

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Floor Debate February 25, 2021

**HILGERS:** Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the thirty-third day of the One Hundred Seventh Legislature, First Session. Our chaplain for today is Senator Blood. Please rise.

**BLOOD:** Please join me in prayer. Dear God, this is another day in the Nebraska Legislature. I do not know what it will bring forth, but we pray you make us ready for our day, whatever challenges it may offer. If we are to stand up, help us to stand bravely. If we are to sit still, help us to sit quietly. If we are to lie low, help us to do this patiently. And if we are to do nothing, help us to do so gallantly. God, please make these words more than words and give us the spirit of your love. Help us to remember your guidance in the Book of Proverbs where you say: For the Lord gives wisdom and from his mouth comes knowledge and understanding. May we take that wisdom and strive to be deserving stewards as we move through our day serving Nebraskans. In the name of the Father and the Son and the Holy Spirit, amen.

**HILGERS:** Thank you, Senator Blood. Senator John Cavanaugh, you're recognized for the pledge.

**J. CAVANAUGH:** Thank you, Mr. Speaker. Colleagues, please join me in the Pledge of Allegiance. I pledge allegiance to the flag of the United States of America and to the republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

**HILGERS:** Thank you, Senator Cavanaugh. I call to order the thirty-third day of the One Hundred Seventh Legislature, first session. Senators, please record your presence. Roll call. Mr. Clerk, please record.

**CLERK:** I have a quorum present, Mr. President.

**HILGERS:** Thank you, Mr. Clerk. Are there any corrections for the Journal?

**CLERK:** No corrections.

**HILGERS:** Thank you. Are there any messages, reports, or announcements?

**CLERK:** There are, Mr. President. Enrollment and Review reports LB1 to-- as correctly engrossed. Agriculture Committee reports LB324 to General File with amendments. Hearing notice from Health and Human Services Committee. Senator Wayne offers LR49. Pursuant to its

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introduction, I have a communication from the Speaker directing LR49 to committee for purposes of conducting a public hearing. That's all that I have, Mr. President.

**HILGERS:** Thank you, Mr. Clerk. Senator McCollister would like to recognize Dr. Steven M. Williams of Omaha, who's serving as our family physician of the day. Dr. Williams is seated under the north balcony. Please rise and be recognized by your Nebraska Legislature. While the Legislature is in session and capable of transacting business, I propose to sign and do hereby sign LR42, LR43, LR44, LR45, LR46, and LR47. First item on the agenda, Mr. Clerk.

**CLERK:** Mr. President, LB288, LB288 on Select File. Senator McKinney has moved the bill be advanced to E&R for engrossment. That motion is pending.

**HILGERS:** Thank you, Mr. Clerk. That's the debatable motion that we took up the other day. Senator Walz, would you like to refresh us for a minute on this bill?

**WALZ:** Thank you, Mr. President. LB288 would do-- would delay the deadline for certifying state aid, budget authority, and applicable allowable reserve percentages under TEEOSA from March 1, excuse me, to June 10 for 2021 only. It's a simple bill. It is not a bill that, you know, is-- if it does not pass, it's not the end of the world. It will be extra time and extra money and extra resources on the part of NDE. And I'd like to give you just a quick example of how it would impact if we don't pass this bill. NDE will certify TEEOSA this Monday before the body has an opportunity to pass LB323, which is our TEEOSA bill related to the pandemic. LB323 adjusts the formula to make school districts what-- to pay school districts what they earned and what they are truly owed. For example, in Howard County, which is Senator Briese's district, if we don't pass LB323, Elba schools will get-- if we don't pass LB323, Elba Public Schools will get underpaid by nearly \$60,000, while St. Paul schools will be overpaid by nearly \$43,000. So we need to make sure that we are doing this right and paying schools what they are owed. We need to advance this bill and delay the certification of TEEOSA. That will save the Nebraska Department of Education time and money and ensure that our districts are not given the wrong amount of state aid. Thank you, Mr. President.

**HILGERS:** Thank you, Senator Walz. Debate is now open on the motion. Senator Groene, you are recognized.

**GROENE:** Thank you, Mr. President. I do have experience on the Education Committee, so I know these issues. This bill is absolutely

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not needed. LB323 is absolutely not needed. We, at a time of uncertainty and we need to give the schools certainty. We need to certify the numbers on March 1, so we can go forward. There-- you heard of the CARES Act. One, two, and three is coming, \$347 million our schools have received already. It is anticipated that not nearly-- another \$550 million will be coming forward in Biden's bill. And with the makeup of Washington, that will pass. The federal government has stepped in to take out the unevenness of funding for our local public schools with the CARES Act. To pass LB323 would be double-dipping, to make sure-- to make it like nothing ever happened but give us another \$900 million of federal money. Bussing is not a concern. Yes, they, they went out and delivered meals. But that's one trip, folks. Once out, drop off lunch and come back. Normally they go out in the morning, pick up the kid, and then return and go-- and then return them in the afternoon. That's two trips. They have excess funds in their budget for fuel, for travel, for maintenance on equipment. And they say, well, we have to keep everybody employed. Well, let me read what the two of the 12 CARES Act requirements, what you could use the money for. Number three was providing principals and other school leaders with the resources necessary to address the needs of their individual schools. Does that sound like an open checkbook to you? There's no requirements or restrictions to what they can use that \$300 [million] or nearly \$900 million overall on. Number 12, other activities that are necessary to maintain the operation of and continue, "continuity" of services in local education agencies and continuing to employ existing staff of the local educational agency. Does that sound to you like we have to worry, if the state has to worry about funding for our public schools? They got a blank check to fill in their holes that anything over the pandemic has caused them in their budgets. They got so much money out there, there is no holes after this. OPPS [SIC], Omaha Public Schools, has said they got more money than they know what to do with. They will be one of those that on enrollment, the enrollment in LB323, that they don't need. They got enough CARES money. Excuse me, I'll correct that. My experience on the Education Committee, those guys that come in with the three-piece suits, administrators never have enough money. So I take that back. But they have adequate amount of money to keep the schools running and keep them going. So let's give certainty to our schools. Let's move on on education funding. Let's, let's certify it March 1 and come back. Another thing, I don't know, I don't have it in front of me. I had it in my office how St. Paul and Elba, whatever those schools Senator Walz mentioned. But I do know only 88 schools out of 245 get state funding.

**HUGHES:** One minute.

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**GROENE:** So if you're not receiving state aid right now, they don't care. Those school boards don't care what we do with TEEOSA. They don't care if we cut it because they don't receive it. They receive a little bit of an income tax credit that, while I was there, I increased for small schools on the Education Committee. But they don't care. If you're in Hemingford, you're in Wallace in my district, the busing mile, mileage means nothing to them as far as state funding. They receive no state aid. Let's just let this die. Let's take away the uncertainty in this body that we won't have any bills coming up before June 10 that tries to manipulate the TEEOSA formula. Let's close the story right here. Let's see what, how they survive on, on the \$900 million they have, plus the \$1 billion-plus we give them of CARES Act and state aid and let's take a look at it next year.

**HUGHES:** Time, Senator.

**GROENE:** Thank you.

**HUGHES:** Thank you, Senator Groene. Senator Erdman, you're recognized.

**ERDMAN:** Thank you, Mr. President, and good morning. I listened to Senator Groene's comments and I appreciate those, Senator Groene. Last week in Appropriations, the Department of Education came in and a question was asked, what did you do with the \$346 million? And Senator Dorn then asked if he could have an accounting of what happened to it and I think they are probably going to get back to us on that one. So I'd like to ask Senator Walz a question, if I could.

**HUGHES:** Senator Walz, will you yield?

**WALZ:** Sure.

**ERDMAN:** Thank you. Senator Walz, what did the schools do with the \$346 million in CARES money that they received?

**WALZ:** Senator Erdman, we have invited everybody to a briefing that-- on, on March 10 and I hope that you will come. Everybody is invited and the Nebraska Department of Education will be there to explain exactly where those funds went and how they were utilized.

**ERDMAN:** We already spoke with the Department of Education in Appropriations and they had no answers. So how do I make a decision today about this bill if I don't know what they did with the CARES money?

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**WALZ:** This bill doesn't have anything to do with the CARES Act. This bill simply allows us to delay certification of TEEOSA--

**ERDMAN:** Yeah.

**WALZ:** --from March 1 to--

**ERDMAN:** Right.

**WALZ:** -- OK. So it don't have anything to do with--

**ERDMAN:** I understand that.

**WALZ:** OK.

**ERDMAN:** I understand that. But the point is this, if they have that kind of money they don't need any more. And so whatever your bill does to give them more funding in the future is not necessary until I find out what they're going to do with it.

**WALZ:** In some cases, Senator Erdman-- can I respond to that?

**ERDMAN:** Go ahead.

**WALZ:** In some cases, and I don't have that sheet in front of me, but there are school districts that would get more than what they should and in some cases, there are school districts that would get less than what they should. Thank you.

**ERDMAN:** OK. So what you're saying is you're actually going to fix that?

**ERDMAN:** Yeah, through the-- yes, LB323.

**ERDMAN:** Oh, that would, that would be amazing if that ever happened. But anyway, so Senator Groene-- thank you for answering that-- so Senator Groene commented about the things they can use the CARES money for and he alluded to a couple of them. But if you take a look at the things that they can use them, use that money for, there is no limit. There is absolutely no limit to what they can do. They can use it to purchase supplies for sanitation to clean facilities. They can use it for training or professional development of the staff. They can develop and implement procedures and systems to improve preparedness in response in efforts to local education agencies. They can, they can do whatever they would like to do with that fund. And consequently, when we just give them this much money, plus another \$550 [million] that may be coming in the, in the CARES Act going forward, that's 70

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percent of what they normally get for a whole year. I, for the life of me, I can't understand why we need to mess with the TEEOSA formula and we try to fix something that's not broken. I believe that we have taken care of these school districts with the CARES money. And if we haven't, if some of these districts didn't get the CARES money that they should have gotten, that's not on us. That's on the Department of Education, whoever distributes the money. So I don't understand why we have to make an adjustment at this time. Let's wait and see how it shakes out because if, in fact, they get another \$550 million, that's \$900 million. They should have money to do whatever they want. So I appreciate Senator Groene bringing this to our attention and I would encourage those of you who are listening, don't seem like many are, but those who are--

**HUGHES:** One minute.

**ERDMAN:** --please vote against this bill. Thank you.

**HUGHES:** Thank you, Senator Erdman. Senator Groene, you're recognized.

**GROENE:** Thank you, Mr. President. As I said, and Senator Erdman did, \$900 million over a year period of time of federal money floating into 245 school districts, I believe there's 306,000 or 307,000-- it's for K-12, it's not for pre-K-- K-12 students in the state of Nebraska. Well, you do the numbers, folks. That's about \$2,700, \$2,800 per student of CARES Act money flowing into our public education systems unfettered, unfettered. As I said, a principal can do what he wants with it, what he believes is necessary. We need to see they are accountable to us, public schools are accounting to us. I know they don't like to be called government institutions, but they are created by government, funded by government. They are, by definition, equal to what we call a government entity, period. We have a duty as elected officials to monitor and to make sure and to see how they spend \$900 million. And what I've seen, they don't have near that kind of expense to adapt to the CARES Act. Do you know who has the expense, folks? P-a-r-e-n-t-s, parents. We seem to ignore them, the press ignores them. They're the ones that have the burden, not the schools. Kids be-- two-- families of two working couples, families with just a single mother trying to work all of a sudden had children at home. And as should be, they were the ones responsible for the education of their children. Four or five hours, and you try to take a six-year-old and put him in front of a computer for six hours or five hours a day. Didn't work very well. I believe one of the larger papers had a story about the failure rate in our public schools is increased of students. Where's the bills that's looking after the parents and the children who-- parents who have decided now to home school, to take, to put

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their children in alternate versions of education, private schools, religious schools? Senator Linehan has a great bill sitting there to help with education scholarships. Our duty is to the individual citizens, not to public entities. At least my duty is. We don't have to worry about and waste time on this floor worrying about a dip in the TEEOSA formula variables in LB323 or in LB288 when the federal government has adequately and more than adequately taken care of that issue for us. Let's put this behind us. Let's let this bill die. Let LB323 be taken off the agenda. And let's see the second year in a biennium, as one senator told me, time continues. This is fluid, fluid what we do here on the floor. We can adapt the budget next year. You can bring LB288 if you want, of similar next year, and we can change the TEEOSA formula if necessary. It is not necessary now.

**HUGHES:** One minute.

**GROENE:** I would like to also point out that LB323, there's a reason they want it. It shows no fiscal note now, but it continues the escalation. It continues the multipliers in the formula into 2022, 2023, and 2024. That's why they want it. It's an inflationary factor for funding into the future. The formula works. The federal funding will patch the holes. We need to look at maybe next year about the excess amount of monies. We need to make sure that there's accountability for that federal money that was spent. They are public entities. They are government entities that use the forcible taking of taxation to fund them. We need to look after it. Thank you.

**HUGHES:** Thank you, Senator Groene. Senator Erdman, you're recognized.

**ERDMAN:** Thank you, Mr. President. I appreciate that. So I've been looking, I looked at the committee statement from LB288 and I wondered if Senator Walz would answer some questions for me. It's kind of peculiar, a peculiar statement. Would you answer a question for me, Senator Walz?

**HUGHES:** Senator Walz, will you yield?

**WALZ:** Yes, thank you.

**ERDMAN:** Senator Walz, I see in the committee statement there was nobody testifying in support or in opposition or neutral on this bill. Is that, is that peculiar? Do you think that's peculiar?

**WALZ:** Not really.

**ERDMAN:** OK, so--

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**WALZ:** Not on this bill.

**ERDMAN:** --who--

**WALZ:** It's a pretty simple bill.

**ERDMAN:** --who brought-- who brought this bill to you?

**WALZ:** The Department of Education.

**ERDMAN:** So if the Department of Education brought the bill, wouldn't it make sense that the department would come in and testify in favor of it?

**WALZ:** I don't have the answer for that, Senator Erdman.

**ERDMAN:** Yeah, it's very peculiar. So another question, do you know of any school that was not treated fairly with the distribution of the CARES money?

**WALZ:** No.

**ERDMAN:** OK.

**WALZ:** Not that I know of. And again, we have a briefing on that on March 10, so those are all questions that we can ask the Department of Education.

**ERDMAN:** Yeah. March 10th is a little--

**WALZ:** As well as the higher ed.

**ERDMAN:** It's a little late if we have to vote today.

**WALZ:** This is not about LB323. This, again, Senator Erdman, is about recertifying--

**ERDMAN:** I understand.

**WALZ:** --the ability to recertify so we don't have to--

**ERDMAN:** I understand.

**WALZ:** --you know, spend the time and the resources and the money--

**ERDMAN:** Yeah.

**WALZ:** --down to--



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**ERDMAN:** I get it. They're both connected.

**WALZ:** OK, so--

**ERDMAN:** So, so what did they-- what did the department say to you or how did they explain to you that this was a necessary bill?

**WALZ:** Again, they want to make sure that when they're certifying TEEOSA for school districts, they are giving them the correct amounts. There is a piece of legislation that we've talked about that will be coming to the floor that could change those amounts. And the reason for delaying certification would be so that we wouldn't have to tell schools on Monday that this is the amount of money that they have and three months later say, oh, you know, this piece of legislation changes those numbers. Now you are getting less or you're getting more. So this process or this bill just allows us, like any good business would want, correct numbers to run their business.

**ERDMAN:** Are you saying a school is a business?

**WALZ:** I'm saying that if I were a business like a farmer--

**ERDMAN:** Yes.

**WALZ:** --and I was depending on so many, so much money for the cattle that I sold--

**ERDMAN:** OK. All right, well, I appreciate that. I just think it's really peculiar that the department would bring you a bill and not come in and testify in favor of it. Thank you, Mr. President.

**HUGHES:** Thank you, Senator Erdman. Mr. Clerk, for items.

**CLERK:** Thank you, Mr. President. Committee on Transportation reports LB126, LB239, LB240, LB448, LB574, and LB656 indefinitely postponed, signed by Senator Friesen. Revenue reports LB387 to General File with amendments, signed by Senator Linehan. Amendments to be printed: Senator Hunt, LB517; Senator Wayne, LB489; Senator Wayne, LB163; Senator Linehan, LB323. Series of name adds: Senator Pahls to LB26 and LB40 and LB178; Ben Hansen, LB236; McCollister, LB247; Vargas, LB485; Wayne, LB489; McCollister, LB605; Slama, LB661. An announcement: the Natural Resources Committee will have an Executive Session today at 9:30 a.m. in Room 1301; 9:30 a.m., Natural Resources, 1301. Mr. President, Senator Kolterman would move to adjourn the body until Friday, February 26 at 9:00 a.m.

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**HUGHES:** Colleagues, you've heard the motion. All those in favor say aye. All opposed say nay. We are adjourned.