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Legislature's Planning Committee
June 17, 2016

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The Legislature's Planning Committee met at 9:00 a.m. on Friday, June 17, 2016, in Room 1003 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing. Senators present: Tanya Cook, Chairperson; Kathy Campbell; Mike Gloor; Heath Mello; Merv Riepe; and Ken Schilz. Senators absent: Paul Schumacher, Vice Chairperson; Galen Hadley; Bob Krist.

SENATOR COOK: It's 9:03. There's the faithful lawnmower. And the minutes, you should have the minutes for our March 23 meeting. We just convened very briefly. And those are for your information only. We don't need a motion to adopt those minutes this morning. So with that, Mr. Deichert, if you would be so kind as to join us this morning. And once again, for purposes of our records would you spell your name in your introduction.

JERRY DEICHERT: My name is Jerry Deichert; first name is J-e-r-r-y, last name is Deichert, D-e-i-c-h-e-r-t.

SENATOR COOK: Thank you very much.

JERRY DEICHERT: (Exhibits 1-4) And when we met March, there were probably five or six policy issues that you wanted some information on. And the first one that we have is...I have the handout. It's "Energy Burdens of Nebraska Households." And this is a report that I've been doing for the last seven or eight years looking at energy expenditures for Nebraska households and we're just looking at household energy expenditures, don't include transportation. So it's...

SENATOR COOK: Okay.

JERRY DEICHERT: ...heating and cooling essentially. And it comes from one of the main census sources that we've used in many other things, and I've combined three years' worth of data. Because I'm looking at some smaller areas, I want to make sure we've got big enough samples. And what we're looking at is household income; the cost of electricity; the cost of gas; the cost of oil, kerosene, or wood; and all other things. So it includes solar and all the different kinds of ways of heating a household. And so when I'm looking at energy burden here, looking

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at the percentage of annual household income that's used to pay annual household energy bills. And it's not...again, have to remember it doesn't include transportation energy. And there's a bunch of things in here that I'm going to go over quickly because whenever we look at this, have to know what's included because if you notice it says expenditures are counted if they're paid by or billed to occupants, a welfare agency, relatives, or friends. So even though it's included as an expenditure, it may not be coming directly out of their income. So it might...there might be a little bit of an issue where the income is lower and their expenditures but not necessarily all of that expenditures came from that income. But it does include then all of the energy costs. And then there are some places where they don't know what electricity or gas is because it's included in the rent. We excluded those. So it's just those where we have all that information. So when I look at all this information, it's for households where no energy costs are included in rent. The main takeaway from all this is what we'd expect, is that energy expenditures for low-income households are generally lower than they are for other households but their energy burden is higher because the incomes are lower. So if we look at it for the 2012-14 period, the average energy expenditures were about \$1,900 to almost \$2,000 and the energy burden was almost half. So those households spent nearly half of their income on energy. Now they may be spending down savings and other things that aren't part of their income so that doesn't...you know, all those things. But if you just look strictly at income you can see what it is. The next slide shows, since I've done this for a number of years, you can see that...how the burden is really primarily for households with incomes of less than \$40,000. After that it gets quite a bit less. And on average, the average household in Nebraska pays about 7.6 percent of its income for energy expenditures. And you can see that's been fairly constant over the last...over those years. And obviously it's going up for all of the income classes because you can figure there's fewer people making...I mean the energy costs are going up, but the incomes really don't change that much. If we've got it bounded between less than \$10,000, well, the average is always going to be around \$5,000. And so those things are going to keep floating up. The next slide is...just puts everything together. So if you just look at energy expenditures for all households you can see that in 2005-07 period they averaged about...almost \$2,200 per household, and every year they've been going up. So when I look at the expenditures, it's not just reflected in the cost of the energy; it's also in usage. And so we don't...can't differentiate the two. And you notice that in all categories the cost of energy has gone up, but for the lowest income it's not gone up as much, the expenditures. I shouldn't say the cost of energy, the expenditures. And if you look at incomes,

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like I said, the incomes for those where we've got them bounded by income classes, they pretty much stay the same because we're really controlling it to be that group of people. But overall you can see that household incomes have increased about \$10,000 over that time period, and these are all in the current dollar years. We did adjust these for inflation. So these are all in that area. So you can see why the burdens have changed. If you look at the slide, you can see that there's really not a lot of difference in the amount of expenditures by income group. The higher the income group, the more the expenditure, obviously. But it doesn't vary that much, which makes sense because you don't have that much control of your energy but only...I mean, you can do different size houses and other things, but that's one of the biggest differences. So what really makes a difference on the burden is the income. So you know, you can see that the lower income households spend less but their burdens are much higher. That's simply because they have less income. And the programs like LIHEAP and weatherization and those will help to lower the costs, but the burden on the household isn't going to be that much less unless you can really have an appreciable impact on the cost and the usage of energy. And you can see how that burden really drops quickly. And so it's really...lies heavily on the lower income households. And this looks at how energy expenditures have changed over those two nonoverlapping periods, and have no idea why it dropped for that one. You know, it's just one of those things where, because it's a sample, you can see for most part it's about...increased about 4 percent, 4.5 percent. That's basically the same for almost all of those groups so that's how they've increased over the three-year period. The next thing, you know, looking at it in relationship to poverty, and it still reflects the same pattern. And then this time I put the number of households. There's a little over 700,000 households in Nebraska, around 700,000. And if you look at it you can see that even folks who have incomes of under 200 percent, and that's 200,000 households, still pay a fairly substantial portion of their income for energy expenditures. Then the next thing we're looking at are different parts of the state. Some of the information is broken up by groups of counties that total over a 100,000 people. And so we couldn't include the Panhandle by itself because it doesn't have a 100,000. So threw in north...that should say north and west Nebraska; it's not just northwest. And you can see then within Douglas and Sarpy...Douglas and Lancaster Counties, since they use census tracts, we can break those into parts because they have to equal 100,000. So you can see we've got those areas broken up in the state and have some information for that. So we look at energy expenditures, if you notice the bottom bars are all those areas outside the Lincoln and Omaha metropolitan areas. And you can see they all spend a higher amount for

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energy than the state average. And there are two primary reasons for that: One is there's a lot more use of propane, which is much higher than any other cost, and a lot of the housing is older. And so you've got those two issues that are in play. And you know, without going into the different electric utilities, you know, there might be some issue there too. But that's primary, those two are primary reasons. And you look at Lancaster County, both the northern and southern half of Lancaster County have the lowest energy expenditures in the state.

SENATOR GLOOR: Does LES cover portions of both of these?

SENATOR CAMPBELL: Yes.

SENATOR GLOOR: Does it have all of Lancaster County for the most part?

SENATOR CAMPBELL: No, Norris Public Power has part of it.

SENATOR COOK: Those were Senators Gloor and Campbell.

SENATOR CAMPBELL: But LES is into some of those areas.

JERRY DEICHERT: Yeah. What is Lincoln is, what, about 95 percent of the county's population, so.

SENATOR CAMPBELL: But LES goes, in some cases, beyond that boundary. It's an agreement with Norris. The north would be almost, I think, entirely LES.

JERRY DEICHERT: So you can see there's a big difference, but in particular what you notice is that the expenditures out in greater Nebraska are on average \$200 or \$300 a household higher than the rest of the state. Then if you look at household incomes, if you look at household incomes you'll notice that statewide average was a little...was over \$70,000, and you can see that all of the areas in greater Nebraska were less than the state average. So they have higher-than-average expenditures and lower-than-average income, so we know what the next slide is going to show. And then you see the lowest incomes are in eastern Douglas County and, to some extent,

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northern Lancaster County. Then when you look at the burdens, statewide it's 7.6 percent, but you can see the highest burdens are going to be in eastern Douglas County--and that's basically east of 72nd Street--and in greater Nebraska, outside the Lincoln and Omaha metropolitan areas. The lowest burdens are in southern Lancaster County, Sarpy County, and southwest Douglas County. Again, that's more income related than anything else. And then this looks at the change in expenditures over the last nonoverlapping three-year periods and you can see the...they were all over the place, but the highest increase was in southeast Douglas County and in southwest Douglas County. Don't know in particular why that's the case. It could be mostly income related. Then the last slide says, okay, if...which groups of people...and we were using as much of the information as we could. So a lot of these are going to be related but we didn't kind of do something to combine and show what they would be. But, obviously, those that have the highest energy burdens are going to be with incomes below \$30,000 that are linguistically isolated, meaning they have...they're particularly foreign born and relatively recent immigrants; live in a rental housing unit or live in a housing unit that's owned free and clear, and that's probably age related as much as anything; families where there's no spouse present, especially if there's a...is a female household or single women; if they don't have young children; if they have somebody that's over 65 or 60; if they have fewer than six rooms; if they heat with a few other than electricity or utility gas, which is primarily propane; and if they live in a house that's built prior to 1980. So older housing, older householder, propane is pretty much going to be, you know, low income is going to be pretty much where you're going to have the burdens. And again, it says live in greater Nebraska or eastern Douglas or north Lancaster County.

SENATOR CAMPBELL: Is the county divided by O Street?

JERRY DEICHERT: It's O or A. Some places it's O and some places it's A.

SENATOR CAMPBELL: Okay.

JERRY DEICHERT: So if we go back to that, you can see the two little horns.

SENATOR CAMPBELL: Yeah.

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JERRY DEICHERT: So most of it's A Street and then the horns are O Street.

SENATOR CAMPBELL: Okay. Thank you. Sorry.

SENATOR COOK: Well, they spark such great questions.

JERRY DEICHERT: And then the last slides are just so if you're interested you can see how the information is asked. And so if you have any other question, some people want to know, well, what's it like if you heat with solar energy? And there are just too few households that do that now that information is very reliable. But maybe in the future that would be a viable way of looking at some of this information. And then lastly, I mean we looked at the difference between electricity and bottled gas, and you can definitely see the difference. And then lastly, just shows you what the instructions are to fill it out so when people wanted to know, well, do they include expenditures that are paid by somebody else? If they know them, yes, they are.

SENATOR COOK: All right. Senator Campbell.

SENATOR CAMPBELL: Thank you, Senator Cook. Just for everyone's benefit, we continue to share this information with the Intergenerational Poverty Task Force and we've had some discussion. Early on Jerry presented quite a bit of information, and at the last meeting some of the burdens came up as to what is...what causes are there. And when you start adding in the healthcare costs then you really are at a greater...then the burden is really up there for folks. One of the things that we have talked about in the past was when we did the Tax Mod Committee we talked about a circuit breaker for energy, that there would be some kind of tax credit offsetting. But that's not really going to help your people who rent, would it, Jerry?

JERRY DEICHERT: No. And in renters, it's the biggest issue is for...it's a bigger issue for renters than it is for owners.

SENATOR COOK: Uh-huh.

SENATOR CAMPBELL: Thank you.

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SENATOR COOK: Thank you. Any other questions on this? Senator Gloor.

SENATOR GLOOR: Thank you, Senator Cook. So the survey vehicle for this was sent out in the mail?

JERRY DEICHERT: Yes.

SENATOR GLOOR: Was there any follow-up on it?

JERRY DEICHERT: Yes, it's the Census Bureau's American Community Survey. And so they will hound you.

SENATOR GLOOR: Okay.

JERRY DEICHERT: So they do phone call follow-ups and they'll do a sample of in-person follow-ups. And so, yeah, they do. I don't know what the total response rate is, but it's a fairly substantial response rate. And on average it includes about 46,000 persons a year. And so for households, it's probably about 20,000 households a year, so 60,000 households in the sample. So it's...

SENATOR GLOOR: Yeah, it is.

JERRY DEICHERT: ...statewide, it's a good sample. I mean, you're not going to get...be able to go to some of those small areas and get into really fine detail. But I think at the level that we're looking at, I think it's fairly reliable.

SENATOR COOK: Other questions about this report? And for anyone watching or listening in, if you think of a question we can always follow up with Mr. Deichert about how it might relate to policy you're working on or a group that you're working with. So we can always follow up and get...at least ask the question.

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JERRY DEICHERT: And that's the...since this was the first one out, we don't have all of the...some of the kinds of policy issues out there. But looking at what some of the other states are doing as far as is there a circuit breaker or is there some other kind of issue to look at.

SENATOR COOK: Uh-huh. All right.

JERRY DEICHERT: Then the other set of information is some of the remaining reports that we've done. And you've got...the first one is going to be this orange cover. And one of the things that we did is for the counties that have more than one legislative district or where like...I think last time in December we showed you the one at the county level. And you should have copies of these for the county level. Then for counties that have more than one legislative district we've broken out all of those 17 or so variables by those areas and what I've got here are just a handful. I'm not going to go through the entire report, but just to give you an example. So this one is on bachelor's degrees. And so the way in which we set it up is that since there were about 200 census tracts in Douglas and Sarpy County...

SENATOR GLOOR: I'm sorry, what page is that?

JERRY DEICHERT: Bachelor's degrees, let's see, that would be on page 22.

SENATOR GLOOR: Thank you.

JERRY DEICHERT: And you can see that we've got the boundaries drawn in there. And we break it up so there's roughly an equal number of census tracts so it's in those quartiles. And you can see the lowest blue says there's 2.5 percent of the population has a bachelor's degree, and the highest in those two counties is 79 percent. And you can see that, even though on this chart when we printed it off some of the legislative district numbers didn't show up, in the report, since it's bigger, they did show up. And you can see that, again, eastern Douglas County, this is roughly 72nd Street, you can see that lower education levels except around Dundee-Happy Hollow area and how that varies. We have the same thing for Lancaster County. And again, you can see the big difference between southeastern Lancaster County and northeastern Lancaster County as far as the college degrees. And then lastly we also had Hall County since there's three legislative

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districts that are all or partially in Hall County. And you can see, Senator Gloor, you can see you've got some of the highest and some of the lowest in your district.

SENATOR GLOOR: Makes an interesting district.

SENATOR COOK: Yes.

SENATOR GLOOR: But I think when you get into the demographic...some more of the demographic, you find that we look a lot like...a lot more like some of the challenged districts in Lancaster and Douglas County.

SENATOR COOK: Douglas County, yes.

JERRY DEICHERT: Yeah, so if we look at the next one is going to be the median household income and that would be on page 31. You can see that, again, a similar pattern as to the education. And you can see again you've got a Senator Cook's district has...

SENATOR COOK: Yes, everybody.

JERRY DEICHERT: ...the highest and the lowest.

SENATOR COOK: Yes. It's like the beginning of Charles Dickens' A Tale of Two Cities.

JERRY DEICHERT: And, Senator Riepe, you're right...yours are all bunched up in the middle as far as all the middle-income groups. You don't have the highest or the lowest groups. And so it's...

SENATOR RIEPE: You skew that to the top, Jerry. You're living in the district.

JERRY DEICHERT: Well, yeah. But then I've got some neighbors that (inaudible). (Laughter)

SENATOR RIEPE: Okay.

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JERRY DEICHERT: And then Lancaster County, you can see that it looks like it follows Cornhusker. On either side of Cornhusker is where the lowest incomes are, and then around downtown and then all the outside. And then Hall County, as you said, Senator, you can see that the lowest income in the area is very similar. None...you don't have any of the high-income sections. Then the last set of those is I thought I'd put in population with Medicaid or some means-tested insurance, and that's page 55. And I just put in three of those mini charts just to give us an idea. And again, you can see how all of those are pretty well related: the income, education, and means-tested insurance coverage. So if we look at Douglas County, you can see...but there are pockets in different parts of the western part of the county. If you look at Lancaster County, again, it's that north...you know, that corridor that runs kind of on either side of Cornhusker Highway. And this little, what is this, Air Park, whatever that housing area is called there, and then obviously the airport doesn't have anybody. And then Hall County, it's pretty much central Grand Island that has the highest numbers.

SENATOR GLOOR: Just a...

SENATOR COOK: Yes, Senator Gloor.

SENATOR GLOOR: ...question of understanding. What does the number in parens mean off to the side?

JERRY DEICHERT: That means the number of those census tracts.

SENATOR GLOOR: Okay.

JERRY DEICHERT: So there three that had the highest, and then three in the next, and then four and four. So we're trying to break it up so there's roughly equal number in each one of those categories so there were--what does that add up to be--14 census tracts in Hall County.

SENATOR CAMPBELL: In the Lincoln and Lancaster area, Senator Pansing Brooks would have the most diverse....

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SENATOR COOK: Yes.

SENATOR CAMPBELL: ..incidence of having all the colors in it.

SENATOR COOK: Uh-huh.

SENATOR CAMPBELL: And it's an interesting district, too, from that standpoint.

JERRY DEICHERT: Yeah, there are a few districts that have...District 26 also has a wide variety. So one of the things on all of this that we've shown is that the average sometimes doesn't really reflect what's going on.

SENATOR COOK: Exactly. Senator Riepe, you had a question.

SENATOR RIEPE: Thank you, Senator Cook. I do. Jerry, have we looked at anything where one goes back and adds in tax credits, adds in other exemptions and entitlements and that kind of stuff that are supposed to equalize this some so that on some of these the picture might not look as bleak as it does?

JERRY DEICHERT: There's nothing at this level, but at the national level what...and they've started to do this for the state, too, they add in all of those noncash transfers. But then they also subtract out...or...and also adjust for differential living expenses for rent. So the standard for New York City is going to be different than it is for Omaha. But on the other hand, those are kind of the things to add in. But they also take into account the cost for...the uncompensated costs for healthcare and for day care, for childcare, to balance out the costs that might be reflected in there. And on average, there's not much change but usually what happens is people that are older will have less, will have more poverty and...because of their costs, and then the children generally are a little bit less. So it balances out there. But on average, there's not much difference.

SENATOR RIEPE: Really? I was just thinking with elderly you'd have Medicare and you'd have homestead exemptions, those kinds of offsetting things.

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SENATOR COOK: Uh-huh.

JERRY DEICHERT: But then they've got a lot of uncompensated medical costs. And so those kind of take that off on that side.

SENATOR RIEPE: Okay.

JERRY DEICHERT: So, yeah, it's...

SENATOR RIEPE: Thank you.

JERRY DEICHERT: Yeah, it's...

SENATOR COOK: Thank you.

JERRY DEICHERT: But they don't do it for small areas. And maybe eventually they will get into that, but some of that information is pretty hard to collect.

SENATOR COOK: Jerry, didn't we in one of our reports--and I know I should have them all memorized, but there are so many--that there was a window between, say, age 60 and 65 when people became Medicare eligible where they kind of have another period like their post-high school, college years when they experience poverty?

JERRY DEICHERT: That's about when...for looking at poverty, that's kind of when that starts to kick in a little bit.

SENATOR COOK: Okay.

JERRY DEICHERT: I mean, it drops until about that and then it starts to pick up again. And for elderly, it's not the percentage below poverty that's as big of an issue. It's that the near-poor, that...

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SENATOR COOK: Yes.

JERRY DEICHERT: ...between the 100 percent and 200 percent is where you really get the big bump. And that's where you see the biggest differential is in that near-poor category, the 100 percent to 200 percent.

SENATOR COOK: Yes. All right. Thank you.

JERRY DEICHERT: And I think Senator Campbell has got much more of that information than I have on this.

SENATOR COOK: Senator Campbell.

SENATOR CAMPBELL: That age, 60 to 65, when we went into the downturn economically, that population really suffered because a number of them were laid off at that age and, therefore, they lost health insurance and they had to wait until 65. So you would have had some constituents really worried about paying because they just didn't have the resources to cover it. That is a worrisome five years there.

JERRY DEICHERT: Then the next set of tables we have is one that it might be easier if you look at page 5 with this kind of khaki part. I have the chart up there and it's on my handout, but it's a little bit difficult to read. But this, we did this--I don't remember when we started this because it was a request from...I believe it originally came from...I don't remember which senator it came from but--looking at some of the impact for children. And what this looks at is the information is in five-year age groups...or six-year age groups I guess, from under 6, 6 to 11, and 12 to 17. And then it has it by levels of ratio to poverty. So you can see that if it's under 50 percent, those are the extremely poor; and then under 200 percent you're including a lot of the near poor. But at 185 percent, that's when free and reduced lunch kicks in and so some of the other programmatic percentages are in there. And so we have that for all of the legislative districts, and we have that, both the numbers of kids in those and the percentage. And you can see that, in general, if you look at it, that as the age of the child increases, the likelihood of them being in poverty decreases.

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SENATOR GLOOR: It decreases?

JERRY DEICHERT: Decreases. And that's, you know, parents are going back in the labor force and just all sorts other things. The other thing you can see is that some of the...you can see legislative districts. I mean I think it's interesting to look at, say, legislative...look at the difference between District 2 and 3. If you look at their poverty rates, they're about the same: 10 percent, 9.3 percent. But if you look at 200 percent of poverty or you look at those 185 percent, which is free and reduced lunch, there's a big difference, so that even though some of these districts may have relatively low poverty rates, they still have got a lot of population in that category between 100 percent and 200 percent of poverty which might be eligible for a number of programs. So just looking at poverty isn't necessarily going to tell you what some of the needs in that area might be based on programmatic qualifications. And so we have all of these for all of the legislative districts. And we don't go below legislative district because, again, when we start to get to that we're starting to get into smaller numbers of people, because this is a sample. But I just put a couple of slides up here because you can see that if you look at children under six below poverty, the highest is Legislative District 11,...

SENATOR COOK: Yes.

JERRY DEICHERT: ...Senator Chambers', at almost 70 percent; and the lowest is (Legislative District) 25 where it's almost none. But on average it's 21 percent and the U.S. is 24 percent. So there's a big variation. And then if you look at children under six below 185 percent--again, that kind of free and reduced lunch--you can see it's almost 90 percent in District 11 and District 39 is about 9 percent.

SENATOR GLOOR: If you look at that chart, I mean I point this out, we have a tendency to think of our highest levels of poverty being in Omaha and Lincoln. But I'm District 35.

SENATOR COOK: Yes.

SENATOR GLOOR: So if you look at District 35, fourth from the bottom. I mean it's...I tried to explain to those individuals running for my seat, you don't know your district...

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JERRY DEICHERT: Right.

SENATOR GLOOR: ...any more than I knew the district before I came down and started looking at some of the numbers. It's extremely blue-collar district and with a lot of challenges, a lot of challenges.

SENATOR COOK: Uh-huh. Senator Campbell.

SENATOR CAMPBELL: When Senator Cook was on the HHS Committee, and I don't know the statistics for the current committee, but out of the top ten for children under the age of six, the previous one, there were four members...

SENATOR COOK: Yes.

SENATOR CAMPBELL: ...of the committee who represented districts with that. And we've often talked on the floor, and I do exactly what Senator Gloor talks about, is I always list the top ten. And you have, by and large, a pretty even split sometimes between urban and rural there, because we think it's all in the urban area but it's not.

SENATOR COOK: No, not at all.

SENATOR CAMPBELL: And then when you (inaudible) the energy costs and the burden on those folks, you started adding it up, folks who live in rural Nebraska have perhaps a greater burden from poverty than even in the urban, which is reverse of what you think. Jerry, these have all been updated?

JERRY DEICHERT: These are all...yeah, this is the latest information available.

SENATOR CAMPBELL: So I should probably re-give these out to the committee.

JERRY DEICHERT: Yeah, I will...I did not send the electronic copies. I will send electronic copies. I'm sorry, I forgot to do that.

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SENATOR CAMPBELL: One last comment, when you start looking at what the percentage are-- this goes back to Senator Riepe's question earlier--I mean, do the programs that we have and assistance, how you qualify them are sort of all over the board. So it isn't just this program is, and this program, they're all at 125 percent. No, they each vary. The eligibility varies. And the highest eligibility that we have for a program is 200 percent of the poverty level and that's for the Children's Health Insurance, which Congress keeps debating. But that's the highest.

JERRY DEICHERT: And that's why I had those categories in there and the numbers of kids, so you can get an idea as to how many children are going to be eligible and by districts. I thought that would be something that was...would be useful.

SENATOR CAMPBELL: One last comment, and the free and reduced lunch, that at 185 percent and the categories, I mean there are more people on free and reduced lunch than we might look at if we looked at what the eligibility is for like SNAP or child subsidies. It's more elastic, I think, in terms of that. So you would see more kids on free and reduced lunch than in just strictly the poverty numbers. Would you agree with that, Jerry?

JERRY DEICHERT: Yes, because again, I think one of the issues we've always discussed with poverty...if I'm...the time that...poverty, the way it's measured, they ask for your income for an entire year and then they compare it to the standards. Well, poverty in Nebraska in particular is episodic, so that you might have a family that has lost their job or whatever. So at that time they are poor for that period. But if you look at the average income for that year, they may have been okay for most of the year, especially when you think of in rural Nebraska where if somebody has, you know, had a bad...if the prices are down and everything else and so they're just barely making it that year, but it doesn't reflect in their...in the previous income.

SENATOR COOK: Senator Campbell.

SENATOR CAMPBELL: And since Senator Riepe is our continuing Senator here, when you talk on the floor of the Legislature, the federal poverty level or free and reduced lunch, those are very different.

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SENATOR COOK: Yes.

SENATOR CAMPBELL: So you have to be careful in trying to extrapolate from free and reduced lunch. That's the total number of, you know, kids in poverty. Well, you really need to look. I don't think it's as good a gauge as all the other figures that Jerry is giving you.

SENATOR COOK: Right. And, Senator Riepe, another thing I discovered in my travels, particularly on the Education Committee, is that the bit that is put into the poverty allowance is related to free lunch, which is unique and distinct from free and reduced lunch. Yes, Senator Riepe.

SENATOR RIEPE: Well, thank you. I have a question too. Maybe it's a concern that if the number of individuals and sometimes often children that are eligible to go into Medicaid or other programs just don't get signed up. I know we had a clinic in Omaha. We had an employee that that was the job.

SENATOR GLOOR: Their job.

SENATOR RIEPE: The people just said, oh, I don't know how to do it. And I'm curious and...the other thing that I'm caught a little bit by is I've read recently, and you probably did as well, that the number, I think it was 60-some percent that would have a difficult time of coming up with \$1,000 for an emergency. And I just found that almost impossible to believe.

SENATOR COOK: Well, that's real.

SENATOR RIEPE: That's frightening.

SENATOR COOK: Yeah, \$1,000.

SENATOR GLOOR: Which is (inaudible).

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SENATOR COOK: They're already several thousand in the hole. So an emergency thousand may as well be an emergency million. Senator Campbell.

SENATOR CAMPBELL: And then you add to that, when you talk about that, we spent time when I had the bill on payday lending...

SENATOR COOK: Yes.

SENATOR CAMPBELL: ...because when you start throwing in payday lending to all of that and \$1,000 would be, you know, sort of like manna from heaven. I mean those folks, as Senator Cook said, they're just in a cycle of debt. They couldn't even come up probably with \$200 to pay off payday lending.

SENATOR RIEPE: Probably to get \$1,000 you'd have to borrow \$1,500 or...

SENATOR COOK: And so on and so on.

SENATOR GLOOR: Tire shop told me once that they, at least in and around Grand Island, they were more likely to sell a single tire...

SENATOR COOK: Yes.

SENATOR GLOOR: ...as opposed to sets of tires because people can't afford to buy more than one tire at a time. So when they go bad they replace that tire, but the other three...

SENATOR COOK: Move them around.

SENATOR GLOOR: ...they wait until they have to replace it. I thought, oh yeah. I mean it kind of surprised me, but in this perspective, it doesn't.

JERRY DEICHERT: Senator Riepe, do you think it would be useful if...I mean we could do this for the state level, to look at those folks based on that relationship to poverty. And if they didn't

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have health insurance, private health insurance, did they have Medicaid and see where the gaps were? Of the people who were eligible but weren't covered, if there were specific groups of people that that...that fell into that area? Would that be useful?

SENATOR RIEPE: Oh, I think all information is useful. It's a matter of how much effort and how much cost, how much time do you have to do...to get it. And then is it going to in fact be used once we get it? You know, one of the concerns I have, yesterday I attended the United Way in Omaha (inaudible) and we had some members that talked about some of the income levels you can make if you have a family of four. There were some fairly high numbers to be eligible for Medicaid if you applied.

SENATOR COOK: Yeah, I think...

SENATOR RIEPE: So I'm trying to sort through all the variables.

SENATOR COOK: Well, we have some stats on Medicaid usage from what I recall. And on the whole--please jump in, Senator Campbell--Nebraskans underapply...

SENATOR CAMPBELL: Oh, yeah.

SENATOR COOK: ...for Medicaid assistance even if they are eligible. So I think that's a...

SENATOR CAMPBELL: But then again you have to make sure that you're talking about regular Medicaid for the four categories of people...

SENATOR COOK: Yes, that are eligible.

SENATOR CAMPBELL: ...or CHIP, because CHIP is 200 percent, and regular Medicaid depending on the category, because all the categories are different. It's 185 percent I think if you're pregnant. But child subsidy is what? Senator Cook, do you remember?

SENATOR COOK: Federal childcare subsidy...

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SENATOR CAMPBELL: At 100 (percent), 125 (percent), something, I mean it's not...

SENATOR COOK: No, it's not up to 185 (percent).

SENATOR CAMPBELL: (Inaudible.)

SENATOR COOK: At one point we were trying to get them...we had ideas moving them all to the same level.

SENATOR CAMPBELL: Right.

SENATOR COOK: That didn't work.

SENATOR CAMPBELL: So you have to take a look at that. Some of their statistics there might have been the thought that at 200 percent of the federal poverty level, that then may sound like a higher income. But the Legislature set it at that because we wanted the kids covered. Because if you can keep them healthy, the chances long term--you know that as well as anybody, you know--if you keep them healthy young and get all the vaccinations and all of that, their chances of a healthy adult increase significantly.

SENATOR COOK: Right, and they're cheaper...

SENATOR CAMPBELL: So that's why we went to 200 percent.

SENATOR RIEPE: Thank you. That's helpful.

JERRY DEICHERT: Then the last set of tables--and I don't...I forgot to make copies of that report, but I'll get those out--is children where all parents are in the labor force. This was something that came out of a policy brief that we did...well, one of the first ones that looked at...that was looking at programs to...for...the formula for looking for assistance for preschool programs but didn't look at the number of kids that would be...where all their parents were in the labor force. It looked on different things, but it didn't take that into consideration. So decided to

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say, well, how big of an issue is that? And I guess this is...this should be under under in the title because that's what the group that is here. But you can see that almost three-fourths of all children under six have all of their parents in the labor force. Now that doesn't necessarily mean they don't have a grandparent who's taking care of them or something else. But all of their parents are in the labor force and you can see Nebraska ranks sixth and it's really...you look at the upper Midwest and that's where you...that's really a big issue. And when you look at how does Nebraska rank compared to the U.S., Nebraska was always about 10 percentage points higher than what the U.S. average is. So you can see it's roughly around 70 to 75 percent.

SENATOR COOK: Senator Gloor.

SENATOR GLOOR: Thank you, Senator Cook. You know, one of the things that I would wonder about on that, and clearly there aren't as many farms and ranches as there used to be, but it would seem to me in states with a higher percentage of their industry being in ag, you're going to find both parents putting down that they work.

JERRY DEICHERT: Uh-huh.

SENATOR GLOOR: I mean I think of Senator Dubas driving grain trucks every fall. Well, she did. I just wonder, that number may be a very small number and not consequential. On the other hand, it might be. It might be consequential.

SENATOR SCHILZ: If you look at the demographics of farming families in Nebraska, you won't find many with kids under six or younger children.

SENATOR COOK: Oh. Okay.

SENATOR SCHILZ: They're all living (inaudible).

SENATOR GLOOR: But it says with...well, yeah, but it says with all parents in the labor...both parents in the labor force.

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JERRY DEICHERT: Yeah, with...for children under six, yeah.

SENATOR GLOOR: For children under six. Yeah, that's probably true. Yeah, I see what you're saying. (Inaudible) small.

SENATOR SCHILZ: I mean, I'm a young farmer.

SENATOR COOK: Yeah, and you're not going to have any more children under six.

SENATOR GLOOR: You don't have children under six? (Laughter)

SENATOR SCHILZ: Let's hope not.

SENATOR GLOOR: It's all relative.

SENATOR CAMPBELL: It is.

JERRY DEICHERT: And this might bear that out too. When you look at by legislative district, you can see the highest is District 49, which is the new one that was moved into western Douglas County.

SENATOR COOK: Um-hum, Murante.

JERRY DEICHERT: And the lowest is District 3...

SENATOR SCHILZ: Do you know what page that's on?

JERRY DEICHERT: Oh, sorry. That's on page...no, that's not in this report, I'm sorry.

SENATOR SCHILZ: Oh, okay.

JERRY DEICHERT: I didn't get you copies of that.

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SENATOR COOK: It's in this.

JERRY DEICHERT: It's on the handout.

SENATOR SCHILZ: It's in one of these others, huh? Okay.

SENATOR COOK: This handout with the staple in the upper left-hand corner.

SENATOR SCHILZ: Gotcha.

JERRY DEICHERT: So it's...on the handout it's on page...

SENATOR SCHILZ: Here it is, 19?

JERRY DEICHERT: ...19, yes. So again, the highest ones are not all in rural areas. And some of the lowest ones, like District 7, and that's Senator Mello, that's one of the lowest.

SENATOR CAMPBELL: That's Senator Fox.

JERRY DEICHERT: Oh, that's Senator Fox.

SENATOR COOK: Fox.

JERRY DEICHERT: Yeah, Mello is 5.

SENATOR CAMPBELL: Fox is 7 and Mello is 5.

JERRY DEICHERT: And 5 is just right under the U.S. average so it's also one of the lower ones. And then we have the map. This came from the county but I also included it in here. And we've got the legislative districts kind of superimposed on there without putting the numbers of the districts. So you can see that...so Keith County has one of the highest, but Kimball or Banner and Morrill have some of the lowest. And often we see like Douglas, Sarpy, and Lancaster kind of in

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the middle, but that's because they're all over the place. And there's really no pattern here at all. And then when you look at six to seven, which are the school-age children, you can definitely see that South Dakota, Iowa, Nebraska, Minnesota are all at the top. And that also looks at when you look at labor force participation rates, you know, they're high. And so it just reflects the fact that the population is more likely to be in the labor force, regardless if they have kids or if they don't have kids. And when we look at nationally, again, there's about an 8 to 10 point differential that's been pretty consistent throughout the 2000s. And then if we look at it by legislative district you can see a somewhat different pattern, but they still bunch up. But what I thought was interesting on this one, if you look at the bottom, the U.S. is 70.7 percent and there's only one legislative district that's really different from that, lower of that. The rest are right at the same average. And so almost all of the state is higher than the U.S. average.

SENATOR COOK: Very interesting. Any questions about this information in the handout? None? Anything else, Mr. Deichert?

JERRY DEICHERT: One of the things that we're going to be doing this year is we're...we have some funding from the committee now. We're hiring somebody to try to put this on a more interactive...so it's going to be easier to use rather than just download the PDF files and things like that. So some of these you'll be able to go in and put in legislative district and this will pop up. That's where we're moving. So I think that's something that's going to be more useful as we move along.

SENATOR GLOOR: Would this be available outside the Legislature? In other words, if we had constituents that wanted to (inaudible) reference to some of this information?

JERRY DEICHERT: It will be through the committee's Web site. And so...and we'll have a link to it too. So I assume it's all going to be public.

SENATOR COOK: Yes, absolutely. And we're identifying constituencies, chambers of commerce, the United Ways across the state, particularly the United Way of the Midlands, and also engaging the support from Legislative Research in case there's...you come up with a brilliant policy idea to determine have we done that before? Where is...which section of law might one

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find that policy? And we've got that as a resource too. So we're trying to distribute the information within the body to nonprofits, sharing it with the federal delegation as well, so we can kind of theoretically be all on the same page statistically when we're having policy conversations.

JERRY DEICHERT: May I add, another report...

SENATOR COOK: Yes.

JERRY DEICHERT: ...that just came out this week from the Census Bureau is they do an annual study of school finances. And the 2014 report just came out and it shows where Nebraska ranks. I mean it has...it's for all of the states and for the 100 largest school districts, so OPS is included. And it looks at receipts and...revenues and expenditures by number of categories for all the states, and so you compare how Nebraska ranks in that. And I can send a link to Christina and see if you want to...if you want that link up there. But that's very interesting. When I looked at it, I was surprised at some of the things.

SENATOR COOK: Really? What surprised you? Senator Campbell.

SENATOR CAMPBELL: Oh, that's fine.

SENATOR COOK: What particularly, one thing that you might (inaudible)?

JERRY DEICHERT: I was...you know, of the 100 largest school districts, OPS was 19th as far as expenditures per student, 19th highest in the country.

SENATOR COOK: In the United States?

JERRY DEICHERT: Of the 100 largest school districts in the United States. I mean it was...I mean like New York City is by far the highest...

SENATOR CAMPBELL: I wish we'd have known that.

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SENATOR SCHILZ: There's the nugget of the day, huh?

SENATOR COOK: Yes. (Laugh)

JERRY DEICHERT: But that was...and then everything else, Nebraska ranks 20th, 25th. I mean it ranks in the middle on almost everything, between 20th and 30th.

SENATOR RIEPE: Well, that's higher than the football team.

SENATOR COOK: Hard to imagine. Senator Campbell.

SENATOR CAMPBELL: Thank you, Senator Cook. Jerry, one of the issues that came up at the last Intergenerational Poverty Task Force was we're really starting to hone in and take a look at the graduation rate based on the chart that you did for us where, you know, if you have less than a high school degree, your chance of being poor for the rest of your life are like really, really high. And if you get all the way to having a master's or doctorate, I mean, it's very small. One of the things that we're also going to talk to the Education Department about is this whole issue that surfaced on the floor of the Legislature, was the TEEOSA formula for poverty. And everybody started talking about that. Senator Cook and I were going, wow, everybody has got excited about something we've been talking about for a long time. And I began to think about have we ever looked at where we're...I mean we know in OPS, but the poverty rate and what we're putting money in that TEEOSA formula, where it is, where we're putting the money in, and the graduation rate for school districts.

SENATOR COOK: Ah!

SENATOR CAMPBELL: So in other words, if really do we do think that in the long term that's going to make a difference, which Senator Cook and I would think, I guess, our hypothesis. Are we seeing that graduation rate correspond to where that money is going? Does that make sense, Senator Cook?

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SENATOR COOK: Oh, absolutely. And I've also seen varying ways to calculate or interpret a graduation rate. For our purposes we mean they show up in preschool or kindergarten and go all the way out in their cap and gown at the 12th grade, versus some of the statistics which I've seen of graduation rates based on who comes in, in the 9th grade and goes out in the 12th grade, or comes in the 11th and comes out in the 12th grade.

JERRY DEICHERT: Do you remember Craig Maher who was here?

SENATOR COOK: Yes.

JERRY DEICHERT: He, I think, since John isn't...his dean duties are taking him more into that direction, that maybe we will have Craig more involved now. And so I'll bring this issue up with him. And he's also put together a database where he's gotten...he's gone to the Secretary of State's Office where all of the budgets are filed. And so he's put in a database, an electronic database, of all of the local government, education, and all those databases...those budgets into a database. So it's for like ten years' worth of data. So he might be able to look at that a little bit greater.

SENATOR CAMPBELL: I think there might have been a story in the World-Herald, and I'm not sure of where I read it, but graduation rates also tend to be...to look at someone who's graduating at the end of 12th grade at the year they should. But those school districts who keep after and help kids--and I thought it was in the World-Herald--who graduate then a fifth year or even a sixth year,...

SENATOR COOK: Yes.

SENATOR CAMPBELL: ...then the graduation rate jumps up. And I don't know that we're keeping...I don't know who's keeping track of that, but I was really impressed by that because it would seem to me we ought to be putting some money into the programs that help kids that get that in the fifth and sixth year as an offset for future poverty. I mean, maybe we're putting our money in the wrong places, but that's one of the things that I was really struck by. So if he has anything on that, that would be helpful.

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JERRY DEICHERT: I think he just mostly has financial information. I don't know that he has that information. And if you remember when Senator Harms, when we presented some of this information at first, he said that one of the largest high school graduation, I guess you'd call it, was the community college, because a lot of the kids would drop out because they wanted to work and then they'd go back and get their GED from the community college. And that, you don't know how that fits in there either, because he was really saying that that was something that was a bigger issue in Scottsbluff, if you remember.

SENATOR GLOOR: Yeah.

SENATOR COOK: Uh-huh. All right. Thank you. Any other questions? All right. Thank you very much, Mr. Deichert. With that, I think that's all for the presentations. We have not convened, at least the subcommittee that I've been on--Education, Health and Human Services, and Intergenerational Poverty--we've not met. And, Senator Gloor, you're the only one here from Economy, State and Local Government, and Public Safety. I'm going to make an assumption that you've not chatted with your members.

SENATOR GLOOR: No, I have not heard anything.

SENATOR COOK: All right. If there aren't any other questions from the committee then I would move that we adjourn for today and convene again on July 15, same time, same room, to talk about mobility and transportation.

SENATOR RIEPE: So moved.

SENATOR CAMPBELL: Second.

SENATOR COOK: Senator Riepe moved, Senator Campbell seconded. All in favor? Thank you very much.