

Even national media are pointing to Nebraska as the college basketball story of the year. Sports



Mayor John Ewing declares 2026 as 'year of the neighbor.' Midlands, Page A3

Omaha World-Herald

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Auditor flags possible 'favoritism' by Pillen

Governor's Office denies wrongdoing in \$2.5M no-bid bioeconomy contract with lobbyist

AARON SANDERFORD
Nebraska Examiner

LINCOLN — Gov. Jim Pillen, while pressing the Nebraska Department of Economic Development in 2024 to tighten its belt, steered the state agency to award a \$2.5 million no-bid emergency contract to a bioeconomy consultant and lobbyist he knew and had traveled with as part of state delegations.

State Auditor Mike Foley alleges the Economic Development Department, in carrying out that Pillen-picked contract, broke state law by not specifying in writing what emergency justified skipping the required step of bidding out contracts worth more than \$50,000, a step meant to save taxpayers money.

In a Jan. 6 audit letter Foley shared with the Governor's Office, which was obtained by the Examiner and authenticated by the auditor, Foley dinged the department for leaving blank a required section for explaining the emergency on the state's "Procurement Exception/Deviation" form.

That's where department personnel must explain the circumstances justifying seeking no bids. Foley criticized the agency for leaving the second page of the May 2024 form blank, writing that it "contained questions regarding the reasons for designating the contract as an emergency."

Foley's letter alleges that omitting this information meant the contract did not comply with "the legal requirement to specify the nature of the supposed emergency" under the Nebraska State Procurement Act in Nebraska Revised Statutes 73-815.

That section of state law requires the agency to provide the "justification of the emergency" and requires the state to "retain a copy of the justification with the contract in the state agency files." Violating that law carries no criminal or civil penalty.

According to Foley, the designation of the contract "as an 'emergency' is unsupportable." The absence of a bidding process, Foley alleged in the letter, resulted



Foley



Dele Davies
Interim Chancellor
University of Nebraska Medical Center

CHRIS MACHIAN PHOTOS, THE WORLD-HERALD

Dr. H. Dele Davies, UNMC's interim chancellor, holds up a sign when talking about how the mission of Nebraska Medicine and UNMC is the same during Thursday's Board of Regents meeting at Varner Hall in Lincoln.

Regents vote to proceed on Nebraska Medicine deal

University working toward being sole member of the health organization

JULIE ANDERSON
World-Herald Bureau

LINCOLN — The University of Nebraska Board of Regents voted unanimously Thursday to move ahead with a proposal to become the sole member of Nebraska Medicine, the health care-providing partner of the University of Nebraska Medical Center.

The vote came after weeks of objections from Nebraska Medicine's board of directors, a week-long delay in the vote and a call last week from 33 of the state's 49 state senators for a pause in the process.

The regents on Thursday acknowledged the concern and confusion around the proposal and agreed that much work remains ahead to work with Nebraska Medicine and finalize the transaction over the next six months. And they reassured Nebraska residents and Nebraska Medicine officials that they have no intention of interfering with the health system but rather plan to continue to build it.



University of Nebraska Regent Robert Schafer listens during the regents meeting in Lincoln on Thursday. Schafer said the university will have great teammates to work with at Nebraska Medicine.

Regent Jim Scheer of Norfolk hailed the plan as a "once-in-a-lifetime opportunity" that will benefit the state, students and health care in Nebraska.

"We have shown over the last 20 years that the university has not meddled in the workings of the hospital or Nebraska Medicine," he said.

Regent Barbara Weitz of Omaha said the university has a commitment to health care and to the

well-being of residents of Nebraska and beyond, as demonstrated during the COVID-19 pandemic and the 2014 Ebola outbreak in West Africa, when health care providers at the Nebraska Medical Center treated patients evacuated to the U.S.

"I believe... that this proposal is an appropriate and absolutely essential direction for our university

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STATE OF THE STATE

Pillen calls for leaner government

Nebraska is facing a \$471 million budget deficit

ANNA KLEIBER
Lincoln Journal Star

LINCOLN — Republican Gov. Jim Pillen said his administration has worked "tirelessly" to shrink government, cut waste and promote economic growth, as he outlined plans to adjust the state budget while Nebraska grapples with a \$471 million deficit.

"Bottom line — our strategy of running government like a business and tightening its belt the same way Nebraska families have to may not always get the nicest headlines, but it is mak-

ing sure that our state's finances remain strong, and we avoid the shenanigans and fraud so rampant in poorly run states across America," Pillen said during his State of the State address Thursday.

Pillen, who is in his fourth year as Nebraska's governor and is up for reelection this fall, said Nebraska's fiscal health is "beyond question," calling for the state to "establish a trend of spending restraint and fiscal conservatism" to close the projected shortfall — Nebraska's largest since 2017.

"For those doing the math,

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NIKOS FRAZIER, THE WORLD-HERALD

Gov. Jim Pillen delivers his annual State of the State speech Thursday in the legislative chamber of the State Capitol in Lincoln.

Insurrection Act

President Donald Trump threatens to invoke the Insurrection Act and deploy troops to quell persistent protests against in Minneapolis.

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Dining Notes

Paradise Bakery & Cafe is opening a second location in the Omaha area.

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Weather

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Windy, snow Details: A10

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