosecutors, as those parties who can seek exclusion of the residential information from their county assessor and register of deeds. City prosecutors may not handle felony-level offenses, but we do prosecute law violations committed by dangerous individuals, including serious crimes of violence, significant property damage, and threats to public safety. We also deal with people who've just made bad decisions and are at low points in their lives, mentally ill people who are not in a place to fully understand their circumstances, and those who have never been involved in the system before, whether victim or defendant. Contact with us and the criminal justice system in general can be ext-- an extremely stressful experience and can lead to some hostile, erratic, and sometimes scary behavior. It is not necessarily the seriousness of the offense that can predict how someone will act. And we have encountered concerning individuals across the spectrum of the cases we prosecute. People who feel aggrieved by the result in their particular case may hold lingering animosity towards those involved in what they perceive to be an unjust or unfair result. As a practical matter, we often

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prosecute individuals who have multiple cases between our City Attorney's Offices and the respective county attorney's office. These cases would have been investigated by the same law enforcement officers and be going before the same judges who are already afforded the benefit that the current statute provides. Concerns about a height-- heightened risk for potential harassment or violent conduct do not just apply to them, and it makes sense to include city prosecutors as part of that system. Some city prosecutors don't live in the county where they serve, particular-- particularly in urban metros like Lincoln and Omaha, but live in adjacent and otherwise nearby counties. Easier access to personal information like home addresses still increases the vulnerab-- vulnerability to them and their families. While we are not so naive to believe in this day and age of readily available information that this is an ultimate protection from an individual who truly wants to find an address, it's certainly a roadblock, and roadblocks can slow a person down and make them rethink their fut-- future actions. So we're here today to ask for the opportunity to request that safeguard. I thank the committee for the opportunity, opportunity to express our position and for your thoughtful consideration. And I'm happy to answer any questions today or in the future.

SANDERS: Thank you for your testimony. Are there any questions from the committee? I see none.

CONRAD: Thanks, Jessica. Good to see you.

SANDERS: Thank you for your testimony. Welcome to the Government Committee.

TIM HRUZA: Good afternoon, Senator Sanders, members of the Government, Military and Veterans Affairs Committee. My name is Tim Hruza, last name spelled H-r-u-z-a, appearing today on behalf of the Nebraska State Bar Association in support of LB1198, I want to thank Senator Moser for introducing the bill. Let me just say, from the, from the Bar Association's standpoint, we've got a legislative committee that's comprised of 45 to 50 attorneys that meets, reviews bills. We then go through our house of delegates, which is 120 or so lawyers that look at legislation. There's pretty resounding support for this effort. And, and traditionally, we have supported these efforts. So when Senator McCollister brought his bill, 2 or 3 years ago, for judges, to add them to the list, I think from our standpoint, what we end up getting is a conversation about, well, what about us, too? And I think that we would come forward and say, look, lawyers serve a very

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important and integral purpose in our society. And whether it's a county attorney or a public defender, who I think was mentioned by an earlier testifier, we would support those efforts to allow them this opportunity as well. I will tell you that from a personal perspective, I am not necessarily a, a public servant attorney, but I was practicing in Grand Island when one of my colleagues was shot and killed by a former client, walking out of his office. So there are real threats for lawyers, for judges, for people who deal with the types of cases that affect other folks, as well, being in their lives. And so, these are very personal stories. We support this legislation. And let me just say this. I think the last testifier noted it at the end, but to some of your senator-- or your question, Senator Conrad, I-- the real critical key thing that, that, that we don't really grapple with from the Bar Association, and I think what you're getting at is, is legitimate, right? Some of these folks are public officials. Their addresses are available. You can find where someone lives fairly easily in today's society. I think the last testifier really said, part of what drives us in supporting these efforts is that if it gives any opportunity for pause without taking away the public's right to get those-- the information that they seek, we would support that, right? The, the transparency, the public information is totally available. You just-- in this instance, for a register of deeds, for the assessor, you'd go in and ask for it and get it. As far as keeping a list, I don't think that's really our motivation in doing this. It's more slowing down and providing what we refer to as a cooling off period, before you can go find somebody in, in the heat of passion or at a time when, when you're at your lowest, be able to track them down. What I would tell you, too, and it's come up in our conversations, the Treasurer's Office is not included in this particular statute. You can probably find someone's tax statement, property tax assessment online, fairly quickly, regardless. We would support efforts to include those, as well. But again, none--nothing in this bill restricts a member of the public from getting the information that they seek. It just provides that they have to go through a different process to get it, and maybe puts that barrier in to give them a little bit of cooling off before they make a decision that really does harm people and, and, and families and lives. So with that, thanks, Senator Moser, and thank the committee for your time today.

SANDERS: And thank you for your testimony. Senator Conrad.

CONRAD: Thank you, Vice Chair Sanders. Thank you so much, Tim, for being here. One question, and, and I think it was a while ago so maybe

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I'm fuzzy on the facts around it, but the high profile case you mentioned in Grand Island from years ago, wherein an attorney was killed, that was a family law situation. That wasn't--

TIM HRUZA: Correct.

CONRAD: --a prosecutor. Right?

TIM HRUZA: Correct. Yep.

CONRAD: OK. So let's--

TIM HRUZA: To be, to be sure.

CONRAD: --let's make sure that we're kind of clear about what issue is at hand here and what's not, right. And, and-- which kind of goes to my point. Right. It's not, it's not just prosecutors that face unhappy clients and threats. I mean, this happens in family law. This happens in civil rights law. This happens in tax law. This, this, this literally happens in almost every practice area.

TIM HRUZA: Most certainly, Senator. And if, if I conflated the two as if that was an example of this particular instance, I apologize. My point was simply to tell you that, from our standpoint and our conversations with lawyers, frankly, if it said a member of the bar, we would come in here and support it. And again--

CONRAD: Which is kind of what I'm worried about.

TIM HRUZA: But it-- and I'm not-- and, and like I said, I'm not asking you to do that, Senator. But I would also say, too, part of the reason that I don't think we have any-- and we've got, we've got civil rights lawyers, we've got attorneys that are, that are out there arguing for public transparency and that advocate both sides of all of these cases. This bill and this particular structure doesn't take away the public's access from this information. It just provides a different avenue by which you have to go through to get it. It's one additional hurdle that, like I said before-- and there's some national studies that we've looked at particularly when we were working on the judge's bill a couple of years ago, but sometimes just adding that cooling off period and that barrier can make a huge difference. And we've got-- you've got national conversations and stories, really, really bad anecdotes. I understand we don't want to make policy based on anecdotes, but I think that this-- our position would be that this statute strikes a balance between ensuring that the information is

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available to the public while also protecting a little bit that-- the people who are most vulnerable in these instances. Right. A county attorney, I think, does put themselves out there. I get that. The deputy county attorneys are serving a bit of a different role, public-- deputy public defenders, as well. They're important pieces. And like I said, I-- heck, your family, your family law lawyers are the-- are dealing with some of the most, you know, impassioned cases that you see.

CONRAD: Yeah, but don't receive this protection under this legislation or any other that I'm aware of.

TIM HRUZA: I think we would-- I think we would probably support that. Again, the protection is, the pro-- the protection is not removing this information from the public. It is not removing your ability to get it. It just says you need to make the request in writing, like placing that additional moment of cooling off, rather than a quick Google search and I'll show up at your doorstep sort of a thing.

CONRAD: So, OK. And I am worried about the slippery slope argument as well.

TIM HRUZA: I understand.

CONRAD: And actually, you made me worried about it in your testimony--

TIM HRUZA: I'm not [INAUDIBLE].

CONRAD: --of how you support it for all attorneys.

TIM HRUZA: Yeah. Yes.

CONRAD: OK. But like, you know, say, for example, the Bar Association publishes, I think, annually, a directory of attorneys. Now sometimes you put your work office, sometimes you put your home office. I think it's up to the attorney to decide how they want that published. But like, there's a lot of attorneys' home addresses in the bar directory that is widely available in government institutions and law offices. Right?

TIM HRUZA: Definitely. Yeah.

CONRAD: OK. And then my last question is, you know, in addition to your position that would be open-minded or supportive of hiding all lawyers' in-- information from the public with this structure, which

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I'm finding hard to grapple with-- I mean, where do you draw the line? Should it be all elected officials, all appointed officials? I mean, where, where do we draw the line here?

TIM HRUZA: I don't want to grant the premise that we're hiding anything. I would tell you that under this statute, all of the information is still well and readily available. You just have to make the request in writing from those 2 particular county offices when you're looking for it.

CONRAD: OK. I got it. Thanks, Tim. Thanks.

TIM HRUZA: Thank you.

SANDERS: I see no more-- thank you very much for your testimony.

CONRAD: Thanks.

TIM HRUZA: Thank you.

SANDERS: Thank you. Are there any other proponents on LB1198? I see none. Any opponents?

Thank you.

SANDERS: Welcome to the Government Committee.

KORBY GILBERTSON: Good afternoon, Vice Chair Sanders, members of the committee. For the record, my name is Korby Gilbertson. It's spelled K-o-r-b-y G-i-l-b-e-r-t-s-o-n, appearing today as a registered lobbyist on behalf of Media of Nebraska, Incorporated, in opposition to LB1198. To kind of give some history on this, this-- you know, it seems as every year or every other year we see yet another bill that wants to make these things public. I'm having handed out a sheet that shows you what little effect this type of law has. Before I came back over here, I just did a quick Google, Google search with my own name and said address, and you see that it instantly pops up in 8 different formats, and this was only the first 2 pages. So my office address, my home address, all readily available, none of which-- I think there's one that's the Lancaster County Assessor. The bottom line is this is-- these types of laws do not protect people from having their address made public, and that media does not care about this from the standpoint of their reporters being able to get the information. The-- this organization is made up of all print and broadcast media, specifically in the interests of First Amendment, public records

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issues. This-- so this is where this issue lies. I think Senator Conrad brought up the point, you know, where do we draw the line? OK. If it's attorneys, so I would say let's add lobbyists. You know, I get bad-mouthed all the time. Let's add lobbyists. Let's add anybody else who thinks that they've been threatened by someone. Where do we draw that line? And then secondly, anyone who has a professional business, their work address is already out there. If someone wants to find you, and you know, with all due respect, I don't think the criminals are looking up the assessor's website to find people. They're using Google, just like I did. They probably don't even know that the assessor's website is out there and has this information, because I don't think most people in the state know that. So our point is just be mindful of what you're changing and what you're adding to or removing from public records, and make sure it's actually doing some good, where this does not seem to rise to that level. And with that, I'd be happy to answer any questions.

SANDERS: Thank you for your testimony. Are there any questions? Yes, Senator Conrad.

CONRAD: Thank you, Vice Chair Sanders. Thank you, Korby, for being here. And thanks for that example. And I know it's hard to take these principled positions when you hear scary and hard situations from hardworking public officials. I, I know we're all sympathetic to that, and trying to just figure out the right remedy and how to draw the line in the right way. But one thing that I think is concerning about this legislation is, is perhaps how myopic it is, wherein it just creates a level of protection for home address, but also valuation. Right.

KORBY GILBERTSON: Um-hum.

CONRAD: So like, if I can easily get a public official's address through Google-- and there's no way to go back and scrub the internet whether this law goes or not. But let's say I, I don't want to do any harm to my county attorney. But-- and this is a hypothetical, because our county attorneys are, you know, above reproach and do a great job. But I'm, I'm an everyday citizen, and I want to know if he's on the take. And I want to see if he's living in a \$2 million house on a public servant salary and why. I mean, I have the right to ask those kinds of questions as a citizen. And that's one piece of the puzzle, perhaps. Now, I guess you could file a request and get the same information otherwise, if this legislation went through. But then again, when the county attorney indicated that that would create a

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watch list of some sort, then I got law enforcement on my step saying, why are you asking for this guy's valuation? I'm just-- I'm very worried about this from a lot of different angles. So I don't know if you had any response as to the valuation piece and how that might, might come into play.

KORBY GILBERTSON: Well, I'll tell you. So, a lot of the count-- years ago, before this information was available online, many county officials came to another group that I represent and said, we would like to increase the doc stamp tax, so the transfer tax on property. And we said, well, wait a-- you know, it's already pretty high. What do you want to use this for? Well, we would like to be able to put all this information online so that it's more accessible so people can get to it. And that was a long, drawn out process to make that all happen. And now, it's as if we're just kind of going backwards. And like I said, you know, I have used the assessor's website--.

CONRAD: Sure.

KORBY GILBERTSON: --before, when I've been invited to go to somebody's house that I've never been there before and I want to have an idea of where it is or what it looks like. But I-- like I said, if this actually protected people and actually made a difference, I-- we just do not see where that is. And then where do you draw the line? If you had all attorneys, I'm protected, but no, you know, any lobbyist that isn't an attorney is. So, you know--

CONRAD: Right.

KORBY GILBERTSON: --where do you draw the line?

CONRAD: OK. Thanks. Thanks.

SANDERS: Senator Halloran.

HALLORAN: Thank you, Vice Chair Sanders. So what's the harm, then?

KORBY GILBERTSON: You know, I don't, I don't know.

HALLORAN: Specifically.

KORBY GILBERTSON: That's why I said, it's-- the harm isn't anything further than you're just taking away public records that generally-- if the state has had it as a public record heretofore, there needs to be a compelling state interest to remove that from the public's

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purview. This, because you can get it in 85 different ways without having to go sign in to get it, doesn't seem to really serve a purpose.

HALLORAN: Again, specifically, what's the harm, then, because if--

KORBY GILBERTSON: I don't, I don't, I don't know if there is necessarily a harm. Our interest is making sure that public records aren't taken away from the public unless they really have to be, unless it does serve a purpose. We don't believe this does.

HALLORAN: In my wildest imagination, I'm trying to think of what friendly purpose someone that has been recently prosecuted would go to a prosecutor's house.

KORBY GILBERTSON: Right. But also, would that person who just got prosecuted go look at the assessor's website?

HALLORAN: They may or they may not.

KORBY GILBERTSON: Right.

HALLORAN: But I'm just saying it's one more avenue for them to be able to find that address.

KORBY GILBERTSON: It-- you're-- you are correct [INAUDIBLE].

HALLORAN: And I'm trying to think of a friendly reason. Maybe bring a bouquet of flowers and thank them for the prosecution. I don't know, I doubt that that would be the case.

KORBY GILBERTSON: Perhaps.

HALLORAN: But--

KORBY GILBERTSON: Perhaps.

HALLORAN: --I appreciate your testimony.

KORBY GILBERTSON: Yep. Thank you.

HALLORAN: And, and I appreciate the fact that you gave us all your address.

KORBY GILBERTSON: Yeah.

SANDERS: [INAUDIBLE] could really have been.

KORBY GILBERTSON: Could have looked it up yourself-- and, you know, NADC, any--

CONRAD: Yep. Yep. Yep.

KORBY GILBERTSON: --accountability and disclosure files, I have to file my home address, my work address.

CONRAD: Yeah.

KORBY GILBERTSON: If you run for office, you have to do both. Those are all public records. So are we going to make all records with the NADC all of a sudden private, and we can all have our names taken off of those? I-- it, it is something just to consider, when this is your purview of what you're changing.

HALLORAN: Thank you.

KORBY GILBERTSON: But, thank you.

SANDERS: Any other questions? Thank you very much for your testimony. Are there any other opponents? Any in the neutral?

SPIKE EICKHOLT: Thank you. Good afternoon, Vice Chair Sanders and members of the committee. My name is Spike Eickholt. Last name is spelled-- first name is S-p-i-k-e, last name is E-i-c-k-h-o-l-t. I have something else actually, to pass out. I'm appearing as a registered lobbyist on behalf of the Nebraska Criminal Defense Attorneys Association in a neutral capacity. And I did speak with Senator Moser earlier this week, and he recognized that I represent the ACLU, but I was not speaking with him about that, which is just-- I want to make sure that's clear. We are in a neutral capacity. The Criminal Defense Attorneys Association is about 370 attorneys who practice in Nebraska and do criminal defense, and a number of them are public defenders. When we were reviewing bills, this bill caught our eye.

CONRAD: Thank you.

SPIKE EICKHOLT: We are-- I think we are truly neutral in the sense that we don't necessarily support this proposal, but we don't necessarily oppose it. And we understand, or at least we, some of us can understand why the prosecutors may want to ask for this. I will

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concede I don't know how much utility this does provide. I don't think this really does shield anything that's not out there in the public sphere or could be found either within the corners of this bill or otherwise. But when we were discussing this, the public defenders on our committee wanted-- if-- to-- if the committee is going to act on this, we'd like to be included, as well. Being a public defender is a little bit different than being a private attorney doing criminal defense work. Being a public defender is different than being a prosecutor. You are a component of the system. You are representing people who immediately are suspicious of you and view you, view you as a part of the system. You are a public pretender. You are paid by the state. You're paid by the state to get me to prison, just like that prosecutor is. I was a public defender for a number of years. I was spit on, I was assaulted, I was threatened, things that don't happen to me when I'm lobbying and things that don't happen to me when I'm in private practice, representing people for-- who pay me to hire. There's something to that. I don't know what it is. It's part of a culture. So to the extent that this does anything to somehow protect prosecutors, the public defenders in my, in my committee would ask to be included, and that's what the amendment that I had circulated would do. It would include public defenders and assistant and deputy public defenders, as well, for this. Unlike prosecutors, public defenders don't have a good relationship with cops. Cops aren't coming to our house informally. They don't stop by and have us go over search warrant affidavits. They don't know us well. They don't have an informal relationship with us that's very well, so we aren't necessarily protected like they are. And I would say, for what it's worth, particularly when I worked as a public defender, the female public defenders in my office were probably most vulnerable and most harassed regularly by clients and former clients for a variety of different reasons. So if the committee is going to act on this proposal, the public defenders and NCCA would ask that they be included, as well. And I'll answer any questions if anyone has any.

SANDERS: Are there any questions for Spike? Seeing none, thank you for your testimony. Appreciate it. Are there any other in the neutral? Welcome to the Government Committee.

CANDACE MEREDITH: Thank you, Senator Sanders and members of the committee. My name is Candace Meredith, C-a-n-d-a-c-e M-e-r-e-d-i-t-h, and I am the deputy director of the Nebraska Association of County Officials, here today in a neutral capacity on LB1198. I'm going to check on that notification. I'm not familiar with the practice of notification. I know they withhold after the application is submitted.

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CONRAD: OK.

CANDACE MEREDITH: So I'll confer with our colleagues on that one. And I do sympathize. I have a corrections background in the mid '90s. And yes, that, that does, that does happen often, as well as being in the Treasurer's Department. Not friendly places to be, but I, I do sympathize with that. So, you know, beginning in, in 2018, following the passage of LB624, law enforcement was extended the option to apply to the county assessor to withhold the address of the residence from the public. In subsequent years, the Nebraska National Guard and the judges were included in the opportunity to request the withholding of their residence. So, while recognizing the importance of protecting the privacy of certain professions, it is equally important to ensure that the legislative changes are well-defined, transparent, and accountable. Striking the right balance is essential to uphold public access to information, and the concerns for personal safety, especially considering the ease in which this personal information can be retrieved now on the internet. So I'll be happy to answer any questions that you might have.

SANDERS: Wow. That was under 30 seconds.

CANDACE MEREDITH: I don't talk much.

SANDERS: Thank you very much for your testimony. I'll see if there are any questions. Questions? I see none.

CONRAD: Thank you.

SANDERS: Thank you, again. Are there any other in the neutral? I see none. We do have position comments for LB1198. Proponents, 8. Opponents, 0. Neutral, 1.

MOSER: Well, thank you to the Government Committee for letting me present this bill today, and I appreciate all your comments and input. The, the bill is silent as to what happens to this list of people who request addresses, but I think it is one more hoop to jump through when you're maybe at a low point or a, or a high point in your emotion, to help protect so that nothing-- well, not nothing, but maybe it will help solve those problems. I don't know how many requests county assessors get. I suppose we could try to find that out to see if there is a list and how many there are. But I don't think-- I-- of course, I'm not an attorney. Maybe that's a good thing. But I don't see the public purpose in keeping this information available.

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Yes, it is available in other ways. And if you want to know, you know how fancy a house the county attorney lives in, you can go to the accountability and disclosure and you can look at their financial statement. You can see what stocks they own. I mean, there's plenty of opportunity for people to get information about public officials. I think quite a bit of this negative activity happens in the courthouse, and they might look to the courthouse for information to, you know, take some crazy action. And so, you know, I, I just-- I think it would be good to pass the bill. I appreciate your consideration. I do have an amendment that Mr. Eickholt brought us, for public defenders. But first, we'll see how the committee views the bill, and see whether you agree with me that this is something we maybe should be doing. I appreciate--

CONRAD: Yeah. It's great.

MOSEER: --Senator Conrad. We always need somebody to test our theories and bring up the negatives. And I don't agree with them, but I appreciate you bringing them.

SANDERS: [INAUDIBLE].

CONRAD: That's OK.

MOSEER: I'd be, I'd be glad to answer any questions.

SANDERS: Are there any questions for Senator Moser?

CONRAD: No, thank you. Thank you.

SANDERS: I see none. Thank you very much. And this closes our hearing on LB1198.

MOSEER: Thank you. I'm going to go take the LSAT and see if I can get in.

SANDERS: All right. All right.

CONRAD: And then he can be exempted.

SANDERS: OK. This takes us to LB1302, Senator Lippincott thinks. Welcome to the Government Committee. Yes, please.

LIPPINCOTT: Good afternoon, members of the Government Committee, Chairman Sanders. My name's Loren Lippincott. That's spelled L-o-r-e-n

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L-i-p-p-i-n-c-o-t-t, and I represent the 34th Legislative District. I'm here today to introduce LB1302. Every 14 seconds, a successful ransomware or cyberattack takes place throughout the United States. As a matter of fact, the Pentagon, in the year 2000, was attacked 1 million times a year. Today, it's attacked 36 million times a day. So this is a frontier that's definitely a threat. LB1302, back here in Nebraska, appropriates \$11 million in general funds annually for the Office of the Chief Information Officer, OCIO, for a multitude of cybersecurity preparedness, investments, and activities. These activities range from wargame type exercises that engage public and private sector entities in the state to funds for specific political subdivisions, that is, cities, villages, counties, school districts, and educational service units, and natural resource districts for the purposes of bolstering cybersecurity, critical network infrastructure, and purchasing essential software capabilities. Data breaches and ransomware attacks are growing ever more common in the public sector. According to a report from Sophos, an estimated 58-69%, up nearly 10% from the previous year, of all public sector entities faced a ransomware attack just last year, in 2023. Of those entities, about 70% of those attacked failed to stop the attack, and that is the highest failure rate of any sector observed in the Sophos report. Per the same report, the average ransom payment in the public sector is \$213,000, plus additional remediation or cleanup costs. Those are the type of costs that can devastate a rural town or community. And just as a side note, cybercrime worldwide has reached \$10.5 trillion a year. The DOD, Department of Defense, has stated that cybersecurity is the number 1 threat on a federal level, state level, and local level. It's a true fact. Along with ransomware, data breaches continue to be a growing cybersecurity problem for state governments and political subdivisions nationwide, as well. According to the 2023 Data Breach Report from IBM, the average data breach cost for public sector entities is \$2.6 million, up over \$500,000 from just last year in 2022, 2 years ago. These numbers illustrate the absolute necessity that we, as a state, began aggressively investing in cybersecurity infrastructure and software, both for ourselves at the state level and for the political subdivisions. The return on investment will be significant by preventing attacks and saving on cyber insurance premiums. It will, in turn, prevent our political subdivisions from raising property taxes to pay for devastating breaches and ransomware attacks. LB1302 appropriation is split into 5 different categories. Number 1: \$2 million annually for the OCIO to procure tools, hardware, and software to support cybersecurity preparedness and defense across the state and its agencies. Point number 2: \$1 million to develop an

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annual cyber-- cybersecurity preparedness training activity to allow for hands-on defensive cyber training in an unclassified closed-computing environment. Point number 3: \$4 million annually for the OCIO to procure software and professional services for the state and the political subdivisions named in LB1302 to continuously monitor the publicly available cyber-- cybersecurity vulnerabilities of themselves and their vendor ecosystems. Point number 4: \$2 million annually for the OCIO to award to political subdivisions working to meet specific cybersecurity network-- frameworks to upgrade their critical network infrastructure. And finally, point number 5: \$2 million annually for the OCIO to award to purchase software and services that must be made available at no cost to political subdivisions. This is crucial because the state will be able to enter into partnerships more efficiently and achieve more favorable pricing on a statewide basis for critical cybersecurity software. As the old adage goes, an ounce of prevention is worth a pound of cure. While some may say that \$1 million a year is more than an ounce of prevention, it's less than what is needed. The state and political subdivisions are woefully behind their private sector counterparts in cybersecurity. LB 1302 is our first ounce of prevention.

SANDERS: Thank you for your testimony.

LIPPINCOTT: Thank you.

SANDERS: Are there any questions for Senator Lippincott? Senator Conrad.

CONRAD: Hello, Senator. Welcome to Government.

LIPPINCOTT: Thank you.

CONRAD: Good to see you. Quick question. Can you help me understand how this proposal interfaces with some of the discussions or measures pending before your committee in Appropriations? I'm just kind of trying to figure out, you know, what resources might be on the table from the Appropriations Committee perspective or the Governor's budget perspective in, in, in addressing cybersecurity needs for, for our state Information Technology Services or whatever it's called. I'm sorry if I butchered the name of the, of the agency there.

LIPPINCOTT: Last year, this bill came before the Appropriations Committee. And it failed by 1 vote, simply because we did ask folks out there in the state--

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CONRAD: OK.

LIPPINCOTT: --whether or not this was ready to be implemented.

CONRAD: OK.

LIPPINCOTT: And they felt that it was not.

CONRAD: OK.

LIPPINCOTT: This year, it is. And as the statistics that I've cited, for instance, ransomware, these things have increased 148% just in the past 1 year. So we can see that the need is just growing tremendously. As a matter of fact, just a few moments ago, you just mentioned about Appropriations. I was-- just came from there. And we heard from the Supreme Court--

CONRAD: Yes. Yes.

LIPPINCOTT: --Justice Chief--

CONRAD: That's right.

LIPPINCOTT: --in there, and I talked to them. I said, do you folks have cybersecurity protection with the court system? Well, yes. It's inadequate. And I asked him about this bill. Of course, we didn't go into--

CONRAD: Sure. Sure.

LIPPINCOTT: --the nuts and bolts of it, but we just talked in, in principle. And he pointed out this point-- this observation. Just this past Sunday, just a few days ago, Pennsylvania was hit. And he said their cyberspace for the state, Pennsylvania, was just flooded with information, which, in essence, put them down.

CONRAD: Um-hum.

LIPPINCOTT: Our neighbors to the south, Kansas-- this is all from the Supreme Court Justice. He said Kansas was just ransacked, cyberspace.

CONRAD: Yeah.

LIPPINCOTT: There-- they were invaded through the cyberspace and it shut them down for a while. Texas has also been hit recently, and the great state of Georgia also has been hit recently. So this is

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something-- it's not a question of if, it's just a question of when. And we need to be proactive, not reactive. If we're reactive, then we have major costs. There's a young man back here. He's going to talk about the ESU, the Educational Service Units.

CONRAD: Yes.

LIPPINCOTT: And the other day, I, I visited one in Columbus.

CONRAD: Um-hum.

LIPPINCOTT: And they took us back behind the curtains and we saw all of their computers. And their computers was actually about the size of one of these curtain sections here, almost that tall, not quite that tall, but just a whole bank of computers. It was humming, you know, and electricity flowing and all that stuff. And they said, this is vulnerable. He says, it's just a matter of time be-- before this all gets attacked, and then we'll have some real problems.

CONRAD: Um-hum. Yeah.

LIPPINCOTT: And of course, the local people get to pay for that.

CONRAD: Yeah.

LIPPINCOTT: I'm a tightwad. But you know, this, this, this is something that-- you know, it's like Captain Kirk at the Starship Enterprise, this space, the final frontier. Well, this is a frontier that we have to combat.

CONRAD: Yeah. We, we have to make investments as the technology evolves and the threats evolve along with it. I definitely 100% understand and support your, your overall policy goal here. I'm just trying to figure out how to connect the dots with other measures pending before the Legislature, and then trying to think through-- you know, we have a lot of similar themes on the agenda today-- to how this might work with Senator Bostar's bill or some-- and you have another one later today. And I remember the Chief Justice's comments from the State of the Judiciary, where he flagged a need for this in the judicial system. So it seems that the need is clear, the solutions are clear, I just want to make sure we're, we're being as thoughtful as we can in coordination. Thank you. Senator.

LIPPINCOTT: Good. Thank you.

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SANDERS: Thank you. Let's-- any other questions from the committee? I see none. Thank you, Senator Lippincott. Will you stay to close?

LIPPINCOTT: I will.

SANDERS: OK.

LIPPINCOTT: Thank you.

SANDERS: Are there any proponents on LB1302? Welcome to the Government Committee.

CONRAD: We see John in Education a lot.

JOHN SKRETTA: Hello, Senator Conrad. Thank you, Vice Chair, Senator Sanders. Good afternoon, Vice Chair Sanders, Senators, members of the Government, Veteran and Military Affairs [SIC] Committee. Thank you for convening this hearing on LB1302. My name is Dr. John Skretta. That's J-o-h-n S-k-r-e-t-t-a. I'm the administrator at Educational Service Unit 6. We're headquartered in Milford. Amongst a wide array of services provided at the request of our 16 member school districts, we deliver technology, tech support and tech infrastructure. As such, we're keenly interested in and supportive of LB1302. There's a handout accompanying my testimony, front/back, that provides some data-based insights about the scale of cyber threats in K-12. I want to note that I'm here today on behalf of multiple entities. ESU 6, the ESU CC, our Educational Service Unit Coordinating Council, STANCE, Mid-size School District Coalition, and NRCSA, our Nebraska Rural Community Schools, all in support of LB1302. The unfortunate reality is we're playing from behind. We are in a situation where schools and other public entities are highly vulnerable to cyber attacks of various types, ranging from socially-engineered phishing attacks to malware infections and worse yet, ransomware. LB1302 proposes a long overdue investment of needed resources to deploy a comprehensive statewide approach. Our investments in cybersecurity thus far have relied upon existing streams of revenue or sporadic grant cycles from the federal level. The current resources allocated and available for schools to access are inadequate to address the challenges we face. Our ESUs are working across the state together to implement SLCG, subrecipient-- state and local cybersecurity subrecipient grants funded through federal dollars. What we're seeing is that in order to implement solutions that align with the state's adopted cybersecurity plan and those best practices, the total cost in some cases exceeds the dollars available for a single project, when we're talking about all eligible

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entities needing to access that bucket of funds. So while it's been helpful, it's painfully evident we need ongoing state resources to be cyber resilient. We've implemented the low-hanging fruit of low-cost solutions around cyber that are beneficial, but they're insufficient to address the full range of threats schools face. Prioritizing cybersecurity is getting needed traction in K-12, after too many glaring public compromises of school networks. As educational institutions, we need the protective measures and systematic processes of LB1302, and we thank Senator Lippincott for bringing this forward and urge you to advance it. Thank you.

SANDERS: Thank you. Thank you for your testimony. Are there any questions? See none.

CONRAD: Thank you, John. Good to see you.

SANDERS: Thank you for coming in today. Appreciate it.

JOHN SKRETTA: Thank you. Appreciate it.

SANDERS: Are there any other proponents? Welcome to the Government Committee.

SHAWN HAMMONS: Thank you. Thank you, Vice Chair Sanders and members of this committee. My name is Shawn Hammons, S-h-a-w-n H-a-m--m-o-n-s. I'm a cybersecurity manager for ESU 3, which resides in La Vista, Nebraska. I was hired on 2 years ago to help provide support for our 18 school districts, including our ESU, because they had currently lost their cybersecurity risk insurance and ransomware insurance. This was due to the inability to purchase necessary equipment to help satisfy the insurance needs. So with this bill, I'm-- wholeheartedly support LB1302, which will provide funds for us to help not only get the necessary tools, but also the necessary training that is required to use these tools. We do group purchasing through the whole state, which allows us to get like, multifactor authentication, which is a very good security tool to help people from insider threats, not-- and also external threats. We did this through a group purchase, which helped it bring the cost from \$10 a license down to \$5 a license. But as you can see, there's still a cost that's associated with these products. I also take part in cybersecurity training, which is Cyber Tatanka, which is also integrated with our Nebraska State National Guard, Air Guard, also with other entities like LES, NPPD, OPPD, MUD, Werner Trucking, UBT, and ESUs, also with other universities, UNL, UNO,, Bellevue University, Southeast Community College, Metro

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Community College, and Midlands University. And with that, open it up to com-- questions.

SANDERS: Thank you very much for your testimony. Senator Aguilar, do you have any questions? I think it's you and I. I see no questions from him. And it's so way over my head, but greatly appreciated for what we need. So thank you for, for what you do.

SHAWN HAMMONS: Absolutely.

SANDERS: Any other proponents? Welcome back.

CANDACE MEREDITH: Hello. All right. My name is Candace Meredith, C-a-n-d-a-c-e M-e-r-e-d-i-t-h, and I am the deputy director of the Nebraska Association of County Officials. I'm here today as a proponent of LB1302. Thank you to Senator Lippincott for bringing this legislation. So NACO does support LB1302 to address the cybersecurity challenges that the public sector faces in safeguarding our critical infrastructure. Cybersecurity measures can come with a considerable financial burden. The state and local cybersecurity grant program has proven to be a great avenue in providing support to political subdivisions. It has served as a gateway to education and resources by offering funding to implement procedures and install necessary equipment. In addition, NACO, in collaboration with NIRMA, managed IT providers, and state and federal officials have taken proactive steps to strengthen our cybersecurity awareness in our counties. Together, we established the County Cybersecurity Cooperative, aimed at providing counties with access to training and resources. The funding in LB1302 is an important element for those counties facing those financial constraints, offering a pathway to bolster their cybersecurity infrastructure. And I'd be happy to take any questions.

SANDERS: 30 seconds. Thank you very much for your testimony. Are there any questions from the committee? I see none. Thank you very much. Are there any other proponents to LB1302? I see none. Any opponents? Any in the neutral? Welcome back.

JILL BECKER: Hello. Good afternoon, Vice Chair Sanders and members of the Government, Military and Veterans Affairs Committee. My name is Jill Becker, spelled J-i-l-l B-e-c-k-e-r, and I'm a registered lobbyist on behalf of Black Hills Energy. I appear before you today in a neutral capacity regarding LB1302. And I just wanted to draw the committee's attention to some specific language in the bill. As you heard from me earlier today, Black Hills Energy is involved with

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numerous organizations, often at the federal level, regarding cybersecurity. And there are some provisions in the bill, specific-- specifically Section 6, the office shall secure and remediate the cybersecurity vulnerabilities within the vendor ecosystems of vendors contracted with the state, and then the language goes on. I am not sure if we would be considered a vendor of the state, since we do provide a service for some of the facilities of the state, but I bring that up just because I want to have the committee appreciate some of the potential for the wide-ranging impact of a bill like this. And while maybe we aren't a vendor of the state, I-- again, I'm not totally sure. We aren't an executive agency, we are not a political subdivision, but probably, you want to have us involved in discussions around cybersecurity. So I just wanted to bring that to the attention of the committee. We'd be happy to have any conversations with the committee, if you're interested in how this language might affect us further. I'd be happy to offer our internal resources regarding cyber. And with that, I'd be happy to take any questions.

SANDERS: Thank you so much for your testimony. Are there any questions from the committee? I see none.

JILL BECKER: Thank you.

SANDERS: Thank you. Are there any other testimonies for the-- in the neutral on this bill? I see none. We'll close on-- oh, actually, we won't close quite yet. Position comments: proponents, 4; opponents, 0; and neutral, 0. And Senator Lippincott, you will close.

LIPPINCOTT: Thank you. Just in closing, I think you got-- you received information on handouts just as some practical issues that were faced by some of the Nebraska entities. Nebraska Medicine, they lost nearly a quarter million medical records because they were hacked into. Boys Town, over 100,000 patient medical records were exposed. Pawnee County, 7,000. These are real threats. This is what's happening today. If we can eliminate that with cybersecurity protection, all of us would advance one big giant step. Thank you. I'll take any questions.

SANDERS: Thank you. Are there any questions for Senator Lippincott?

CONRAD: Thank you.

SANDERS: I see none. Thank you very much. This closes the hearing on LB1302. And we will move on to our next bill, same senator, LB1303. Hold on just a second. We're clearing the room, changing the sign.

LIPPINCOTT: Thank you.

SANDERS: And then, we need to wait for Julie to come back.

LIPPINCOTT: Pretty important piece.

SANDERS: It is.

CONRAD: The most important. Sorry, I think I messed it up with the page. [INAUDIBLE] I did.

SANDERS: The last bill of the day.

CONRAD: Before the weekend. Before the recess.

SANDERS: Before the weekend.

LIPPINCOTT: Oh, this one is?

SANDERS: You are it. You stand between us and [INAUDIBLE].

LIPPINCOTT: Do you have any questions?

CONRAD: Your efficiency will be rewarded, Senator.

SANDERS: It looks like we have a couple here to testify. So-- and it looks like we are ready to go. The floor is yours, Senator.

LIPPINCOTT: Good. Good afternoon, Chairlady Sanders and the Government and Military Affairs [SIC] Committee. My name is Loren Lippincott. That's spelled L-o-r-e-n L-i-p-p-i-n-c-o-t-t, and I am representing District number 34. LB1303 asks for the Nebraska State Patrol to create a position for and hire an ethical hacker. As we heard with our last bill, cybersecurity is a major issue. By enlisting the expertise of an ethical hacker within the Nebraska State Patrol, we take a proactive stance in mitigating cyber vulnerabilities. This individual, equipped with specialized knowledge and skills, will serve as a vigilant sentinel, constantly monitoring, detecting and thwarting potential cyber intrusions and attacks. Their goal will encompass not only safeguarding our state's systems and networks, but also ensuring the integrity and security of our electoral infrastructure. The need for routine network penetration testing to identify vulnerabilities is an essential part of system and network security. I have strategically asked for this position to be placed in the Nebraska State Patrol's Office to create accountability and balance. If we are testing our

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systems from multiple sides, kick the tire from multiple directions, we can only be made stronger from vulnerabilities found and then secured. The bill does not spell out the param-- parameters of hiring, but leaves it up to the State Patrol Office. However, there are many certifications to look for, such as ComputeTIA, Cybersecurity Analyst, Certified Ethical Hacker, or Certified Government Chief Information Officer. Also within the hacker's preview [SIC] would be our election systems. This addition is either imperative or unnecessary. If our election equipment is perfectly safe, then an ethical hacker cannot and could not find their way into any part of our election process. Then the intrusion of this becomes an act of monotony and the given power is rarely used, or they can be hacked into and manipulated, making this position absolutely needed for the protection of our state. My intention with the bill was to place one ethical hacker within the State Patrol's Office. However, the fiscal note advocates for more than one or even a contracted company with a team of people to perform these duties. My original ask was for \$100,000 salary, and the fiscal note makes it \$200,000 to fulfill a contract. I simply wanted to make a note of this for the committee. And by the way, I got this idea because I have a nephew that formerly was an ethical hacker. He would allow his services to be hired out by companies and then he would go in and try to hack into their system and show them where their weakness might be. And so I sent him a little text message earlier today, and I said, explain to me what you did. So this is very brief. It says if an organization is responsible for securing sensitive data of any kind, they must think like the enemy and be able to defend themselves from those enemies. Of course, defensive security is definitely important, but organizations also need to have offensive security, as well. In the military, you have red teams and blue teams. The same is true within the information security space. An ethical hacker is effective part of the red team that looks to find ways to exploit the vulnerabilities of an organization, so these vulnerabilities can be fixed prior to an outside attacker finding them. And it's interesting to note that I have another nephew. And he actually-- he was formerly an aggressor, flying F-16s at Red Flag out in Las Vegas at Nellis Air Force Base. And he acted like the bad guys. So these kids come from the same lineage. But again, just the point that we've got a red team, blue team, and the red team needs to be able to try to get into our system and find if there's any weak areas.

SANDERS: Do they fix them? If they find them, who fixes them?

CONRAD: Good question.

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LIPPINCOTT: Yeah, hopefully with that earlier bill we have, cybersecurity. But yes, they can say, here's the hole in the dike. It needs to be fixed. And oftentimes, they will know, this is what you need to do.

SANDERS: Let's check to see if there are any questions from the committee. Senator--

HALLORAN: More of a comment--

SANDERS: Senator Halloran.

HALLORAN: --than a question, but I appreciate your bill because I think if you don't know what your vulnerabilities are, you don't know what your vulnerabilities are.

CONRAD: Good point.

HALLORAN: And, and particularly in the election process, I-- you know, I asked Secretary Evnen to do just what you're proposing here, and that's to hire an ethical hacker-- no harm, no foul--

LIPPINCOTT: Yeah.

HALLORAN: --but just to see whether or not it is possible to penetrate the voting machines. He was not too excited about that. But I think it's a-- I think it's a worthwhile exercise.

LIPPINCOTT: Yeah.

SANDERS: Any other questions? I see none. Thank you.

CONRAD: Thank you.

SANDERS: And you'll stay for the close?

LIPPINCOTT: Yes.

SANDERS: Yes. Thank you. Are there any proponents on LB1303? Any-- no proponents? Any opponents? Any in the neutral?

_____: Wow.

SANDERS: Come on back. That's the fastest--

CONRAD: We told you your--

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SANDERS: --opening and closing ever.

CONRAD: --your efficiency will be rewarded.

LIPPINCOTT: It must be Friday, huh?

SANDERS: No, it's not.

LIPPINCOTT: Thursday.

SANDERS: It's Thursday. It's the Thursday--

CONRAD: Close enough.

SANDERS: --the Thursday surprise. Do we have any--

HALLORAN: Well, I got a--

SANDERS: --position--

HALLORAN: I'm sorry.

SANDERS: Senator Halloran.

HALLORAN: So are, are these-- I'm assuming that they are readily available in the marketplace, these white hat hackers?

LIPPINCOTT: Yes. Here they are. We looked on the high speed internet. And, there are people who do give their services in this area. And actually their annual fees are about like what we're asking, you know, it's \$100,000-plus. And instead of just hiring one hacker, you could hire a company, you know, a small company that does this. That way they pay their own health insurance and all that kind of stuff. And there are companies that do do this. Yes, there are.

HALLORAN: OK. Thank you very much.

LIPPINCOTT: Yes, sir.

SANDERS: Did you have a closing, official closing? No. You waive closing. OK. Well, you have, on your position comments, for proponents, 4; opponents, zero; neutral, zero. Thank you for your testimony, bringing this bill, LB1303. We are done. The hearing is closed on LB1303.

CONRAD: Thank you, Senator.

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LOWE: Boy, your family's full of good bad guys.

CONRAD: That's right.