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MURMAN: [RECORDER MALFUNCTION] Dave Murman. I'm from Glenvil, Nebraska, and represent District 38. I serve as Chair of the committee. The committee will take up the bills in the order posted outside of the hearing room. Our hearing today is your public part of the legislative process. This is your opportunity to express your position on the proposed legislation before us today. We do ask that you limit handouts. This is important to note, if you are unable to attend a public hearing and would like your position stated for the record, you must submit your position and any comments using the Legislature's online database by 12 p.m. the day prior to the hearing. Letters emailed to a senator or staff member will not be part of the permanent record. You must use the online database in order to become part of the permanent record. To better facilitate today's hearing, I ask that you abide by the following procedures. Please turn off cell phones and other electronic devices. The order of testimony is introducer, proponents, opponents, neutral, and closing remarks. If you will be testifying, please complete the green form and hand it to the clerk when you come to testify. If you have written materials that you would like distributed to the committee, please hand them to the page to distribute. We need 11 copies for all committee members and staff. If you need additional copies, please ask, please ask a page to make copies for you now. When you begin to testify, please state and spell your name for the record. Please be concise. It is my request that you limit your testimony to three minutes. If necessary, we will use the light system: green for two minutes; yellow, one minute remains; red, please wrap up your comments. If your remarks were reflected in previous testimony or if you would like your position to be known but do not wish to testify, please sign the white form at the back of the room and it will be included in the official record. Please speak directly into the microphone so our transcribers are able to hear your testimony clearly. I'd like to introduce committee staff. To my immediate right, right is research analyst, Jack Spray. Also to my right at the end of the table is committee clerk, Kennedy. The committee members with us today will introduce themselves beginning at my far right.

SANDERS: Good afternoon. Rita Sanders, representing District 45, which is the Bellevue-Offutt community.

ALBRECHT: Hi, I'm Joni Albrecht, District 17: Wayne, Thurston, Dakota, and a portion of Dixon County in northeast Nebraska. Welcome.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 14, 2023

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BRIESE: Good afternoon. Tom, Tom Briese, represent District 41.

WAYNE: Justin Wayne, District 13, which is north Omaha and northeast Douglas County.

MURMAN: And our pages, if they would like to stand up and introduce themselves, tell, tell us where they're studying and what.

TRENT KADAVY: I'm Trent. I'm studying political science at the University of Nebraska-Lincoln.

PAYTON COULTER: I'm Payton and I'm studying prelaw at the University of Nebraska-Lincoln.

MURMAN: Welcome. Please remember that senators may come and go during a hearing as they may have bills to introduce in other committees. Refrain from applause or other indications of support or opposition. For our audience, the microphones in the room are not for amplification, but for recording purposes only. And we are ready to start with LB647. Senator McDonnell, welcome to the Education Committee.

McDONNELL: Chair Murman, thank you, members of the committee. My name's Mike McDonnell, M-c-D-o-n-n-e-l-l, represent Legislative District 5, south Omaha, here to introduce LB647. First, I'm happy to have the broad support of the pub-- both public and the nonpublic school groups for LB647. I think you'll see what we all see, the update to the Textbook Loan Program is long overdue. Nebraska has a rich history of nonpublic education and today it serves over 35,000 students and employs over 3,000 educators. The Textbook Loan Program in Nebraska was established over 30 years ago to create some degree of equity for parents who send their, their kids to these Nebraska nonpublic schools. The program currently allows parents of nonpublic school students to receive textbooks designated for the use in public schools. The definition of textbook has evolved over time and currently can be found in the NDE's Rule 4. Programs like this exist in several other states, and there are good models in places like Maryland and Pennsylvania. We studied these upgrades in the creation of LB647 because Nebraska's program still literally operates on paper in essentially the same manner as when it was founded, a time before widespread Internet use. The first issue on LB647 addresses is the middleman. Currently, local public school districts are required to

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execute the program at the local level. Districts maintain lists of materials used in their, their schools, distribute paperwork to nonpublic school parents through the nonpublic school, place orders for the parents in those schools, and help inventory items. Simultaneously, nonpublic schools are running paperwork between parents and the district to help facilitate the transaction for the parents in their schools. Ultimately, the Department of Education monitors the program and arbitrates on issues. If it sounds complex and clunky, that's because it is. As you will also hear today, the way Textbook Loan is carried out is also inconsistent from district to district. LB647 eliminates those unnecessary burdens by centralizing administrative work at either the Nebraska Department of Education or a third party, or a third party chosen by the NDE. As you'll hear later from testimony, this does two things: relieves work for all involved, and two, creates consistency. Secondly, this bill will broaden access to available materials. Textbook Loan currently limits materials to those being used in the school district. This is, this is not the best practice among other programs around the country, because as you will hear from testimony today, it is problematic on at least two fronts. First, families choose a nonpublic school to receive a different educational experience than the public school. Secondly, public school district boundaries become arbitrary because many nonpublic school families live outside the public school district boundaries in which the nonpublic person resides. LB647 remedies these issues by defining textbook as any instructional material, including digital, electronic, or online resources that is designated for use by an individual student in a classroom instruction as the principal source of study material. Other important updates to the Textbook Loan include-- included in LB647 are: Besides consolidating administrative tasks, LB647 centralizes the finances at the NDE using a per-pupil formula. A five-year reporting requirement to the Education Committee recommending changes and updates to the program. Finally, I want to make-- to note that this program just isn't worth, worth the work for a lot of families in schools. We have some letters for the, the record and experts who will testify about this, but not-- typically one-- one-third of the program simply goes unused because of its burdensomeness, especially for smaller independent schools who lack the support and staff to be able to assist parents utilizing the program. With the efficiencies in LB647, we believe we can maximize the program for parents of nonpublic school students. This is really common sense, and we're going back over the last 30 years and looking

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at how we can make improvements. And also based on, as we all know with technology, things have changed dramatically in the last 30 years with, with education. And again, the goal is to try to make sure that every one of our students in the state of Nebraska gets the best education possible. I'm here to answer any of your questions, and I'll be here to close.

MURMAN: Thank you. Any questions for Senator McDonnell at this time?

McDONNELL: Thank you.

MURMAN: If not, thank you. Proponents for LB647? Good afternoon.

JEREMY EKELER: Good afternoon. Happy Valentine's Day, Education Committee. My name is Jeremy Ekeler, J-e-r-e-m-y, last name is E-k-e-l-e-r. I'm here today representing the parents and families who choose to send their children to Catholic schools in Nebraska. Textbook Loan is a long-established program that, as was mentioned, was created to provide a degree of equity to parents who choose nonpublic schools in Nebraska. Catholic schools serve nearly 27,000 students in 112 schools from Saint Agnes in Scottsbluff to Saint Augustine's on the Winnebago Reservation. Our schools are rural, suburban, and urban. Some are over 100 years old and I provide this context for two reasons. First, nonpublic education in Nebraska is important to our state's families. Second, Textbook Loan is a program that needs to be as dynamic as the nonpublic schools that the parents are choosing. LB647 is presented to modernize the current Textbook Loan Program. There are several variations of this program around the country. We studied the systems and talked to those experiencing them. This helped us determine how to best serve Nebraska families, nonpublic schools, public schools, and the Department of Education. We also spoke with the nonpublic schools across the state, and this groundwork accounts for the broad support you'll see today. Archdiocesan Superintendent Vickie Kauffold will get into the weeds of Textbook Loan in her testimony. And I don't want to belabor those points, but I do want to give a little bit of perspective. Textbook Loan, when I was a principal, used to create a lot of groans in the building. It can take up to three months as listed district materials are sent to revise multiple times before November 15 deadline. Then the work of securing signatures of parents begins, and the process is currently 100 percent on paper. This creates substantial burdens for parents, nonpublic schools, and public schools trying to administer

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the program. Later, you will hear testimony from the Department of Education's Lane Carr and he will document some of those processes. What I didn't realize as an educator that I now see clearly in my policy role is the inconsistency of Textbook Loan from district to district. We'll dig into this issue more as well, but the variety of Textbook Loan interpretations across school districts is problematic. LB647 addresses this by centralizing the process, creating both an economy of scale and overdue consistency. And finally, about the expansion of eligible materials. Currently, Textbook Loan limits students to materials used in nonpublic school's local public school district. Yet, Roncalli-- Omaha Roncalli, for instance, resides in OPS boundaries that receive students from 27 different zip codes across Omaha. Grand Island Central Catholic has students from seven different public school districts. Furthermore, education has evolved greatly since the '80s and now includes digital, online, and other dynamic resources. In short, district boundaries have become arbitrary for this program's operation. To close, the Conference is happy to see the broad range of support for LB647, which would take the best practices studied in other states and apply them to the needs of Nebraska's program. Thank you for your time and consideration.

MURMAN: Thank you. Any questions for Mr. Ekeler? Thank you very much.

JEREMY EKELER: All right. Thank you.

MURMAN: Other proponents?

VICKIE KAUFFOLD: My name is Vickie Kauffold, V-i-c-k-i-e K-a-u-f-f-o-l-d. I currently serve as the Superintendent of Schools for the Archdiocese of Omaha. Good afternoon, Senators, and thank you for your service to the citizens of Nebraska. I appreciate the opportunity to share my perspective with you regarding Textbook Loan and LB647. Prior to 2020, when I began as Superintendent of Schools, I held two positions that provided me the opportunity to become familiar with the Textbook Loan process. My first experience was the principal of a Catholic elementary school in Wahoo and then as a curriculum director for three Catholic schools in Saunders County. During my 17 years in Saunders County, I worked closely with colleagues at Wahoo Public Schools to ensure that our parents and schools followed the procedures outlined in Rule 4 providing textbooks for around 700 children each year. In 2016, I became the curriculum director for the Archdiocese of Omaha and took on the duties of monitoring, monitoring

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the allocation of the Textbook Loan funds for nearly 19,000 children in the Archdiocese. The 70 schools in the Archdiocese are located within 27 different public school districts across northeast Nebraska. It's here that I learned of the number of inconsistencies applied across a variety of districts. For example, the definition of what's considered instructional materials is, is interpreted differently. Some districts will allow a request for digital textbooks, while other districts will deny a request for the same digital textbook. Another example is found in the packaging of instructional materials. Publishing companies are packaging materials as kits in order to meet state science or math standards, providing learning labs in consumable student kits. In language arts, packaging is a collection of books rather than one single book. Again, one district may approve these requests, while another district may deny the exact same request. All of these materials are being used by the public schools but, due to their interpretation of the definition, requests are either denied or approved, leaving us confused and some children without needed materials. I'll skip over the requesting process as Senator McDonnell addressed some of that. But we have experienced strain in receiving materials that the public schools has ordered as well. There are two examples I'll share. One district approved the request for online textbook-- textbooks, but did not provide the online licenses to the students until mid-October, despite numerous requests for those licenses. A second example, materials that were requested last year, one year ago through the Textbook Loan process, were delivered to children in five schools in the Archdiocese and then just last month were delivered to the, to the students in those schools. That's five months after our school year has began. Every public school district seems to have their own unique internal process, creating confusion and understanding which process is the right one to use. These examples of inconsistencies create challenges for parents in requesting textbooks for their children. We're now in a digital world, yet this program requires the maintenance of paper forms and repetitive signatures for-- from parents. The required paperwork is cumbersome to collect and store, while also time consuming for parents and schools to manage. The funds that parents receive provide valuable instructional resources for their children. These are the materials that prepare-- oh, my time is up.

MURMAN: Thank you. Any questions for Ms. Kauffold? Thank you very much. Hello.

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LAURIE STATES: Hello. Good afternoon. My name is Laurie, L-a-u-r-i-e, States, S-t-a-t-e-s, and I've been a high school educator for 16 years. While my husband was stationed at Tinker Air Force Base in Oklahoma, I began my career teaching math at Midwest City High School, a public school with an enrollment of about 1,300 students. After my husband was transferred to Offutt Air Force Base, I stubbed-- subbed in the Bellevue Public School District, taught full time a summer at Boys Town, and taught at Omaha Street School. I'm attending UNO and in May I will earn my master's degree in educational leadership and have already been granted my provisional administrative certificate. I'm currently the assistant principal and math instructor at Omaha Street School. Located in north Omaha, OSS is an alternative high school for students who have not found success in traditional school settings. Often, OSS is the last chance for our students to receive a high school diploma. Our mission is to empower at-risk students to discover new hope and success through education, vocation, and love in a Christ-centered environment. The students we serve come from various districts across the Omaha metro area, including Omaha, District 66, Millard, Ralston, and even Council Bluffs. Our student body-- of our student body, 80 percent of our families live below the poverty level, and 72 percent of our students qualify for special education services. We keep our student teacher ratio low at eight to one due to the attention our students require and the cost to educate a single student at OSS is \$26,000. I am also the proud parent of five children. Three of our oldest have already graduated high school and our two youngest are currently attending private schools. So I'd like to offer my support to LB647 regarding the Textbook Loan Program as both a parent of school-aged children and as an educator of at-risk people in a nonpublic setting. Both schools that my children attend participate in the Textbook Loan Program. The program has been a vital part of my children's education, providing them with quality textbooks at no charge to parents. However, in my role as an educator, the students at OSS cannot experience the same benefit as my own children. Our principal, Anthony Williams, and our administrative team have looked into the current Textbook Loan Program and find it unusable for our school. Our students come from all over the Omaha area with special-- specific needs. The Textbook Loan Program currently limits the material we could access, and most of the materials that are available are not suitable to our students' learning, learning needs. Likewise, the paper chase is not worth the effort. Our students require a tremendous amount of work and effort. Spending valuable time

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gathering parent signatures for limited resources takes away the time we could put toward innovative efforts that truly make a difference in educating our students. The Textbook Loan Program should benefit schools like OSS, a school that is trying to provide, provide equity to kids who have not thrived in the typical setting and LB647 could change this dynamic. I believe in creating the centralized source for programs would be beneficial. Not only would it streamline the process, but it would take the burden off an already busy and overloaded local school district. As a teacher, I appreciate the broadening of the allowable resources that centralization would create. This would permit me to research my curriculum--

MURMAN: Thank you. You can go ahead and finish a little bit.

LAURIE STATES: --thank you-- research the curriculum I currently use in my subject area across the state of Nebraska and be able to choose the one that is best suited for my students' needs. In conclusion, as a mom, I would appreciate the process to be more efficient and effective for my own children. And as an educator, I want the same for my students that I serve. Ultimately, LB647 can help update the Textbook Loan Program so that it is flexible enough to meet the needs of the device-- of the diverse students across Nebraska including the students at the Street School.

MURMAN: Thank you. Any questions for Laurie States? Senator Sanders.

SANDERS: More, more of a statement. Thank you very much for your testimony. But first and foremost, thank you for serving our country as a spouse of a military member. Thank you.

LAURIE STATES: Thank you.

SANDERS: And your continued effort to help the community and working at Omaha Street School so I just want to say thank you.

LAURIE STATES: Thank you.

MURMAN: Any other questions? Thank you very much. Appreciate your service also.

LAURIE STATES: Thank you.

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MARK L'HEUREUX: Good afternoon. My name is Mark, M-a-r-k, L'Heureux, L-'-H-e-u-r-e-u-x. Just like it sounds. I'm the director of schools and elementary principal at Christ Lincoln Schools, located on 43rd and Sumner. We have 160 students in our grades kindergarten through fifth. Christ Lincoln is one of four elemen-- Lutheran elementary schools in the county and one middle school, high school. We are known as Lutheran Schools of Lincoln. We represent approximately 900 students and 350 families. Currently, three of our schools are part of Lutheran Schools of Lincoln do not use the Textbook Loan Program because of its cumbersome nature. I'm here today representing our school families because the Textbook Loan Program is associated with the child, with our families, yet often operated by building administrators, both public and nonpublic and support staff. As the program exists today, we receive roughly \$45 per student. While we are grateful for this amount, this process is not simple as it requires a great deal of paperwork from school administrators and parents in a short period of time. There are two sheets of paper for every student that must be returned, then ultimately submitted to the local public school district for processing and ordering. I have used this program for the last seven years as there is a great benefit for us. However, it is always a bit uncertain which books are going to be used by our public school system, potentially discontinuing the curriculum we're using. As well, some student materials aren't available even if the public school isn't using them. I would like to encourage you to support changes to this program that would allow for more allowable student resources, giving our children greater opportunities to engage within a full curriculum content. As well, parents choose us as a different school option. As the program currently exists, those students in different districts are not funded through us. Yeah, we have so many families that come to our school outside of the local school district. This would allow for all students regardless of what district they live in to receive this support. Without these boundary constraints, we can better align also with our high schools. Ultimately, less paperwork for parents and front office staff is a great benefit. But even allowing our nonpub-- or our public school system's staff to focus on students not necess-- not unnecessary administrative paperwork over materials. Thank you for your time and consideration of this program.

MURMAN: Thank you. Any questions for Mr. L'Heureux? Thank you very much.

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MARK L'HEUREUX: Thank you.

KYLE MCGOWAN: Good afternoon, Chairman Murman, members of the Education Committee. My name is Kyle McGowan, K-y-l-e M-c-G-o-w-a-n, and today I'm representing the Nebraska Council of School Administrators, the NSEA, and NRCSA. Senator McDonnell did a great job in his opening describing the need to improve this 30-year-old program. The delivery of curriculum to students has certainly changed in those 30 years. Also, the ability to improve upon redundancy and bureaucracy is also readily available. We do believe that public and private schools generally work very well together. We recognize that there could be some pockets of inconsistency. We look forward to the improved efficiencies and consistencies with NDE administering this improved program. We also think the five-year reporting requirement is important in order to review the past implementation and recommend possible modifications. Oversight and accountability are always positive regarding government programs. LB647 is a sample of public and private schools working together for the benefit of educating all of our students. We thank Senator McDonnell and our private school colleagues for including us in this discussion.

MURMAN: Thank you. Any questions for Mr. McGowan? Thank you very much.

JENNIFER CREAGER: Chairman Murman, members of the committee, my name is Jennifer Creager, J-e-n-n-i-f-e-r C-r-e-a-g-e-r. I'm here in my individual capacity as a parent of two students in a private school. My organization that you usually see me does not take a position on this bill. I just wanted to mention, because I was in a conversation with a couple of lobbyists early in the session about how much I hate this form, and I-- this is my least favorite thing to fill out every year. It is so burdensome and so cumbersome and certainly this time of year not something that's top of my mind. And so I hate getting calls from the school. It's not properly filled out. It's not properly filled out. So I said I'm going to come and talk about what a bunch of bureaucracy it is. And so I think this is an important program and anything that we can do to streamline it and update it is really important from a parent's perspective.

MURMAN: Thank you. Any questions for Ms. Creager? Thank you. Any other--

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LANE CARR: Good afternoon, Chair Murman and members of the Education Committee. My name is Lane Carr, L-a-n-e C-a-r-r, and I'm representing the Nebraska Department of Education that is a proponent of LB647. We appreciate all of the testimony and want to say ditto. We want to make this program more efficient and bring updates. And we appreciate the ground work that was started many months ago by stakeholders. I share with you in these-- in this packet of information just a little bit to illustrate what we've heard from the testimony before me. And so I just want to walk through a little bit to share that this is truly a statewide program. You'll see the, the reach of the program in the 2020-21 school year with 28 districts processing requests and 35 districts in the '21-22 school year. And then, as you will also see, there is a wide range in the number of textbooks that are being requested based on the size of the districts as well. A couple of the other documents that I share is just a little information about the timeline for this process that you heard, as well as an FAQ about the, the Textbook Loan Program. And then finally, the dreaded forms that you've heard about, I share to illustrate that it is quite a cumbersome program, and we are looking forward to an opportunity to, to update, to modernize as, as all of these folks have said. So with that, I'll be happy to entertain any questions that you might have for the department.

MURMAN: Thank you. Any questions from Mr. Carr? Thank you very much.

LANE CARR: Thank you.

MURMAN: Any other proponents? Any opponents for LB647? Anybody want to testify in neutral position? If not, Senator McDonnell, you're welcome to close.

McDONNELL: Thank you.

MURMAN: Before you start, online, we have three proponents, one opponent, and zero neutral.

McDONNELL: Thank you. Thank you for everyone that, that came to testify today. I appreciate it. This bill's come from the-- from frustration from the public schools and nonpublic schools and the parents. And we're trying to do is, is find a way to make this more effective and efficient. And it's always about trying to do what's best for the, the students. If this committee feels there's ways to

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improve on this, I'm open to any ideas. But I appreciate the time, here to try to answer any of your questions.

MURMAN: Thank you. Any questions for Mr. McDonnell-- Senator McDonnell? Sorry.

McDONNELL: Thank you.

MURMAN: Thank you. That'll close the hearing for LB647 and we will open the hearing on LB630. Senator McKinney. Welcome, Senator McKinney.

McKINNEY: Thank you. Good to be back in Education. Good afternoon, Chair Murman and members of the Education Committee. My name is Terrell McKinney, T-e-r-r-e-l-l M-c-K-i-n-n-e-y, and I represent District 11 in the Legislature, north Omaha. And we're here today to talk about LB630. LB630 builds on my past work with LB451 clarifying language to expand protections for natural hair texture and protective hairstyles passed into law last session. LB630 similarly clarifies language to explicitly protect natural hair texture, protective hairstyles, cultural or religious hair-- hairdressing, and tribal regalia protection for students in our public schools. Specifically, LB630 directed the Department of Education to develop model dress code and grooming policy. The model policy will facilitate and encourage school districts to provide an inclusive and positive learning environment for our over-- for our ever growing diverse student populations. The policy will allow for certain exceptions and the related process like that of LB451. In a recent report authored by the ACLU of Nebraska, I Be Black Girl, Free The Hair, Nebraska Indian Education Association, and the UNL Muslim Law Student Association, the coal-- the coalition highlighted the need to update school dress codes and grooming policies to ensure students can show up to school as their true selves. And after hearing the hearing findings, I hope you'll agree. The report found that in 90 percent of school districts they surveyed, there was at least one school with a dress code that contained direct racial or religious implications. Some examples of items prohibited were scarves, bandanas, do-rags, all directly impacting students of color. And, and in 85 percent of the school districts they served-- surveyed, there were at least one school which allowed for punishment of dress code violations, including missed class time. Lastly, all school districts had at least one school with a vague or subjective dress code related to student grooming,

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headdress, and, and hair. Similar concerns have caught my attention-- have caught the attention of the U.S. Government Accountability Office studying school dress codes. In that study, the GAO found that schools that report enforcing strict dress codes predominantly enroll black and Hispanic students and are more likely to remove students from class. LB630 tracks with the, the local coalition and the U.S. government's recommendations. We would join 15 other states, including neighboring Colorado, which have already passed legislation prohibiting hair discrimination in schools. Testifiers behind me will relate personal stories of how this legislation would help make our public schools more inclusive, the legal landscape on this issue, and include a Native American family that has personally been subjected to hair and religious discrimination when their daughter's hair was cut in violation of their religious beliefs in a public school. I ask each of you to listen to these families, students, and advocates who are asking us to ensure that they, along with our workforce, are also protected against discrimination on the basis of natural hair, protective hairstyles, and hairdress-- hairdresses. Thank you and I'm happy to answer any questions.

MURMAN: Thank you. Any questions for Senator McKinney at this time? If not, thank you.

McKINNEY: Thank you.

MURMAN: Proponents for LB630?

NYOMI THOMPSON: Hello. Hi.

MURMAN: Hello.

NYOMI THOMPSON: All right. Good afternoon, Senator Murman and members of the Education Committee. My name is Nyomi Thompson. That's N-y-o-m-i T-h-o-m-p-s-o-n, and I'm representing I Be Black Girl. I Be Black Girl serves as a collective for black women, femmes, and girls to actualize their full potential to authentically be through autonomy, abundance, and liberation. I am testifying in support of LB630 because students embracing their culture should not hinder their academic success. ACLU of Nebraska, I Be Black Girl, and Nebraska Indian Education Association conducted policy research and analysis on natural hair discrimination or discrimination based on cultural headdress in Nebraska. The brief is titled: Hair, Headdress, and Now

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Creating a Culture of Belonging in Nebraska Schools, which is what I passed out to all of you. Frequently, Nebraska school dress codes contain vague language that allows for wide discretion to school administrators-- administrators and staff as it relates to grooming, headdress, and hair policy enforcement and dress code policies analyzed. Punishment for dress code violations can include missed class time to suspension and expulsion. Black students are disciplined at a rate four times more than any other racial group, and between three and six times more likely to be suspended from school. In addition, research shows 70 percent of all suspensions-- suspension disciplines are discretionary. In particular, black students are more likely to be suspended for discretionary reasons, such as hair violations and dress codes, neither of which have been found to be, to be predictive of student misconduct. Discretionary suspensions create direct consequences to black students' academic achievement and limiting their potential and putting their goals out of reach. Black students continue to be disproportionately targeted by what presents as race-neutral grooming policies, policies that criminalize cultural expressions of black students who are already navigating their own identities. Penalizing black hair and hair styles is an overreach on students' autonomy and exacerbates racial inequities in academic achievement. Adopting policies to prohibit natural hair discrimination in schools is crucial to create an equitable environment where black students can thrive, exist, and form their own identities without losing opportunities to create their own future. Please consider moving LB630 forward and thank you for your time.

MURMAN: Thank you. Any questions? Thank you very much. Other proponents?

ALICE JOHNSON: Hello, my name is Alice Johnson, A-l-i-c-e J-o-h-n-s-o-n. When hearing our testimonies, please listen with an open heart and open mind and please respect our culture, our beliefs, and our individual identity. In 1892, Richard Henry Pratt, founder, founder and headmaster of Carlisle Indian School once said in a speech: A great, a great general has said that the only good Indian is a dead one. In a sense, I agree with the sentiment, but only in this that all the Indian there is in a race should be dead. Kill the Indian in him, and save the men-- and save the man. End of quote. To this day, we as Native Americans still encounter people who have this mentality. People who have tried to kill us, take what's ours and break us, but we have shown to be resilient people. To this day, we

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can stand tall and speak proudly about what is right and what we believe in. It is now 2023 and we are standing here asking for the right to wear tribal regalia for graduation ceremonies. Why is it a topic of discussion? Is it because it's something that isn't understood? Is it something that needs an explanation? Why are we denied this in this day and age? Why do our children have to grow up in a community of people who teach them to be strong individuals, to be our future, but when they want to express their traditions, regalia, and honor their ancestors, they're denied? We are kind, caring people who carry years of generational traumas. Our hair, our regalia, it's who we are. It's who our ancestors were. It's our identity. It represents us as individuals, it represents our families, it represents our ancestors, and, most importantly, our spirits. Everyone has the right to freely express themselves and show their individuality, so why can't we as Native Americans? Thank you.

MURMAN: Thank you. Any questions for Ms. Johnson? Thank you very much.

ALICE JOHNSON: Thank you.

MURMAN: Other proponents?

ABBI SWATSWORTH: Thank you, Chair Murman and members of the Education Committee. I wanted you to know I don't only come to oppose bills so happy to be here today. My name is Abbi Swatsworth, A-b-b-i S-w-a-t-s-w-o-r-t-h. I'm the executive director of OutNebraska, a statewide nonpartisan, nonprofit working to celebrate and empower LGBTQ Nebraskans. OutNebraska speaks today in support of LB630. Children learn best in environments where they are fully honored for who they are. This includes religious dress, natural hairstyles, and tribal regalia. LB630 will protect all students while allowing a safe and healthy learning environment in our schools. In Nebraska, we've unfortunately had a situation where an Indigenous student's hair was cut without permission of the parents. This situation would be avoided by enacting LB630. Furthermore, the bill would protect a young woman who wears a headscarf for religious observance, or a young man who wears his hair in an afro. There's no reason students cannot be accommodated in this manner. The way we dress, wear our hair, and adorn ourselves can be important observances of religious or racial identity. Students should not be punished for reflecting their traditions. LGBTQ students are members of all races and religions and

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so we feel like this bill can be important for our students as well. Please advance LB630 from committee. Thank you.

MURMAN: Thank you. Any questions for Abbi Swatsworth? Thank you very much.

ABBI SWATSWORTH: Thank you.

MURMAN: Other proponents of LB630?

NORMA LEROY: Good afternoon, Chairman. My name is Norma LeRoy, N-o-r-m-a L-e-R-o-y. [speaking in Native language] Greetings. I come to you-- I want to come to you with a heartfelt handshake. When you cut my hair-- I'm sorry, you cut my spirit. Back in the spring of 2020, we sent our daughters to school, entrusting the school to care for them as we were as parents and to educate them. They came home one day saying their hair was cut by a staff member during a head lice check. I was so confused, why in this day and age is our hair being cut? I contacted the school administrator, explained our hair is sacred. Please don't cut our daughters' hair. The hair cuts continued, even after telling them to stop cutting their hair. We have our beliefs, just like a tree has branches extend to the root of the tree our hair extends to our spirits. The day our daughters' hair was cut, they lost a part of their identity, a part of who they are. We lost their spirit. Our daughters were lost. They weren't the same after their hair was cut. Today, one of our daughters keep their hair short because of her hair being cut. She is in-- she is mourning that loss. Their hair is a part of them, a part of who they are. By altering their hair, they alter their individuality. We can't expect our babies to grow into someone if they have no idea who they are because of that was taken from them. Please understand our hair is sacred. No one should have the right to take from another person. No one should have the right to tell us what we can and can't do with our hair. Please respect our hair, our hair is sacred. Thank you.

MURMAN: Thank you very much. Any questions for Mr. LeRoy? Thank you very much. Other proponents for LB630? Good afternoon.

KYLA JOHNSON: Hello, everyone. My name is Kyla Johnson. Kind of like to start off my statement with [speaking in Native language] and thank you for letting us have the opportunity to have people hear our voices as we stand here today. I pray for great health and wellness for

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everyone and I pray you give me and my family all the strength for all this that is happening and what's to come in the future. I pray that you all hear my voice. [speaking in Native language] I would like to thank everyone for coming. I'm speaking for my sisters Madeline [PHONETIC] and Alisondra [PHONETIC] LeRoy and my little cousin Shaylynn [PHONETIC] Johnson at this moment. One of the important things in our cultural identity is our hair. That's our medicine. It is a connection to our culture, our hair is equivalent to our strength. When that's lost it causes great sadness, loss of identity, and loss of our spirit. Hair is cut when it comes to mourning death or wanting a new start. But in my tribe, we only cut her hair on a full moon. Our hair is sacred. Back in the day, hair cutting was a form of assimilation so our mom mentioned: Kill the Indian, save the man. Carlisle Indian School and along with other schools went by this motto. Shortly after what happened to my siblings at their old school, four of my family's elders are no longer here with us. I will say their names in remembrance: Lila Young Killed in Sight [PHONETIC], Crow Killed in Sight Swatted Tail [PHONETIC], Caroline Killed in Sight [PHONETIC], and Madeline Walking Eagle [PHONETIC]. You all are dearly missed. Thank you.

WAYNE: Ma'am.

MURMAN: Ma'am, could-- sorry, could I ask you to spell your last name, please?

KYLA JOHNSON: Johnson, J-o-h-n-s-o-n.

MURMAN: OK. Thank you. Any questions for Ms. Johnson? Thank you very much.

KYLA JOHNSON: Yeah.

MURMAN: Good afternoon.

DUNIXI GUERECA: Afternoon. Thank you, Chair Murman, members of the Education Committee. My name is Dunixi Guereca, D-u-n-i-x-i G-u-e-r-e-c-a. I'm the executive director of Stand For Schools, a nonprofit advancing public education here in Nebraska. Stand For Schools is here today in support of LB630. I would like to thank Senator McKinney for shining a light on this important issue. As written, LB630 would require the Department of Education to develop a

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model dress code and grooming policy to be implemented in Nebraska schools by the start of the 2025-26 school year. Most importantly, LB630 instructs that any dress code violation-- policy violation be treated as minor, that violations do not require students to miss substantial time in class, and that corrective action cannot include cutting a student's hair and that, quote, no student shall be disproportionately affected by a dress code or grooming policy enforced because of a student's gender, race, color, religion, disability, or national origin. We appreciate Senator McKinney's approach to LB630, which protects against discrimination and punishment based on protected characteristics but allow school districts to, to determine what specific requirements works best for them. This flexibility allows districts to tailor their dress codes to provide a learning environment for students that is equitable and safe. Indeed, research has shown that overly restrictive dress code in schools may create environments that are not equitable or safe for students. According to the Government Accountability Office, quote, an estimated 60 percent of dress code rules have-- dress codes have rules involving measuring students' bodies and clothing, which may involve adults touching students. Consequently, students, particularly girls, may feel less safe at school, and according to a range of stakeholders GAO interviewed. Moreover, quote, schools that enforce strict dress codes are associated with statistically significant higher rates of discipline that remove students from the classrooms, like suspensions. For those reasons, Stand For Schools is happy to support LB630 and I'm happy to answer any questions.

MURMAN: Thank you. Any questions for Mr. Guereca? Thank you very much.

DUNIXI GUERECA: Thank you, Chair.

MURMAN: Any other proponents?

ANAHI SALAZAR: Hello. Good afternoon. My name-- thank you, Chairperson Murman and members of the Education Committee. My name is Anahi Salazar, A-n-a-h-i S-a-l-a-z-a-r, and I am representing Voices for Children in Nebraska. Nebraska schools should foster a welcoming and supportive environment for students. Dress code should not interfere with students' access to their education and should support student expression, safety, and overall learning goals. Voices for Children supports LB630, which clearly defines an inclusive and equitable dress code for students in Nebraska. Allowing students to freely express

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themselves through their attire can create a safe learning space, increasing mental health and engagement in the classroom as they represent who they are through their style and dress. Strictly gendered clothes-- dress codes can interfere with students' perception of genders and sexuality contributing to a sexist culture. Certain tops are only prohibited for specific genders, genders, mostly girls. Dress codes that emphasize not distracting the other gender, most notably done to girls, can create shame and is a form of victim blaming. Voices for Children particularly supports the parameters laid out in LB630 because studies show that dress codes are often enforced disproportionately against students of color and, thus, can contribute to racial and ethnic disparities and exclusionary discipline and school pushout. For instance, black girls in the District of Columbia schools missed class time, were suspended, or were told to cover up in order to go back to learning. Black males are often written up for their hair coverings, such as do-rags or for wearing baggy pants. Native American students have been forced to assimilate to gendered stereotypes as some boys are forced to cut their hair and girls as we just heard. Dress code violations lead to missing class time, instructional time or activities, increase the likelihood of learning loss, and make students feel uncomfortable and constantly policed. LB630 will create clarity among Nebraska's educators, parents, and students on an inclusive and hopefully gender-neutral dress code. Providing a comprehensive dress code from the state of-- from the State Department of Education for school boards can help in addressing racial and gender disparities and how codes are enforced. It will send a message to students that they are allowed to express themselves, creating a safer and more equitable learning environment. And we thank Senator McKinney for his leadership on this issue and we would like to see LB630 advance. Thank you, and I'm available for any questions.

MURMAN: Thank you. Any questions for Ms. Salazar? Thank you very much.

ANAHI SALAZAR: Thank you.

MURMAN: Other proponents for LB630?

MARIAN HOLSTEIN: Thank you. Homp-pi-xije. Chairman Murman and committee members, my name is Marian Holstein, M-a-r-i-a-n H-o-l-s-t-e-i-n. And first and foremost, I am a great grandmother, but I am also an advocate of calling attention to the inequalities our students of color continue to endure in public schools. As the

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executive director of the Nebraska Indian Education Association, I can report there are approximately 4,490 Native American students attending Nebraska schools, approximately 1,900 are enrolled in schools on tribal lands where we allow our students to wear their hair the way they choose to and to wear traditional clothing as their choice. The majority of Indigenous students, or about 2,500, are in the Omaha and Lincoln metro areas and in smaller numbers in Grand Island, Columbus, Norfolk, and western Nebraska. It is for these students with no voice that I speak today. I am a proponent of LB630, a bill that addresses and gives support to children from diverse backgrounds and allows them to be who they have been since time immemorial. I attended Kearney State College for two years before going on a two-week cultural learning experience in Paris, France that lasted for two and a half years. But living in Paris was when I first realized how much I did not know about my own history. Frenchmen were teaching me about what happened to my ancestors. The Nebraska Indian Education Association took action about this fact and in 2019 brought together Native teachers in the hopes of it influence-- influencing the social studies standards. Well, we did, and we had success because we had over 130 indicators that could be used to teach about Native children. And it's important to, to point out our commonalities, such as wanting the best for our children, maintaining, maintaining our individual freedoms, and the hope individuals in decision-making roles have the moral compass that supports the rights of Nebraskans. There are things about us that I am sure you will never understand, nor do we expect you to. We just have to continue to have faith that you will try. I can never claim to have a full understanding of another's cultures and traditions, but I know how important it is to them and to one's self-esteem and self-understanding. So I would never do anything detrimental to their seeking their truth. Our, our-- thank you, first of all, and then our Winnebago Public School student council also submitted remarks that I'd like to call your attention to. [speaking in Native language]

MURMAN: Thank you. Any questions for Ms. Holstein?

MARIAN HOLSTEIN: Oops. Sorry.

MURMAN: Thank you for your testimony.

JORDAN MASON: Good afternoon committee. My name is Jordan Mason, J-o-r-d-a-n M-a-s-o-n. I am a third-year law student and president of

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the Muslim Law Student Association at Nebraska Law. But I'm here in my individual capacity, and I don't represent UNL. I think I am going to tell a bit of a more positive story. I'm a bit nervous, six hours ago I wasn't planning on testifying. So I am not a product of Nebraska Public Schools, but I am a product of UNL. I went to UNL for undergrad and I am currently at Nebraska Law. I decided to practice my faith more visibly and put on my hijab the first six weeks of my first year of law school. I sent individual emails to all my professors because I was incredibly nervous of how people would react from seeing my hair one day to seeing me in a hijab the next day. And I received nothing but encouragement and support and respect back from all of my professors. And in the past two and a half years at Nebraska Law, I've been empowered to wear whatever color hijab I want, maybe that's pink because it's Valentine's Day or whatever style hijab I want. Whatever I want to do to reflect my faith as a practicing Muslim woman, I have been supported and I think that's a reflection of what LB630 would do for our young Muslim girls and young Muslim women in the Nebraska public system. They deserve an educational environment that doesn't just implicitly support them but encourages them and respects them to make choices that reflect their identity as practicing Muslim women.

MURMAN: Any questions for Jordan Mason? If not, thank you very much for your testimony.

JORDAN MASON: Thank you.

MURMAN: Very appropriate for Valentine's Day, by the way.

ROSE GODINEZ: Good afternoon. My name is Rose Godinez, spelled R-o-s-e G-o-d-i-n-e-z, and I am testifying on behalf of the ACLU of Nebraska in support of LB630. We thank Senator McKinney for introducing this legislation. Nyomi previously circulated a physical copy of the report Senator McKinney mentioned in his opening which is coauthored by the ACLU, I Be Black Girl, Free the Hair, Nebraska Indian Education Association, and UNL's Muslim Law Student Association. I hope that shows you how diverse and intersectional this issue is. To analyze the policies informing that report, the ACLU sent public records requests to public school districts with the highest enrollment of students in the 20 most diverse counties in the state, all according to the 2010 census data. We didn't have the 2020 yet. The United States Constitution and federal civil rights law protects students from discrimination on the basis of sex, race, national origin and

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religion, as well as other protected characteristics. Yet, across the country, black, Indigenous, and other students of color have been required to straighten, cover or cut their hair, as well as remove their religious or cultural headdress to meet school grooming or dress codes. Some school administrators have gone as far as cutting students' hair. This is unacceptable, but it has happened here in Nebraska. You heard from our clients, Alice and Norma, who experienced exactly this issue, despite explicitly requesting that the school stop cutting their children's hair in violation of their religious beliefs and Lakota traditions. The United States has a long history of racial and national origin and religious discrimination against black, Indigenous, and other communities of color on the basis of physical, observable characteristics like hair length, hair texture, hairstyle, clothing or headdress. By enacting policies that compel students to conform to a uniform style of grooming and appearance shaped by racial, ethnic and religious bias, schools perpetuate harmful discriminatory outcomes. These policies actively devalue students of color from prevent-- and prevent them from presenting themselves as their full selves. While some grooming policies may not be explicitly discriminatory on the basis of race or religion, what we found in that analysis is that they do-- they can have a discriminatory effect when enforced and some are blatantly discriminatory. Additionally, this clarification in the law would follow similar legislation, which was already passed with wide bipartisan support in May of 2021, introduced by Senator McKinney, too, which would just build on that effort. And also by passing complementary legislation, you are really ensuring that all Nebraska students can access an education as their full selves. And for those reasons, we urge you to advance this bill to General File.

MURMAN: Thank you. Any questions for Rose Godinez? Thank you very much.

ROSE GODINEZ: Thank you.

MURMAN: Other proponents for LB630? Good afternoon.

JUDI GAIASHKIBOS: Good afternoon, Mr. Chairman and members of the Education Committee. I am Judi gaiashkibos, the executive director of the Nebraska Commission on Indian Affairs, and I'm here to testify in support of LB630 and my name is spelled J-u-d-i g-a-i-a-s-h-k-i-b-o-s. I'd like to thank everyone that has testified before me so eloquent--

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eloquently-- better than I am doing right now, and with such emotion, because this really is a very sacred subject we're talking about. And those that came before me did such a better job than what I could ever express to you because in one case they really dealt with the haircutting themselves in their family in western Nebraska. So we know that that's a real, you know, case that's happened here. Historically, you've heard from testifiers about what happened in America to: Kill the Indian, save the man. And part of what was done was to cut the hair and to make the first peoples into cookie-cutter Americans. Myself, I come from that legacy. I am a survivor descendant. My mother went to the Genoa Indian School where the boys had to have their hair cut off and the girls all looked like they put a bowl on their head and everybody was to be a good little Indian and be quiet and follow the rules and maybe you would survive. So recently at Harvard, the Peabody Institute there, they had revealed a collection from the Woodbury Days, a professor who also took hair cuttings from our children and had them at the school all this time and we just found out. So there are so many things in America's history that we ourselves don't even know about and you don't know about. And today I rise in support and join with all of my relatives here to find a way to help our first peoples not be afraid and be able to go to school and be who they are. The tribal regalia is not a costume. We are not pretending to be someone and be in a play or in a Halloween costume. This is an extension of who we are, just as our hair is an extension of our spirit. So the-- whatever the children do and as far as the regalia, the wearing of their clothing, that is an expression of their culture. So I think this bill-- I want to thank Senator McKinney for bringing this bill this year that will further solidify that children can go to school and express who they are, not be silenced, not have to be invisible, not have to conform to something that really doesn't honor our educational system. So with that, I hope that this bill will move out onto the floor and be voted on and that we can have safe schools that-- as they should be.

MURMAN: Thank you. Any questions for Judi? Thank you very much. Any other proponents for LB630? Any proponents for LB630?

***LACY SMITH:** It is sad to me that we need to enshrine protections for native students to keep teachers from cutting a child's hair. No one should amend your body without your consent. I support LB630 for this reason.

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MURMAN: Any opponents for LB630? Anyone want to testify in the neutral position for LB630? If not, Senator McKinney, you're welcome to close. And while he's coming up, we had in the emails, 26 proponents, 7 opponents, and no neutral.

McKINNEY: Thank you. And thank you to everyone who came to testify today. I think LB630 is, honestly, a commonsense bill to ensure that all students in the state of Nebraska can go to school and be themselves and not have to worry about an administrator or teacher saying why do you have an afro or you need to cut your hair or, or those type of things? Because when we do those type of things, it makes students feel uncomfortable going to school. I don't think they are more apt to learn because of that, because they're thinking about what this individual said to them and it's offensive. But as students, I don't think at times they really understand what to do and, and how to hold adults accountable when they are discriminated against. It's my hope that the committee votes this out and we can get it to the floor and get this passed this year because I think it's really important not just for my community but all students across the state. Thank you.

MURMAN: OK. Thank you. Any questions for Senator McKinney? Senator Sanders.

SANDERS: Thank you. Thank you for bringing this bill forward. And maybe Conrad can help me with this, last week in Government we had a similar bill and I cannot remember who brought it forward.

CONRAD: Senator Brewer.

SANDERS: Senator Brewer did so maybe, maybe you could have one bill combined with the two, but, but work with him on because I think a lot of the same language was in his bill. Just a thought.

McKINNEY: I haven't looked at it, so I, I would have to go see what's in that bill to understand it and see if that's possible. All right. Thank you.

MURMAN: Any other questions for Senator McKinney? Thank you very much.

McKINNEY: Thank you.

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MURMAN: So that will close the hearing on LB630 and we will open the hearing on LB487. OK, now we'll open the hearing, hearing on LB487. Welcome, Senator Hunt.

HUNT: Thank you, Chairman Murman. Good afternoon to the Education Committee. I'm senator Megan Hunt, M-e-g-a-n H-u-n-t, and I'm here to introduce LB487. I introduce this bill in response to recent and current efforts to chip away at public education by diverting funds away from them to support private institutions and their wealthy benefactors. We can all see that there's a concerted effort happening to attack our public education system from multiple angles with the goal of increasingly privatizing education in Nebraska. We hear words and phrases like "choice" and "parents' rights" and "quality of education for all." And supporters of these bills say that they are motivated by helping underprivileged students and students with special needs. This is a lot of feel good, do good spin on what these proposals really do. LB487, this bill, is in response to a bill introduced by Senator Linehan that would give dollar-for-dollar tax credits to businesses or individuals that donate to scholarship granting organizations that act as a middleman for distribution of donations to go toward tuition for private school students. This bill, LB753, has already been reported to General File by the committee, and it seems like a likely contender for a priority bill. With LB487, I wanted us to have a public hearing on an amendment that I will be introducing to LB53-- no, I already did, an, an amendment that I have on LB753 to get public input on the record about what is at stake under the terms of LB753 as it stands right now. My bill, LB487, would prevent any school that receives public dollars from discriminating on the basis of race, color, religion, national origin, ancestry, citizen status, gender, sexual orientation, gender identity, disability, or special education status. Since private schools are not subject to our statutes and regulations governing public schools, there's really no oversight other than from the respective church official or from that private schools' management. I'm not here to say that children and families shouldn't be able to choose private schools, they can certainly do that regardless of whatever we pass in the Legislature. And I'm also not saying that students don't have positive experiences at private schools. I'm saying that schools that receive public funds should not be able to discriminate, period. LB753 as introduced and amended by the committee requires private schools to comply with the antidiscrimination provisions of 42 U.S.C. 1981. We've talked about

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this many years in the past. I'm familiar with this citation. It's an old federal law that prevents racial discrimination for the purpose of contracting. How it applies here is if a family wants to contract with a private school for the student's attendance, the school cannot refuse the student based on race. But it's a very loose and limited protection. And every year that Senator Linehan has introduced this bill, I and others have pointed that limitation out. And I've attempted an amendment with the content of LB487, this bill before you before. And despite extended debates, despite extended conversations and having it been explained many times why this antidiscrimination provision is important, we have never been able to get it on the bill. When a public school student gets a scholarship to attend a private school, the rights they had in the public school system does not travel with them. The private school may expel them based on their identity, appearance or beliefs without any repercussion, and there's limited recourse for the student and family if that happens. Religious schools can deny admission to students that come from a faith background that's different from the school's religious affiliation. If one of these schools does admit a student of a different faith, the student is required to adhere to the religious tenets followed by that school in some cases. And in fact, this does eliminate choice for parents in places where the only private school available, if any, holds different faith traditions than their student. Our state constitution prohibits discrimination in public education. This protects all students who receive a public education in Nebraska. If an instance of discrimination happens in a public school, students and families and parents and staff of schools can trust and know that they have recourse, that there's accountability for that kind of treatment. If we're going to send public taxpayer dollars to private schools, we should remove the ability of those schools to legally refuse to serve certain students or to legally discriminate against any students. Thank you.

MURMAN: Thank you. Any questions for Senator Hunt at this time?
Senator Linehan.

LINEHAN: Thank you, Chairman Murman. Thank you, Senator Hunt, for being here today. Could you explain to me your definition of public dollars?

HUNT: To me, public dollars are taxpayer dollars. I don't know, I guess, I'm not really prepared for that question, but.

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LINEHAN: Well, it's kind of important.

HUNT: I will be for the floor.

LINEHAN: Yeah, because public dollars, there's been several court cases.

HUNT: Well, I know we disagree about if dollars that would be given to schools through your Opportunity Scholarships Act are public dollars or not. That's the debate that has been had year after year. I believe they're public dollars because they're taken away from the pool of tax money that would be given to private-- to public schools.

LINEHAN: Do you realize there are several court cases, including a Supreme Court case, that says that's not true?

HUNT: We will debate that, you know, when your bill comes to the floor. I disagree.

LINEHAN: We have debated it and I've said it many times.

HUNT: We-- yes, we have debated and we will continue to.

LINEHAN: But the question is, are you aware there are several court cases that say that is not true?

HUNT: Yes, I'm aware of the ones you're talking about. Yes.

LINEHAN: OK. Are you aware that public schools can refuse to accept students with disability in option funding? If I opt-- if I'm a parent and I want to go-- I'm in Elkhorn, let's say I want to go to Millard, but my child has an IEP, then Millard can say they're full and they don't have to take the child.

HUNT: Well, neither do private schools. And so that doesn't solve this problem. What would solve the problem is adequate funding for public schools.

LINEHAN: So are you saying that any, any public school that refuses to take a child with an IEP should not get state funding?

HUNT: I think that every public school should take children with IEP if that's the school that they're going to. Yeah.

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LINEHAN: But that is not, you realize that's not what's going on now.

HUNT: What this bill does is say that any school that gets public funding cannot discriminate so then that would also apply to public schools.

LINEHAN: OK. Thank you very much.

MURMAN: Any other questions for Senator Hunt? Senator Wayne.

WAYNE: What happens if they do, what happens if they do discriminate?

HUNT: Like, what's the penalty?

WAYNE: Yes.

HUNT: So I didn't prescribe the penalties for this bill because the intention is to hold a hearing to amend this onto Senator Linehan's bill. So if we look at the context of what this amendment, what this would look like amended onto her bill within the framework of that bill, in the committee's amended version of that bill, AM338, Section 4, subsection (2), page 4, line 27 provides that the private school certification as a qualified school for the scholarship program is subject to revocation by the Department of Revenue if they don't follow the requirements of the act. So I think that's a fair punishment. I think that's a fair penalty that's in Senator Linehan's bill now. It could also apply to those qualified schools that would be receiving public dollars. If somebody is experiencing discrimination, if a school is discriminating, it could lose its qualification status and then no longer be eligible to receive public funds.

WAYNE: Thank you.

HUNT: Thank you.

MURMAN: Any other questions for Senator Hunt? Senator Conrad.

CONRAD: Thank you, Chair Murman. Thank you, Senator Hunt. Appreciate you bringing the, the measure forward and providing the committee with the context about your continued strategy related to the forthcoming policy debate. But, you know, really two things I was thinking about as I was rereading the bill in advance of the hearing was, one, it's kind of fortuitous, perhaps, it's kind of the same day that Senator

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McDonnell's measure regarding the tax cuts loan program. And I'm wondering if, for example, that's another-- that perhaps might be another utilization of public resources which may broaden nondiscrimination provisions in, in our law. I don't, I don't know. I'm just kind of brainstorming, thinking about that. But the last-- the other two things I wanted to mentioned was, I think, you know, I see parallels here with other policy discussions that the Legislature's entertained in recent years. I think maybe it was Senator Vargas or I don't remember who exactly brought it a couple of years ago, but they said like, hey, if you're going to get LB775 or tax incentive funds, you need to have a nondiscrimination policy. If you're going to have public resources, you need to hit the minimum standards kinds of thing. So I'm guessing perhaps that was your impetus or "unimpetus" in bringing the legislation forward or maybe not.

HUNT: My whole deal in everything is that we cannot give public resources to any entity that is discriminating against anybody because we all pay into these funds. We all give our money to these funds that are supposed to serve everybody, these services, these departments, these agencies, whatever. And, you know, we all use the roads, we all use this and that. We all benefit from public education, even if we ourselves don't send our children there. We, we all have a vested interest in the general public being educated, obviously. And so when we are using taxpayer resources and we've decided it's part of the social contract that we're all included in our culture and society, that we're going to fund these things, it should not go to an organization that can say no gay teachers, no gay parents, no trans kids, because that's all of our tax dollars and they aren't serving all the people.

CONRAD: OK. Thank you.

MURMAN: Any other questions for Senator Hunt? If not, thank you very much.

HUNT: Thank you.

MURMAN: We'll take proponents for LB487.

JOSEPHINE LITWINOWICZ: I'm back. Can, can we start the light? My name is Josephine Litwinowicz, J-o-s-e-p-h-i-n-e L-i-t-w-i-n-o-w-i-c-z. And

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I'm, I'm a proponent of this bill because I believe discrimination just like, you know, how, how you wear your hair. I mean, it's, it's irrelevant. And I believe that the \$1,500 per student is, you know, that's, that's the, that's the first step into creating all kinds of parochial, charter, whatever schools all across the state. And so, I mean, I don't-- I can't see any other logical conclusion. And so, you know, it, it doesn't matter anyway, because, you know, I exist. This is not a costume, you know, although I'm wearing some of the same clothes, you know. So I, I don't understand, it's another incidence of the bigger clubs just picking on the smaller clubs. You know, it's, it's what it's reduced to and I don't think Jesus would approve of it. You didn't speak anything about gender orientation or sexuality. And I think that's important because I don't think he would pick on the smaller clubs. And so-- and it's the other, it's just the other. And so, you know, it's kind of I don't get it because I couldn't have gone-- I couldn't of-- I didn't know who I was, really. I mean, I, I, I, didn't hang out with anybody, just the kids on the block that I grew up with. And so, you know, it would have been nicer if, if, you know, first of all, if I would have known and then if I could have been there, although I probably would of-- that probably wouldn't be a good place to be in New Orleans. But I don't know would have-- that would have been worse probably in some ways and not in others, but I'm getting off the point. I mean, not really, but-- and so-- and, and to me, I can't imagine in, in this context that public dollars-- they're, they're public dollars that are being-- I mean, taxpayer money, end of story. And I, I don't get-- I don't care what court cases, look at our Supreme Court. So they're coming after us next. And so, you know, that's all it is. And so that's what Jesus would do. I'm certain of that. And I like WWJD, so that's all. And let's see, there's one other thing, but I'm not good at this and a red light will probably cut me off. I, I, I don't, I don't get it, it shouldn't-- that kind of discrimination shouldn't exist in any school because we exist and we're not going to learn about this anyway because apparently we're not going to teach it. And so it's just, you know, just kills kids. All right.

MURMAN: Thank you. Any questions? OK. Thank you for testifying. OK, other proponents for LB487?

ABBI SWATSWORTH: Thank you, Chair Murman and members of the Education Committee. My name is Abbi Swatsworth, A-b-b-i S-w-a-t-s-w-o-r-t-h. I'm the executive director of OutNebraska, the statewide nonpartisan,

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nonprofit working to celebrate and empower LGBTQ Nebraskans. We speak today in support of LB487. Most of us believe that all children should have the freedom to pursue their dreams. Schools receiving public funding should treat all students equally. When students are fully supported, they perform better in school, higher graduation rates, less truancy, more engagement with their peers. This bill is beautiful in its simplicity, it is clearly and concisely written. If a school accepts public funding, it should accept every student that would be served by those public funds. No discrimination should be allowed on the basis of race, color, religion, national origin, ancestry, citizen status, gender, sexual orientation, gender identity, disability, or special education status, period. If we value all children, we should honor all children with this legislation. OutNebraska encourages you to advance LB487 and we invite you to consider it as a committee priority. Thank you.

MURMAN: Thank you. Any questions for Abbi Swatsworth? Senator Linehan.

LINEHAN: Thank you, Chairman Murman. Can you define public funding?

ABBI SWATSWORTH: I would believe public funding would be money from individual people paid through taxes or taxed into the tax system and so I think this would apply to public schools. And I would think that if there are resources used by nonpublic schools that come through public funding, that they should also abide by this law.

LINEHAN: OK, go back-- maybe I didn't understand you because I think that you're saying two contrary things. What is public funding?

ABBI SWATSWORTH: I would consider public funding money paid through the tax system.

LINEHAN: So if it's not paid in taxes and it's not collected by the Department of Revenue then it's not public funding. Right?

ABBI SWATSWORTH: I'm not an economist, so I'll give my best answer that I gave.

LINEHAN: Thank you very much.

ABBI SWATSWORTH: You're welcome. I would--

MURMAN: Any other questions?

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ABBI SWATSWORTH: Yeah.

MURMAN: Senator Wayne.

WAYNE: Back to-- what would be an adequate punishment? I mean, here's what I'm asking.

ABBI SWATSWORTH: Um-hum.

WAYNE: You apply at the public schools, I can't remember if NDE used the word discrimination-- I'm scratching my-- any time I go like this [INAUDIBLE]--

ABBI SWATSWORTH: He's thinking.

WAYNE: --but I can't remember if NDE said that OPS discriminated against African American students who were special ed and we had to set aside \$1.5 million in 2014 to reduce that disparity. I can't remember if the word discriminate was in there, but if it was, I mean, is it fair for OPS to lose all their-- half of their funding? What is an adequate punishment?

ABBI SWATSWORTH: I think the courts can decide perhaps what adequate punishment would be. The ability to have recourse if discrimination is occurring. You know, as Senator Hunt had said, there's often not recourse in nonpublic schools for students who are discriminated against. And if those schools are using textbooks through public funding or special education through public funding, I think they should also have to abide by this.

WAYNE: I agree-- sorry for the transcribers. I, I agree. I just-- I don't like passing bills without a clear--

ABBI SWATSWORTH: Yeah.

WAYNE: --if you break it, you know,--

ABBI SWATSWORTH: This is what happens.

WAYNE: --this is what happens. I'm just-- I'm supportive of the bill. I'm trying to figure out how to do it, but.

ABBI SWATSWORTH: Yeah.

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WAYNE: OK. Thank you.

ABBI SWATSWORTH: Yeah, I appreciate that.

MURMAN: Any other questions for Abbi Swatsworth? OK, thank you very much.

ABBI SWATSWORTH: Thank you.

MURMAN: Other proponents of LB487?

ISAU METES: Oh.

MURMAN: Hello.

ISAU METES: Hi.

MURMAN: Go ahead.

ISAU METES: OK. Thank you, Chairman Murman, members of the Education Committee. My name is Isau Metes, I-s-a-u M-e-t-e-s. I'm here today to speak in support of LB487 on behalf of the Nebraska State Education Association. The NSEA supports LB487 because it will not allow any school in Nebraska to receive public funds if they discriminate. They cannot discriminate based on prohibit-- on, on the prohibited categories on who may attend their school, cannot discriminate on the education a student receives, and cannot discriminate on how a student is treated. At NSEA, our vision is great public education for every student. We value equal access to a quality education that is adequately and equitably, equitably funded. We value diversity as a vital-- as being vital to the education process and integral in preparing students to function as productive, responsible citizens in society. All students across the state have the right to an education, and each student should be able to choose which school is the right fit for them and their families regardless of their race, color, religion, national origin, ancestry, citizen status, gender, sexual orientation, gender identity, disability, or special education status. It should not be the other way around. Schools receiving public dollars should not choose which students get to be educated in their buildings and which students do not.

MURMAN: Thank you. Any questions for Isau Metes?

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ISAU METES: Isau. Thanks, Senator.

MURMAN: Yes, Senator Briese.

BRIESE: Thank you, Chairman Murman. Thank you for your testimony here today. Does the NSEA have a position on the Textbook Loan Program?

ISAU METES: I believe we are in support of it.

BRIESE: You're in support of it?

ISAU METES: Yes, we are.

BRIESE: OK. It seems like those are public funds directed to private schools. But anyway, how about tax deductions for charitable contributions to religious organizations? Should we not have those or do you have a position on that?

ISAU METES: We, we are just here about public education. So to go back to the public, to the loans, the textbook loans, we would-- that is a program that hasn't worked for, for a long, long time. And that's streaming, and that's streaming the process down, that's why we're supportive of it. And also, we wouldn't, we wouldn't be supportive of schools-- private schools getting books that would discriminate. So we're not against private schools--

BRIESE: OK.

ISAU METES: --necessarily, that's not, that's not the issue.

BRIESE: OK.

ISAU METES: Yeah.

BRIESE: The point is, there's a lot of ways that we direct public funds towards private schools, private religious entities and this is just one of the many potential ways we will do that. Thank you.

ISAU METES: Yeah. Thank you.

MURMAN: Any other questions? Senator Wayne.

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WAYNE: Same question. I'm just trying to figure out penalty, probably because I'm, I'm tired from Judiciary so I'm hoping somebody else can give me, give me an answer on--

_____ : Remedy.

WAYNE: Yeah, remedy.

ISAU METES: You know, I think, I think NDE does have an outline for accreditation. You know, I mean, maybe not, not funding, but maybe looking at accreditation and following that procedure.

WAYNE: Thank you.

MURMAN: Any other questions? OK, thank you very much.

ISAU METES: Thank you. Thank you, members.

RACHEL GIBSON: Good afternoon, everyone. My name is Rachel Gibson, R-a-c-h-e-l G-i-b-s-o-n. And I know that you often see me with League of Women Voters, and it is our lobby day, which is why we're here-- or our legislative day, but I'm actually testifying as myself on this as just a citizen of Nebraska and a mom. And I know there's-- it's from that perspective that I, I want to raise the question outside of whether we're using public funds or private funds or what we define as different things. The question I keep coming back to is, is it OK to discriminate? And, and I think that I know this is part of a bigger conversation, but no matter whose money it is, is it acceptable to discriminate? And I, I think that that's something that as this gets discussed, I, I hope stays in front of people's minds. And I think of my own kids and if someone said they couldn't go somewhere where I know that they would be successful, so. Happy to answer any questions. Not League, mom hat.

MURMAN: Any questions for Rachel Gibson? OK, thanks for testifying.

RACHEL GIBSON: Thanks. Bye.

MURMAN: Any other proponents for LB487?

SARAH SMOLEN: Good afternoon, just going to pull up my notes real quick. My name is Sarah Smolen, S-a-r-a-h S-m-o-l-e-n. I'm a resident of Legislative District 5 and I'm here in support of LB487. We know

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that some private institutions do discriminate, whether directly or indirectly, through denial of admission or arbitrary expulsion on the basis of race, color, religion, national origin, ancestry, citizen status, gender, sexual orientation, gender identity, disability, or special education status. I am grateful to Senator Hunt for her foresight to ensure those schools cannot discriminate against deserving Nebraskan students in the event private schools begin receiving public funds in one way or another. During my time as a private school educator, I was privileged to the internal conversations regarding student admissions and expulsions. Though discrimination against a student for one of the elements of their identity that we've listed was never explicitly stated, it was clear to everyone in the room what was taking place. Part of the insidious nature of these kinds of discrimination lies in ambiguity, the unstated but implied, to protect those who are denying students an education or the educational services that they deserve. In order to make Nebraska a place for everyone, I would encourage you to advance LB487.

MURMAN: Thank you. Any questions for Sarah Smolen? Thank you very much. Other testifiers in support of LB487? Good afternoon.

CINDY MAXWELL-OSTDIEK: Hi. Good afternoon, Chairperson Murman and members of the Education Committee. My name is Cindy Maxwell-Ostdiek. That's C-i-n-d-y M-a-x-w-e-l-l-O-s-t-d-i-e-k, and I'd like to apologize for interrupting the Education Committee hearing last evening. I do thank you for holding this hearing open today for everyone who came to testify. I'm a mother, a small business owner and a volunteer and a cofounder of the Nebraska Legislative Study Group. We strongly support LB487, which would prohibit any school in Nebraska which receives public funds from discriminating on the basis of race, color, religion, national origin, ancestry, citizen status, gender, sexual orientation, gender identity, disability, or special education status. I was reading the Nebraska Examiner this morning. They had an article about our state's brain drain. And this is a serious issue facing our state and our economy and our progress. And I want to bring perspective as a previous executive recruiter. I found Nebraska schools, both public and private, to be a strong draw for talented people wanting to come to Nebraska, put down roots, grow their family. But for Nebraska to attract and retain growing companies and talented employees, we must realize that we compete with other states. We compete with other states who do protect their schoolchildren from

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these types of discrimination. For example, entrepreneurs, employees, spouses, or their children may identify within any of those listed categories, and they will not consider our state if they feel their family is not protected from that discrimination. Nebraska's children deserve an excellent education, whether they attend public or private schools. And if any school receives public funds, including via favorable tax credits or other programs, it's in our state's best interest to ensure against discrimination. If a school chooses to reject those protections, they can choose to forfeit our state's public funds. Please vote yes on LB487 and move Nebraska forward to a thriving future for all of our children.

MURMAN: Thank you.

CINDY MAXWELL-OSTDIEK: Thank you.

MURMAN: Any questions for Cindy? I have one.

CINDY MAXWELL-OSTDIEK: Yes, sir.

MURMAN: If someone-- a family came to our state and they thought that our private schools were discriminatory, do you think they'd send their kids to our private schools? Wouldn't they go to the public schools instead?

CINDY MAXWELL-OSTDIEK: Yes, but I know that a lot of companies do pay attention to the policies in the state because there would be employees who would disagree with their, their tax dollars going to those private schools. So I think a lot of people, if our tax dollars wouldn't be going to those private schools, they wouldn't have a concern about it.

MURMAN: Thank you. Any other questions?

CINDY MAXWELL-OSTDIEK: Thank you.

MURMAN: Thank you very much. Any other proponents for LB487? Good afternoon.

JANE SEU: Good afternoon, Chair Murman, members of the Education Committee. My name is Jane Seu, J-a-n-e S-e-u. I'm testifying on behalf of the ACLU of Nebraska in support of LB487. Thank Senator Hunt for introducing this legislation. Our schools have a duty to ensure

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all students can access an education and learning environment where they are free from discrimination and harassment. Our state constitution prohibits discrimination in our public schools, but LB487 provides important, explicit protections for all students in our public-- in our schools receiving public funds. These protections are important because existing policies do not necessarily cover these groups or they're not uniform across our state, which results in equity and education gaps. When schools fail to maintain an environment where all students can learn without fear of discrimination, students face poor outcomes such as poor mental health. They're less likely to graduate or less likely to enroll in higher education. Many of our Nebraska school districts already have nondiscrimination policies. This legis-- this legislation will ensure that all of our public fund-- publicly funded schools in the state are held to the same standard to protect the students and promote equity and access to public education. So we urge the committee to advance this bill and happy to answer any questions.

MURMAN: Thank you. Any questions for Jane Seu? Yes, Senator Linehan.

LINEHAN: Thank you, Chairman Murman. Thank you. Are you an attorney?

JANE SEU: Yes.

LINEHAN: So are you familiar with Arizona Christian School Tuition Organization v. Winn that was decided by the U.S. Supreme Court in 2011?

JANE SEU: No.

LINEHAN: Are you familiar with Gaddy v. Georgia Department of Revenue, Georgia's Supreme Court in 2017?

JANE SEU: No.

LINEHAN: Are you familiar with McCall v. Scott, which is Florida First District Court of Appeals decision in 2016?

JANE SEU: No.

LINEHAN: Are you familiar with Duncan v. the State of New Hampshire Supreme Court decision-- new Hampshire Supreme Court in 2014?

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JANE SEU: No.

LINEHAN: Are you familiar with Quarterman [SIC] v. Gillian [SIC], Arizona Supreme Court in 1999?

JANE SEU: No.

LINEHAN: Are you familiar with any court cases regarding the decision of tax credits and whether or not they're public dollars or not public dollars?

JANE SEU: I'm sorry? Tax--

LINEHAN: Are you familiar with any court cases?

JANE SEU: Yeah. Yes.

LINEHAN: OK, but not about tax credits or public dollars?

JANE SEU: I know there are court cases. I'm not sure I understand about tax. I'm sorry.

LINEHAN: Well, you're here testifying--

JANE SEU: Yeah. Yes.

LINEHAN: --about public money.

JANE SEU: Right.

LINEHAN: So what's your definition of public money?

JANE SEU: Public money-- I mean, I'm assuming the court cases you just listed off speak to that.

LINEHAN: They do.

JANE SEU: OK. Sure. So courts have defined public dollars, public funds in different ways. And certainly I'm sure they'll examine, you know, the, the language in our bill as well or this legislation.

LINEHAN: But you don't-- you, you can't explain it? You don't know the court cases dealing with it, any of them, there's like dozens?

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JANE SEU: Oh, no.

LINEHAN: OK. Thank you very much for being here.

MURMAN: Any other questions? Senator Conrad.

CONRAD: Thanks, Chair Murman. Jane, just a quick question. What's your primary area of practice? I know everybody is flying around trying to cover a lot of different hearings during this session, but what are the areas that you focus on in your legal work?

JANE SEU: Sure. I'm a civil rights attorney. So antidiscrimination, students' rights.

CONRAD: OK.

JANE SEU: Yeah.

CONRAD: Are you familiar as a lawyer with something called, like, a canon of construction or-- and kind of a framework for statutory interpretation?

JANE SEU: Yes.

CONRAD: Yeah. Are you generally familiar with the canon of construction about customary usage being that, you know, a term is provided its ordinary meaning unless it's otherwise defined?

JANE SEU: Yes. And I think that's been all the way up to our national Supreme Court.

CONRAD: Yeah. And there's nothing that prohibits a legislature and, in fact, the courts welcome it when a body decides to provide additional definitions for something like public funds. There-- it's really an unlimited power to say an X is Y for a purpose of Z. So if Senator Hunt or others wanted to amend this to say, you know, public funds means this for these purposes, then that would be permissible under the law. Is that your general understanding?

JANE SEU: Generally, yes.

CONRAD: Yeah. OK. I appreciate that. Thanks.

JANE SEU: Thank you.

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MURMAN: Any other questions for Jane Seu? Yes, Senator--

WAYNE: So-- now I just--

MURMAN: --Senator Wayne.

WAYNE: Got the right bill? No, I got McKinney's bill. All right. It's the kind of day I'm having. So when it says prohibit any school from discriminating-- and I'm reading this bill and it's pretty simple, that would also apply to their workers based on this definition. Right? So there's a EEOC complaint filed. They could if there's a remedy, they would lose dollars, too, including public funds-- I mean, including, including public schools.

JANE SEU: If the remedy is to lose it all. I mean, sure, there might be an action there. But sure, for, for the workers. Is that-- or can you repeat the question?

WAYNE: No, I'm just-- my, my brain is thinking now--

JANE SEU: OK.

WAYNE: --about how many people use OPS's facilities, how many people get turned down. OK. Never mind. I don't have any more questions, that just got caused me a headache.

MURMAN: Any other questions for Jane Seu? Thank you very much for testifying.

JANE SEU: Thank you.

MURMAN: Good afternoon.

DUNIXI GUERECA: Good afternoon, Chair. Good to see you again. Thank you, Chair Murman, members of the Education Committee. My name is Dunixi Guereca, D-u-n-i-x-i G-u-e-r-e-c-a. I'm the executive director of Stand For Schools, a nonprofit dedicated to advancing public education in Nebraska. Stand For Schools is here to support LB487. The Nebraska Constitution tells us that, quote, The Legislature shall provide for the free instructions in the common schools of this state for all persons between the age of 5 and 21. LB487 extends the protections afforded by the Nebraska Constitution for, quote, common schools to, quote, any schools receiving public funds. As this

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Legislature considers proposals to change how we will fulfill our obligations of educating Nebraska's children, LB487 is a commonsense solution to ensure that public dollars continue to be used in the educational setting that are open to all. For those reasons, we support LB487. I'm happy to take any questions.

MURMAN: OK. Any questions? Yes, Senator Wayne.

WAYNE: Same question. What's the remedy.

DUNIXI GUERECA: Senator, that's a, that's a good question. And I will leave that up to the collective wisdom of this committee and the entire body of Legislature to find an appropriate remedy. And I'm not meaning that to be-- but, you know, I think that's-- you bring up a good point and that's something that you all should discuss and debate.

WAYNE: Well, historically, public schools have kind of discriminated against African Americans or I can probably get current data on it, suspension rates, expulsion rates, and there'll be a, a disparity there which would be a de facto some type of, of, some type of discrimination. I mean, we say we stand for public schools, but they would-- I think if we were to put this head to head, they might come out on the short end of the stick here.

DUNIXI GUERECA: You know, as a, as a first-generation Mexican American that had some issues with myself and a lot of my cousins being sort of discriminated based on our English Language Learners tests when we enrolled in schools, like, I completely agree. There was a lot of discriminations. And certainly, if anything, you know, we need to continue to work to get to a point where no child anywhere in the state is discriminated against.

WAYNE: I'm not disagreeing. I'm trying to come to some type of agreement that-- I would support an amendment. I would support head to head. But I think if that happens, I think you'll see public schools say they don't want it.

DUNIXI GUERECA: I, I--

WAYNE: I mean, OPS gets half of their funding from the state. Right? And if you define it says public dollars, it also means taxpayer

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dollars. So arguably, a school could have no funding because your local property tax dollars are public dollars.

DUNIXI GUERECA: And I hope all schools strive to get to a point where discrimination doesn't exist.

WAYNE: It's a good answer, but we're not, we're not dealing with the issue that I'm trying to figure out how to get it, because I want to support this and I'd even attach it to, to Linehan's bill. I'm just trying to figure out how you get there.

DUNIXI GUERECA: Certainly, would love to continue that conversation, Senator, and see-- get our heads together and see what we can come up with.

WAYNE: All right, sounds like a plan over coffee.

DUNIXI GUERECA: Yes, sir.

MURMAN: Any other questions? Senator Linehan.

LINEHAN: Are you aware of option funding and how it works in Nebraska if you want to go to a different public school?

DUNIXI GUERECA: Yes, Senator.

LINEHAN: Are you aware that the questionnaire, the first question is does this child have an IEP?

DUNIXI GUERECA: Yes, Senator.

LINEHAN: And you are aware that many schools say that they're too full and they can't take students with an IEP?

DUNIXI GUERECA: Yes, Senator.

LINEHAN: Is that discrimination?

DUNIXI GUERECA: No, Senator, we actually testified in support of LB414 which talked about a capacity for special education based-- and they had to give an explanation as to why they're turning down a special education student. I don't think in the spirit of this bill that counts as discrimination. This is more, you know, I think they need to

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give an explanation. And I agree, they should be giving an explanation as to why they aren't allowing that capacity.

LINEHAN: So it's OK for any public school to turn down a kid with an IEP with no explanation. Currently, that's what we're doing and that's OK. You're saying that's OK?

DUNIXI GUERECA: Senator, I don't think-- I think the law as written is not to discriminate, but to instead deal-- look at it through a capacity lens. Correct? So what LB414 says is to go further and explain why that capacity was met.

LINEHAN: Well, isn't that kind of-- can't almost anybody use a capacity argument then?

DUNIXI GUERECA: I mean, Senator, that would be breaking the law and I don't think our school districts are breaking the law. I think they need to go a step further and explain why.

LINEHAN: No, because we allowed them to discriminate.

DUNIXI GUERECA: Senator, the, the--

LINEHAN: They're not breaking the law.

DUNIXI GUERECA: --the law as written is, is a capacity issue. Right? They, they--

LINEHAN: OK.

DUNIXI GUERECA: --need to-- needs to be [INAUDIBLE].

LINEHAN: But you agree that they turn many, many students down?

DUNIXI GUERECA: I think there are capacity issues that school districts have to assess on a case-by-case basis. Yes.

LINEHAN: Thank you.

MURMAN: Any other questions? Senator Wayne.

WAYNE: I'm just-- my last comment for today. So I was on thing called the learning community in the beginning--

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DUNIXI GUERECA: Yes, sir.

WAYNE: --2008, 2010, our critical vote, which destroyed the learning community in my opinion, was when we decided to let school districts determine their capacity. And after that vote, immediately everybody but Omaha Public Schools and somewhat Westside were at capacity. The day after that vote. And we had the exact numbers and we knew they weren't at capacity, but everybody hated the learning community so we decided to let school districts decide that to alleviate pressure from Lincoln, which didn't matter anyway. So I just have a-- resources cannot be an excuse to discriminate and that's what I'm hearing right now, that just because a district doesn't have-- or a school doesn't have resources, I can deny a kid and maybe that's OK by law, but I don't think that's the spirit of what Senator Hunt's trying to do. We can't say because you don't have resources, you can't accept a kid. If that's where we're going, then that's where we're at, which is a problem. Would you agree with that, that it's a problem and that, and that resources alone could not be a reason why you discriminate?

DUNIXI GUERECA: Well, Senator, I would love to, again, work out a model to-- a funding model that ensures that all students are, are able to get an education.

WAYNE: No, that's not what I'm asking, I'm asking as you here Stand for Schools--

DUNIXI GUERECA: Yes, sir.

WAYNE: --are you saying that it's OK because a school doesn't have resources to turn down a kid and that's the excuse that your organization's taking?

DUNIXI GUERECA: No, sir. I'm saying that's as-- well, my understanding is that as written, that is the, that is the what-- the reality of the schools. Correct?

WAYNE: That is the reality. I'm asking you what your, your organization's position is on it.

DUNIXI GUERECA: I will get back to you on that, Senator.

WAYNE: All right. Thank you.

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MURMAN: Any other questions? OK, thanks a lot for testifying.

DUNIXI GUERECIA: Thank you, sir.

MURMAN: Any other proponents for LB487?

***LACY SMITH:** As a mother of a student with a disability and a disabled person myself this is important legislation to protect students.

***TANYA ENCALADA CRUZ:** This should already be the law.

MURMAN: Any opponents for LB487?

EDWIN FOSTER: Good afternoon.

MURMAN: Good afternoon.

EDWIN FOSTER: My name is Edwin Foster, E-d-w-i-n F-o-s-t-e-r, just like the child. And, yes, I am a foster child. My parents were both fosters. I totally am against this thing. And I want to tell you why. And, sir, you got to stop pulling on your hair, you're going to lose it soon enough. [LAUGHTER] OK, well, as my phone says, it says add gender identity and sexual orientation as protected class designations for schools. I want to tell you right now, our schools are so filled with indoctrination as it is the kids cannot get a good education. You ask someone out of high school to count your change back. Huh? They don't know. This here-- and answer to your question, Senator Wayne, how can we take care of it? Let's get morality back. If it wasn't for morality, we wouldn't have these problems. It's not capitalism. And that's what you all are trying to boil it down to. Let me quote something to you: In the beginning, God, Elohim, masculine Father, son, Holy Spirit. The first five days during creation, he looked at what he has created through Christ Jesus and said, this is good. On the sixth day, he said, let us create man in our image. Image is spirit. That's not saying, man, you can say God is a female or, sir, you can say God is a male, image is spirit. So he created them, man and woman. Two things. If you are a man, you have a penis. If you're a woman, you have a vagina. And where all these alphabet people are coming from is a depraved mind. You want to talk about history, sir? Look back at Sodom and Gomorrah, Nineveh, why did God rain fire down? Sexual deprivation. I believe I got the right word there. Gays, lesbians, and as you can tell, I'm a man, right? Oh, I like you, you're going to the bathroom, I think I'm going to be a woman right

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now. I just feel like that. How sick are you people? Can't you see what's before your eyes? Immorality in the schools.

MURMAN: Thank you. You have the red light. Sorry about that. Any questions for Mr. Foster?

EDWIN FOSTER: Please? Didn't think so.

MURMAN: Thank you very much for testifying. Any other, any other opponents? Any other opponents for LB487? Good afternoon.

STEVE DAVIES: Thank you, Senator Murman and senators on the committee. My name is Steve Davies, S-t-e-v-e D-a-v-i-e-s, and I am testifying in opposition to LB487. I do not advocate or condone discrimination for what God has given each one of us individuals. But this bill has some problems and the first one are the nebulous traits or ideas or groups. They're not easily discernible and an inadvertent violation could easily occur. Second reason is that with all of the things that a teacher, even a school board administrator has, has to think about, it creates a malaise. It's difficult to be spontaneous or come up with ideas or decisions without fear of violating such a long list of potential violations. And I also had public funding private schools on the list but earlier discussion cleared up my thoughts on that. But on a more fundamental level, we are creating all these groups, all these protected classes and as America grew up, we were a melting pot. Not perfect, but people of different colors, beliefs and ideas came and we accepted them into this big pot. And now we're fracturing that, we're creating group ideas-- IDs and special classes. And it is doing away with amalgam of individuals that we call Americans. Thank you.

MURMAN: Thank you very much. Any questions for Steve Davies? If not, appreciate the testimony.

STEVE DAVIES: Thank you.

MURMAN: Any other opponents for LB487? Any opponents for LB487? Good afternoon.

BILL FORBES: Good afternoon. My name is Bill, B-i-l-l, Forbes, F-o-r-b-e-s, and I'm from a little town in western Nebraska called Paxton. And I'm coming before you because I think it's just simply too early for us to codify a bill like this into law. And one of the main reasons I am against it right now, I know that we are all here and we

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simply agree on the concept that we want to protect children and the educational system helps to develop our children's hearts and our minds by the thoughts and the actions that those educational systems put into them. Therefore, I think it's extremely important that we ask our legislators to be extremely careful on how we walk when we start to lay laws down for the educational system to follow. The Nebraska Constitution already prohibits discrimination against race, any race, sex, color, ethnicity or national origin in public education. Many of these classes mentioned in the Nebraska Constitution are really already covered, that are mentioned in this bill are really already covered in the Nebraska Constitution so much of this becomes redundant. The two classes that are new that are not mentioned in the constitution are sexual orientation and gender identity. And this bill has been introduced, I think, by, by someone that hasn't completely thought about the long-term consequences of what is being proposed here. And so we've got to ask ourselves, well, what are the long-term consequences? And the long-term consequences are we don't know. Why don't we know? Because it's only been in a very short last period that the educational bureaucracy in our state or even in our nation has began to work at sexualizing our children. And so this is such a new phenomenon that there could not be any long-term studies on the consequences of sexualizing our children towards sexual orientation and gender identity. I'd plead with the legislators to rein in this extreme abuse of our educational bureaucracy that has become a partisan, political entity and has weaponized itself against parents who should be the owners of their children instead of this top-heavy, overweight, self-indulgent--

MURMAN: Thank, thank you. Sorry--

BILL FORBES: --and distant--

MURMAN: --sorry, you have the red light.

BILL FORBES: --distant taskmaster. And I know that's--

MURMAN: Sorry, if we have any more questions you can continue. Anyone have any questions?

BILL FORBES: Do you have any more questions? Have I offended somebody, Senator?

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MURMAN: I'll, I'll have a question and let you continue for--

BILL FORBES: What's, what's that?

MURMAN: --finish your thought. Go ahead and finish your thought.

BILL FORBES: OK. Didn't mean to offend anybody, I just say--

MURMAN: No, we--

BILL FORBES: --what I think.

MURMAN: --we just have a system of three, three minutes.

BILL FORBES: OK.

MURMAN: So limit.

BILL FORBES: I got--

MURMAN: Continue quickly.

BILL FORBES: OK. Ladies and gentlemen, our children are already confused enough by what the education system has foisted upon them. This is literally woke education gone amok to create more confusion in our children. This is a bill [RECORDER MALFUNCTION] continue this woke social experiment on our most important and vulnerable citizens, our children. We need to protect children from abuse, not encourage it. This bill is another incremental step taken to be able to attach more woke legislation to manipulate children's thinking in the future.

MURMAN: Thank you.

BILL FORBES: Any questions?

MURMAN: Any more questions? Thanks for your testimony.

BILL FORBES: All right.

MURMAN: Any other opponents for LB487? Anyone want to testify in a neutral position on LB487? If not, Senator Hunt, you're welcome to close.

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HUNT: Thank you, Senator Murman. Thank you, colleagues. I don't really have a close prepared. I-- you know, I can respond to some, some conversation, some discussions that were had here that I take very seriously, which is that obviously, of course, public schools should not be discriminating either. Obviously, of course, we know that our public schools have a history of discrimination in our country and in our state. At the same time, I think that there is a difference between discrimination as a moral position, which is what a religious school would do under Senator Linehan's bill. They would say, we are taking these dollars, but we will not allow certain children or staff or parents potentially to be involved in the-- you know, taking the benefits of our school that they have paid into. There's a difference between saying on a moral basis, we're going to cut out an entire class of people and saying we don't have the resources or the capacity to provide a service that, that we need to provide. And this has been an issue taken up by legislatures forever, by this committee forever is how do we make sure that all the kids in our public schools receive the services that they're entitled to? And it's a lot harder to do that when we're cutting back the funding for these schools that are meant to serve every child. So please don't construe anything I'm doing as, you know, I think this type of discrimination is OK and now you've got me and it's a gotcha thing of, you know, oh, but actually they've got the disabilities. The kids with disabilities are getting discriminated against and you didn't say that. And it's, like, obviously we're all against that. But there's a difference between a problem with capacity and hate in your heart that you're putting on these kids, which is what a lot of these schools are doing. I, I have to say opposition like this, I hope that someday, you know, history looks at the conversations that we've had around these issues in the past and they say, you know-- it's just one of those things that we know that we're on the right side of. And there just isn't the will to do anything about this in the Legislature right now, as that one testifier harassed my staff member. Senator Murman, you were smiling at what he was saying. Like, it's just a gross experience in here with you guys and I feel very disrespected by most of you. So with that, I'll close, but I'm happy to answer any questions.

MURMAN: I have to disagree with you. I wasn't smiling at what he was saying. I don't even know what he was saying and, and I wasn't smiling.

HUNT: Maybe you were daydreaming about something.

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MURMAN: Probably.

HUNT: OK. Thank you.

MURMAN: And sorry I forgot to mention we had-- in letters, we had 25 proponents, 101 opponents, zero neutral. Any questions for Senator Hunt? Senator Conrad.

CONRAD: Thanks, Chairman Murman. Thanks, Senator Hunt. And I know you've got to get back to committee as well. We've got another measure before everybody maybe hopefully make their Valentine's plans here today. But the committee room has been especially chilly the last couple of days, I think, to prepare for a lot of people coming in. But you definitely brought some, some heat and some fire and some spice that I was not expecting when I looked at the agenda here today. So, you know, I really was thinking about two tracks on this. I mean, these have been long-ranging discussions about tax credit bills or voucher bills. And I know Senator Linehan has been super passionate and super clear about foreign policy objectives in that regard. I know that the nondiscrimination piece has always been a part of that debate throughout-- that, that I've watched in Nebraska and beyond. And I think you were, were clear about why you were bringing the bill because procedurally, it had been an issue when you've attempted to raise it in the past, that it hadn't had a hearing. And so I thought, you know, maybe it seems like we just got a little bit off track with the procedural piece there. The other thing that I was just thinking about that maybe is missing from the record is, you know, this measure and any measure we bring, it's not brought in a vacuum, right? There's a very complex existing system regarding nondiscrimination in public entities, whether it's schools or employment or what have you--

HUNT: Medicine, yeah.

CONRAD: --that has a whole host of remedies and a whole host of court cases after it and all those kinds of things, right? So trying to figure out, you know, how this piece kind of fits within that existing legal framework to advance what is exactly our shared goal is nondiscrimination, right? And just kind of figuring out the best way to do that for different entities, perhaps for different purposes. So anyway, I just, I just wanted to make sure to maybe put a bow on it or connect the dots on, on some of that here today because I think it perhaps got a little off track from, from maybe what I was

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anticipating, but maybe not, maybe that's part of the process and part of the chaos.

HUNT: I'll say it went about as I expected, so.

CONRAD: OK. All right.

MURMAN: Any questions for Senator Hunt? OK, that will close the hearing on LB487. We're going to take about a ten-minute break before the next bill.

[BREAK]

MURMAN: [RECORDER MALFUNCTION] Education Committee. We'll open on LB320. Welcome, Senator Brandt, to the Education Committee.

BRANDT: Good afternoon, Senator Murman and members of the Education Committee. I am Senator Tom Brandt, T-o-m B-r-a-n-d-t. I represent Legislative District 32: Fillmore, Thayer, Jefferson, Saline and southwestern Lancaster Counties. Today I'm introducing LB320, which we have called the Nebraska plan and it will, it will restore equalization aid to our schools and lower property taxes. This is my Valentine's present to the committee and the state of Nebraska. There are 244 school districts in our state and only 86 of them are currently equalized. This is a drastic change from 2007 when 205 school districts were equalized. The reduction in equalization aid is due to the unprecedented rise in ag land values from 2008 to 2015 and the increase in the local effort rate from 95 cents to \$1 in 2008. The Nebraska plan proposes to make three basic changes to the TEEOSA formula and will provide much-needed relief to our schools and property taxpayers. First, the plan lowers ag land valuation from 72 to 42 percent. Second, it lowers all other real property, including residential, commercial, railroad and public utilities, from 96 to 86 percent. And third, it creates a minimum level of basic funding of 10 percent. The 10 percent basic funding component means that schools will get an average of \$1,500 per student. By lowering all property valuations inside the formula, we will spread meaningful property tax relief across the entire state, creating economic stimulus. The plan will restore equalization aid to 91 additional school districts and provide funding for another 58 nonequalized schools to have at least 10 percent of their basic funding paid for by the state. Schools that currently have the highest levies will see the greatest potential levy

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reduction, and all students will receive at least 10 percent of their basic funding from the state. The total cost of the Nebraska plan is an estimated \$361 million based on the current fiscal year, '22-23. And we propose any-- excuse me, we propose to use any unclaimed refundable state income tax credits for school property taxes to help pay for this plan. Currently, 30 percent of the \$548 million budgeted amount for LB1107 is unclaimed, or \$160 million. This would considerably reduce the total ask of dollars from the state's General Fund. These funds would be deposited in the newly created TEEOSA Trust Fund to be used for education. In conclusion, the Nebraska plan is an elegantly simple, comprehensive solution to the ongoing problems facing our schools and property taxpayers. It will provide much-needed property tax relief, restore equalization aid to more schools and ensure that all students receive at least 10 percent of their basic funding from the state. Following me in testimony will be Dave Welsch, president of the Milford School Board. Dave has been studying and modeling TEEOSA solutions for many years. He has worked with a wide-ranging group of stakeholders to put the Nebraska plan together. Dave will be able to go into more detail regarding what the Nebraska plan does in relation to the TEEOSA formula. With that, I would be happy to answer any questions the committee may have. We handed out a pretty comprehensive packet. Probably the easiest thing is you've got a map today. These are the current equalized school districts in the state. Only those in red receive the \$900 million of equalization aid. As you can see, a lot of white on that map. This map uses three different colors: red are the current equalized ones, the blue are the newly equalized ones, and the yellow are the 10 percenters. And there's a few out there in white and actually it isn't even as many white as what we've shown here because, because there's two or three of those that are actually included. There are actually some school districts that will not receive anything under this because they receive more than-- in option and aid than the 10 percent. The 10 percent is the minimum threshold. So with that, I would-- oh, and then on the, on the back here, a list by school district by senator and we compared it against the Governor's plan also. There's three columns in here. It has-- LB320 is in the first column and then it has the Piller plan and then we combined both plans and each one shows, in the first column, how much money and then current levy and then proposed reduction in levy. So any questions you have, I would be happy to answer them.

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MURMAN: Senator Walz.

WALZ: Thank you, Chairman Murman. So the fourth column is the combined bills plus the 80 percent special education?

BRANDT: No, but we, we have modeled that and Dave will explain that.

WALZ: OK.

BRANDT: Yeah.

WALZ: All right.

BRANDT: And yeah, I'll let him explain. There is a, there is a way to do that with, with-- to save the state a bunch of money.

WALZ: OK. Can I ask one more--

MURMAN: Senator Wayne-- Walz again.

WALZ: So since you have this combined plan, have you had-- been able to have conversations with Governor Pillen regarding your--

BRANDT: We've met with the PRO twice.

WALZ: Okay. I just want to make sure that you--

BRANDT: Yeah and Dave was in the meeting yesterday, so.

WALZ: OK. All right. Thank you.

MURMAN: I have a question. I think I know the answer to it, but this doesn't include the 80 percent funding for special ed.

BRANDT: It, it, it doesn't, but we've modeled that.

MURMAN: OK.

BRANDT: Yeah. So it-- the, the 80 percent that the Governor proposed is outside of the formula, if you put the 80 percent inside the formula, you know, I think you're going to go from, like, \$150 million down to-- and Dave will have a more exact number-- \$10 million because really what's happening with the 80 percent SPED in the Governor's plan is, is a lot of those schools will be double-dipping.

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MURMAN: OK. Senator Sanders.

SANDERS: Thank you, Chairman Murman. Thank you, Senator Brandt, for bringing this forward. I'm looking forward to the others that are testifying and how it all comes out for the better. So I think the more we can work on this solution, I think the better we are. So thank you for working on this.

BRANDT: Yeah. And, and the exciting thing about this is everybody gets something. I mean, I've been here long enough to know that the big schools want more money. We were quite pleased. When the fiscal note came in, it was less than what our projection was. Wow. How often does that ever happen? So it's about \$300 million. Half of that goes to those schools, those 86 schools that are already getting all the \$900 million. Half of that goes to the next 91 schools. And then to fill in that 10 percent, I think-- and Dave can correct me on this, but I think that was about \$15-20 million. Those last schools are really cost effective to cover. And then one of these sheets in here, we'll show you how it affects those, those-- the levies. And ours is a little smoother than, than the \$1,500.

MURMAN: Any other questions--

SANDERS: Thank you.

MURMAN: --for Senator Brandt? Senator Linehan.

LINEHAN: Can you explain your basic funding? I'm sorry, I wasn't here. I really am. But the basic fund is that-- so it's 10 percent of whatever the school's cost is?

BRANDT: Well, 10 percent of the certified, yes. But that-- OK, so how this works is we're expanding TEEOSA and the reason we-- Dave used 2007. In 2007, agriculture bore 21, 22 percent of the entire valuation. And what's happened over this period of time, today ag land in Nebraska is 32 percent of the valuation. And what's happened with that going up, we went from 205 equalized schools down to 86. So all the money has shifted to the large population centers and we're looking at these small, small schools out in rural Nebraska and it's like we're 100 percent self-financed. And then for the-- this is my fifth year, hopefully this year is going to be different. The big schools at this point will say, oh, we're kind of all right with this.

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The committee will pass something out. And the first day on the floor, it's just like all the urban senators will PNV. They won't vote because they aren't getting all the money. OK. So what we're proposing here is they get half the money and then the other half goes to those-- the rest of the schools in the state. And I-- you know, I think that's pretty fair at this point. So, I mean, that's more money than they'd have under the existing one because what's happening under the existing formula, those house values-- and we have a realtor right here-- probably in the entire state are going up. Therefore, your TEEOSA funding is going down, but the cost of your schools are going up. So how are you going to backfill that? Well, here's a clue from ag land out there, property taxes. And so I think everybody is looking for some relief on this. So it's simple. We have a bill on a cap. We intentionally keep that out of this. The-- you know, I kind of like the cap bill that we've got, but you could bring SPED into this bill.

MURMAN: I've got another question. You mentioned the double-dipping with the option fund, with the foundation aid. I think that's been corrected or--

BRANDT: Oh, yeah, I was talking about the SPED, yeah. But I have heard there was an amendment on that bill, so yeah.

MURMAN: OK. Any other questions for Senator Brandt?

BRANDT: We'll stick around to close.

MURMAN: Thank you.

BRANDT: Oh, yeah.

MURMAN: Oh, Senator Linehan.

LINEHAN: Since ag values have gone up and most of the funding goes to the big-- to the larger schools, 86 of them, have their property taxes gone down in those school districts?

BRANDT: Dave can answer that.

LINEHAN: OK.

BRANDT: He's, he's got those numbers.

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LINEHAN: All right.

BRANDT: Yeah.

MURMAN: Any other question for Senator Brandt at this time? OK, thank you very much. We'll invite the first testifier for LB320, LB320.

DAVE WELSCH: I'll try to answer the questions that you passed off to me, but good afternoon, Chairman Murman and the rest of the Education Committee. Good to be here to talk about LB320. The handout that's going around-- I don't have written testimony. I have numbers for my testimony. And again, my name is Dave Welsch, D-a-v-e W-e-l-s-c-h, and I've been working on this plan almost for a year now intensively. Many years before that, I've paid close attention to TEEOSA. But I've worked with Omaha, Lincoln, Millard, GNSA, STANCE, NRCSA, OpenSky, Platte Institute, many of the farm groups and many others as well in trying to put this bill together. And it's had many variations over the last year because everyone that I talked to had input on how to improve it. And you know, we got to this point. Not everyone totally agrees with the bill that's presented before you. There may be some opposition that follows up later today, but we'll, you know, we'll continue to work on it and we look forward to that opportunity. One of the goals here was to assure a greater level of equity in property taxes. That's one of the intents of the original TEEOSA formula and it's still on the-- in the statutes today. Take a look on the left-hand side, percentage of statewide valuation. Then you've got some-- couple of highlighted notes there. Like Senator Brandt said, in '07 there--

LINEHAN: What page are you on?

DAVE WELSCH: Yeah. The one handout that we just sent out. Yeah. Thank you. And in '07, ag land made up 21 percent. Now it makes up almost 33 percent. Under LB320 with those corrections that we make of 42 and 86 percent, ag land will come down to about 23 percent. The-- and you can see the percentage on residential and commercial. They've been a smaller percentage. Just within TEEOSA, they would increase but still be less than what they were in '07. And this was after ag land increased 310 percent, residential and commercial increased 170 percent over these last roughly 15 years. Right below that on state aid, this is critical. A lot of the concern with LB320 was that we lowered ag land percentages too much. We lowered it 30 points where

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residential and commercial was only lowered 10 percentage points. But look at the total state aid. The 20 largest school districts received \$500,000-- or \$500 million in '07-08. That increased by \$334 million to \$840 million today. Look at the other 224 school districts. Back in '07-08, they had \$262 million. Today, they get \$55 million less in state aid and they stand at \$207 million. You know, that's not proportional in my opinion. It's going in the wrong direction. Take a look over at the percentage of state aid just to the right of that. Back in '07-08, the 20 largest schools received about 66 percent of total state aid. The other 224 schools, 34 percent. If you look straight below that on the percentage of students, that almost matches the percentage of students. The 20 largest districts educate about 63 percent of the students back in '07-08 or actually '08-09 was the latest I could get the numbers. And the other 220-- 224 were at 37 percent. So state aid and the number of kids was pretty close together. Today, those 20 largest schools educate about two-thirds, 67 percent of the students. But look straight above there under percentage of state aid, they receive 80 percent of the state aid. And to clarify a little bit of what Senator Brandt tried to answer, that money that left rural Nebraska did not necessarily go to urban Nebraska schools. You know, they basically got their fair share of TEEOSA. There was no additional money that they got because it left rural Nebraska.

MURMAN: Sorry, you've got the red light.

DAVE WELSCH: OK.

MURMAN: I will ask you to continue.

DAVE WELSCH: OK. Thank you. Appreciate that. Where that money went was basically into our General Fund. It was not being expended as state aid to rural schools. Therefore, it helped balance our budget the last 15 years. In '07-08, that's when the recession hit. You know, no action was needed to be taken by the Legislature back then to save money on state aid because the increased ag land evaluations eliminated that. They did take action by raising the LER, the local effort rate, from 95 cents to \$1, I believe, in '08-09 and that also helped reduce the amount of equalization aid that went to schools. And so it's-- and it even got up to almost \$1.05 at one point to try to save money to balance the budget. Now we're back down to \$1 now, which is great. Early on when I talked to some of the urban schools, I said,

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well, I think I'm going to bring ag land down to 42 percent of market value. That'll get us back to the 21 percent of statewide valuation. And I said, I think I'm just going to drop the LER back-- drop it down a nickel. That should help you guys out. Well, they thought it would be better to lower the residential and commercial valuations as well, which-- excuse me-- which will generate more equalization aid for them and give them a little bit of room below the levy lid. I Mean, they're they're-- they were struggling. I, I did not understand that when the LER went up to almost \$1.05 that those urban schools that were bumping up against the lid as well as some rural schools-- I thought the lid also went up a nickel higher, but it did not. I don't know how those schools survived that period, cutting programs, cutting teachers and whatever else, dipping into their cash reserve. I'm sure it was quite challenging for them. So, so what we're really looking to do here to kind of summarize up is to-- by dropping these valuations, we're trying to restore equalization aid to both rural and urban schools. Everybody, all schools will receive increased equalize-- well, not necessarily equalization aid. If we combine the two bills, every school will have increased state aid and we can talk about that some more if you want to too, but. So if you want to make state aid more proportional, you know, this is the plan to do it. I think the 42 and 86, again, not that it's been negotiated and everybody in the education community agrees with those percentages, but I think you can start to see how well that's going to work. And if you-- I know my time's up, but if you want to look at this chart and graph, that pretty much summarizes LB320. It's, it's a great depiction. I think you guys have a slightly different one. It includes LB320 in the center. I think you have five diff- four different comparisons. But what it does, those are the black bars in there. That's the LB320 bars, I believe. And it brings levies down, it brings them closer together. The amazing part is that under LB320, 75-- almost 75 percent of the schools will have a levy in the 50s, 60s, and 70s. There's hardly any schools that are over \$1, which you can look on the chart to see the specific numbers. Especially if we combine the two bills, you know, we'll be down to nine or ten schools above 90-- a 90 percent or higher levy. It's significantly different than, than the number-- right now, we've got 88 schools that are at 90 cents or higher. So what this bill does, it targets the highest levy school districts to provide them with the most funding because those are the levies that we want to bring down the most. But it still provides extra funding to the low-levy districts because they deserve additional state aid as

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well. And that's where the basic funding and, and-- you know, also if we combine the bills, we'd still honor the governor's \$1,500 per student that if we do-- once we've done all the calculations, if there are schools that still aren't up to \$1,500 per student, we'll add in more state aid to make sure that they get to that level. So-- and if you want to see the impacts of LB583 and, and the combined bill or LB320 separately, down in the bottom left corner, you can see that if you're a school with a 90-cent or higher levy, it's-- you potentially, on average of all those 80-some schools, you could lower your levy 22 cents. Then if you're currently in the 80s, you could lower it about 20 cents. The 70s, 12 or 13 cents. You can see the progression there. High-levy schools can bring their levies down the most and the lower-levy schools might be able to drop them 3 or 4 cents. And I don't know how many times I've heard down here where senators say, hey, that's a good plan, but we're-- you know, those low-levy schools, they shouldn't be getting that much more increase in state aid. You know, you've got to strike a balance there. Those-- I mean, some of those schools-- and you'll hear testimony after me of schools that get maybe 1 or 2 percent of their entire budget is state aid money. They hardly get any support from the state in educating their kids and I don't think that's, that's correct either. So we're trying to-- we've got two components. If we combine the bills, you can have 10 percent basic funding, which will help, I think, 40, 50 schools to get up to at least that 10 percent. And then you've got kind of the catchall as well of \$1,500 per student, which will help honor the Governor's promise to get up to that level for all students as well. So it's-- there's a lot of win-wins when you combine these. And like Senator Brandt was saying, if you include the combined plan that's represented here and also in that really colorful chart on the right-hand side, the combining of the two bills, that includes 80 percent SPED reimbursement, but it's done inside the formula, not outside the formula. And that's critical as well, as he mentioned, if it's outside the formula. Milford, my district, we've been equalized since the beginning. We're one of the few rural districts that started out equalized and we're still equalized. So I can relate to the schools that are equalized, but I-- as a farmer and an ag landowner, I can also relate to rural Nebraska schools that are struggling. I mean, my property taxes doubled in five years when ag land values started going up. And there was really nothing we could do about that because as our valuations went up, our equalization aid went down, the only place we could turn was property taxes. And, and we, we almost sucked our cash

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reserve dry during that time. I mean, we were trying to keep our taxes as low as we could. So I think I've addressed the couple of questions you had for Senator Brandt earlier and I'll stop here.

MURMAN: OK, any further specific questions? Senator Linehan.

LINEHAN: The valuations go down inside and outside the formula or just outside?

DAVE WELSCH: The valuation changes are only inside the TEEOSA formula.

LINEHAN: So how do you know you're going to get property tax relief?

DAVE WELSCH: Because we're increasing state funding to schools and I believe in all the-- you know, there's a lot of school board members just like myself that want to see their property taxes come down.

LINEHAN: But there's no guarantee, right? We're supposed to trust--

DAVE WELSCH: There, there are no guarantees in life.

LINEHAN: OK, but we have heard-- and you've worked very hard on this and I should've said that first.

DAVE WELSCH: Thank you. I appreciate it.

LINEHAN: And you do--

DAVE WELSCH: Well, and, and you have too and, and I think we've touched on some of the things you've tried in the past--

LINEHAN: Yep, no, I--

DAVE WELSCH: --in this bill as well.

LINEHAN: --this all looks very good.

DAVE WELSCH: Yeah.

LINEHAN: But we've heard again and again for five years that the schools can't trust us, so-- but we're supposed-- if we did this, we're 100 percent trusting them.

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DAVE WELSCH: Well, I think the history would show that schools have not spent money excessively. I think a couple of weeks ago, I was either in here or in the Revenue Committee. I had a handout that shows over the last-- I can't remember if it was 10, 15-- I think ten years.

LINEHAN: I would agree with you on a, on a--

DAVE WELSCH: Yeah, statewide basis.

LINEHAN: --[INAUDIBLE] basis, statewide basis.

DAVE WELSCH: Yeah.

LINEHAN: But there are outliers.

DAVE WELSCH: Yeah, there's always outliers when you have 244 school districts and, and-- but the outliers always seem to be in somebody else's legislative district, not your own.

LINEHAN: That's good. That's true.

DAVE WELSCH: Yeah. You know, you know, I've had people tell me that, you know, Lincoln spends too much money. I don't know if that's true or not. I don't sit at their board meetings and analyze their budget and their expenditures. But I do know that for probably at least 20 years now, every time they've had a bond issue before their voters, their voters have said, we, we really respect education in our community. We-- you know, we put a lot of-- and I'm not using the right word here, but, you know, they, they want a quality education in Lincoln so they pass those bond issues every time. And so I think that's one way to judge are they spend too much money? Voters must not think so.

LINEHAN: But, but if the bill as you're presenting it doesn't have any-- they don't have to lower their levies. They keep the same valuation. So there's no, there's no mechanisms to push property tax down.

DAVE WELSCH: There--

LINEHAN: It's just we're to trust them.

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DAVE WELSCH: Right. There's not a Senator Briese type caps or lid type component in this bill.

LINEHAN: Or it's-- valuations just go down on the inside, not on the outside. So unless my school district lowers their levy, I'm going to be paying the same amount of taxes.

DAVE WELSCH: Yeah, and in that more colorful chart, it kind of shows you what the potential levy reduction is. And, you know, I can't guarantee-- and, and again, this information was comparing '22-23 school year. If, if the combined bill or LB320 was implemented, I'm comparing the same school year. When they do the fiscal note, they're comparing this to the next-- you know, '23-24 year so it's a little bit harder due to the apples-to-apples comparison. But yeah, there's--

LINEHAN: I'm sorry, what order is this in?

DAVE WELSCH: At the top, I believe-- I don't know if you-- I'm not-- Senator Brandt handed it out. He didn't give me--

LINEHAN: Oh, I see. I found--

DAVE WELSCH: Yeah, he didn't give me a copy of this latest one, so.

LINEHAN: OK.

DAVE WELSCH: We're not-- I think I've got it right here.

LINEHAN: I got it.

DAVE WELSCH: You know-- and LB320 wasn't perfect. Hopefully at the top of your sheet, you've probably got Westside Community Schools, upper left-corner. Under LB320, they get zero dollars and, you know, it's, like, man what can-- what could I do in this bill to try to get them at least a little bit of money? SPED reimbursement didn't even cross my mind when I was building LB320. It just-- I totally agree that we need to increase SPED reimbursement, but I, I-- partly, I didn't have the numbers to put it into the formula.

LINEHAN: What-- why wouldn't Westside get the \$1,500 per kid?

DAVE WELSCH: This is just LB320 on the left side.

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LINEHAN: Okay.

DAVE WELSCH: And then the Pillen plan, LB553, is in the center.

LINEHAN: OK. I got it.

DAVE WELSCH: And they-- yeah, even-- you know-- and I know, you know, on the potential general fund levy change for Westside just under LB583, they could drop their levy almost 30 cents. And, you know, obviously there's the Omaha-- Omaha World-Herald wrote about that. Well, that's a lot of money for one school district. What about-- and I wish Senator Wayne was here. He would definitely ask that question. You know, why is Westside getting so much money and OPS isn't? They're right below there. They could only drop their levy 7 or 8 cents potentially. And they've taken the \$1,500 that they plan to off of that bill, but that's just for their net option kids. About a-- two-thirds of their kids are still resident kids so they're still going to get \$1,500. Instead of a 29 percent levy reduction, I think it's down to maybe a 22-cent levy reduction, still three times higher than what OPS would get. But if you go to the far right-hand side, looking at Westside and Omaha, once you throw the SPED reimbursement in there, inside the formula, Westside could drop their levy about 8 cents, but Omaha could drop their levy 12 cents potentially. And, and you can see the other, you know, larger school districts, they're right up there with them. They're, they're in about that 12, 13-cent range. And then you've got comparative schools down the list there that are paired up where the top school-- I guess to get to Senator Walz's district, Fremont and DC West, you know, they're going to-- Fremont-- basically what we're trying to do, the high-levy districts are going to get the most money. They'll get the most potential levy reduction. That's what we need to do to correct the TEEOSA formula. So you can look across there and you can see, like, DC West is going to get barely any money out of the Nebraska plan, but Fremont is going to get quite a bit of levy reduction, but they're still going to be 17 cents higher. But if you go to the Pillen plan, LB583 in the center, Fremont can reduce their levy 6 cents, but DC West could drop at 13 cents. So now you've got levies getting further apart from neighbor to neighbor. That is not the original goal of TEEOSA. The original goal of TEEOSA was to assure a greater level of equity in property tax rates. That's, that's the levy. And so we need to correct TEEOSA in a way that creates more property tax equity across the state and I think

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LB320 does a good job of that. Combining LB320 with LB583 does an even better job of that.

LINEHAN: I just have one more question.

MURMAN: Yes, Senator Linehan.

LINEHAN: When you're using the levies here, you didn't include a QCPUF levy-- if they had a QCPUF--

DAVE WELSCH: Right.

LINEHAN: --and they're at \$1.05. So this is just a general period.

DAVE WELSCH: Exactly, I tried to--

LINEHAN: --QCPUF, no--

DAVE WELSCH: Yeah. There's too, too many variables across districts when you try to throw in building fund and QCPUF and so, yeah, I tried to, tried to keep it as simple and as apples to apples as we could.

LINEHAN: OK. Thank you very much.

MURMAN: Any other questions for Mr. Welsch?

WALZ: Thank you--

MURMAN: Senator Wlaz.

WALZ: --Chairman Murman. First of all, like Senator Linehan said, thank you so much for all the--

DAVE WELSCH: Sure.

WALZ: --work that you've done on this. And not only that, but the fact that you've taken time to visit schools, attend school board meetings, talk to-- I mean, you have done so much work. I think you eat, drink and breathe by--

DAVE WELSCH: Yeah.

WALZ: --this plan.

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DAVE WELSCH: After this, after this hearing, we're going to go celebrate Valentine's Day.

WALZ: And I was going to say if you could, you know, maybe take your mind off it for an hour and a half.

DAVE WELSCH: Yeah, yep, I'll--

WALZ: Take your wife out to dinner. That would be really nice. Thank you for being here.

DAVE WELSCH: Some of my best, some of my best ideas come at halftime of the basketball games so it's--

WALZ: Senator Brandt mentioned a trust fund.

DAVE WELSCH: Right.

WALZ: Can you talk about that a little bit?

DAVE WELSCH: Sure. I think we call it, what, the TEEOSA Trust Fund? And, and there's been several bills that have been introduced this year that are looking at the unclaimed LB1107 money, you know, the income tax credit for school property taxes paid. And, you know, there's-- for better or for worse, a lot of people have not taken-- made the effort or maybe don't even know about it and a lot of money has gone unclaimed. And there's several bills out there trying to grab a hold of that, which is OK. Seems like since that income tax credit was for school property taxes paid, it would seem appropriate that any unclaimed money would go back into a fund that would help fund schools. And so yeah, I know talking to-- I think it was Senator Clements early on as Chair of Appropriations, he said, you know, that number keeps creeping up. You know, it used to be at 40 percent. Now I think it's at 30 percent. Maybe it's crept up, you know, a little bit lower, I guess, would be the way to say it. But, yeah, I-- you know-- and, and, and Senator Clements introduced the bill. I can't remember the number right now. The-- you know, the third leg of Governor Pilleen's plan here for education funding and that had an Education, Education Future Fund. You know, you don't need both of those probably. You probably need to, you know, somehow come to a consensus on which way is the best to go. There were several other things other than TEEOSA being funded in the Governor's Education Trust Fund. My, my quick take on it would be maybe create two separate

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funds so you're not kind of mixing and matching so much. It would be easier accounting, I believe, if you would separate those out. But, you know, that, that could be discussed certainly. But yeah, I think recapturing the LB1107 money for education purposes is the appropriate thing to do.

WALZ: OK. Thank you.

MURMAN: Any other--

LINEHAN: I just-- I know. I'm sorry. I promise, last one.

MURMAN: No problem.

LINEHAN: On your-- on the paper that you handed out with the yellow lines--

DAVE WELSCH: OK. Sure.

LINEHAN: --when you say total state aid, that's, that's equalization aid because--

DAVE WELSCH: It's total state aid.

LINEHAN: It includes income tax?

DAVE WELSCH: Yeah, it includes allocated income tax. Now, the one-- you might look at that and say the total--

LINEHAN: Oh, I see, the total-- I got it. OK.

DAVE WELSCH: It's from '21-22 so I'm a-- like, a year behind on that.

LINEHAN: Oh, you're right. I was reading it wrong.

DAVE WELSCH: OK.

LINEHAN: I'm sorry. I see it now.

DAVE WELSCH: Sure. I wanted to answer your question last week when you asked about, well, doesn't allocated income tax-- don't, don't the rich districts get richer off of that? And I would agree with you on that. If, if we can come out with-- come up with a better way to redistribute that money-- but we're going to have to get more

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equalized schools to even consider dropping the allocated income tax because that's all that a lot of schools get--

LINEHAN: Yes.

DAVE WELSCH: --is their 2.13 percent of allocated income tax currently. You know, I think a combination of these bills, we could, we could give them more money in more equitable ways than what the allocated income tax does at this point.

MURMAN: Any other questions? Senator Albrecht.

ALBRECHT: You should really be here all day talking about this because it's a lot to absorb.

DAVE WELSCH: Right.

ALBRECHT: I'm going to try to just start asking some questions so if you don't mind.

DAVE WELSCH: OK and if--

ALBRECHT: OK, so this, this map here--

DAVE WELSCH: Right.

ALBRECHT: --so the white indicates what again? Is-- are there any schools that absolutely are not going to get any money if we do this?

DAVE WELSCH: LB320 standing alone, there's nine schools that don't get any money.

ALBRECHT: Nine schools. OK, so that was kind of like the superintendent bill from last year that some were cut out and there's just nothing we could do about it. Is that true?

DAVE WELSCH: Well, just with the, the-- basically the three levers we pulled on, you know, changing valuations and putting in basic funding, yeah, there were nine schools that didn't get anything.

ALBRECHT: OK.

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DAVE WELSCH: But if we combine the bills, everybody gets increased state aid. That's why I like the idea of putting the two bills together.

ALBRECHT: But combining it with doing the top three things that you're suggesting here, taking ag down to 42, residential and commercial ag improvements, railroad, public utilities down to 86 percent, and the minimum level of basic funding to 10 percent, right?

DAVE WELSCH: Yes. And then having a-- and then having the \$1,500 as the bottom level of support.

ALBRECHT: OK. And then your stakeholders, you've been working on this for a long time, but who, who sat with you on this one?

DAVE WELSCH: On the whole LB320?

ALBRECHT: Um-hum.

DAVE WELSCH: Yeah. I mean, I tried to mention them really fast, but I mean I talked to OPS, LPS, Millard, Greater Nebraska Schools Association, STANCE, NRCSA, the small schools, OpenSky. I talked to the Platte Institute several times, talked to Farm Bureau pretty early on, as well as the Nebraskans United Group, which is a lot of the ag groups and the education groups. They met one time. You know, a lot of individual schools, you know, GNSA's legislative committee. Yeah, this wasn't created in a vacuum by any means and--

ALBRECHT: And how often did you meet with those stakeholders?

DAVE WELSCH: It was never one big group meeting. I mean--

ALBRECHT: You were just asking their opinion of how to get to where you're at on LB320 or--

DAVE WELSCH: I mean, I use the ed coalition a lot to initiate those conversations. We didn't have a lot of in-depth conversations at the ed coalition meetings. Typically, it would-- I'd end up, you know, talking to one or two people one on one.

ALBRECHT: And I think-- were you in the meeting-- was it OPS-- if somebody could help me out. Did they, like, not want to be a part of

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the \$1,500? Did they-- was it OPS? Was it-- I mean, where were they on this?

DAVE WELSCH: They might be, they might be here today and, and they might be here and you can ask them that question. I don't want to speak specifically for OPS. I mean, they've--

ALBRECHT: So again, some of my concerns would certainly be whether they would drop their levies and maybe that's something we'd have to put in here.

DAVE WELSCH: Right.

ALBRECHT: Because if they-- if they're going to just ask us to do these things and that can get everybody where they'll be happy, but they don't want to work with us on the other side of it-- because that's where I think things could go off the rails. I mean, I'm, I'm just--

DAVE WELSCH: Yeah.

ALBRECHT: --trying to play the devil's advocate here.

DAVE WELSCH: Sure.

ALBRECHT: But leaving anyone out, that's kind of why we've kind of come to, you know, a stop on LB820. So--

DAVE WELSCH: Right.

ALBRECHT: --if that would be the case, then this isn't probably going to work either, you know? And I'm just-- and I'm only--

DAVE WELSCH: Right.

ALBRECHT: --saying that because if, if they're asking for-- to go into a, you know, like an interim study, you know, you'd definitely be a part of it because, I mean, every-- since I've sat on Revenue, you've been at every meeting that talks about trying to help schools and help with property tax relief. And the hard part about it is unless we get everybody's buy-in and I'm talking everyone in the state, you know-- and I do believe that our new Governor, that's his quest is to figure it out. And a lot-- you've put a lot of work into this. I don't know

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where, where they're at on the other side with the work that they've put in, you know, on the Governor's side of it, but--

DAVE WELSCH: Right.

ALBRECHT: --but truly, I think, you know, you can study it until the cows come home, as he would probably say.

DAVE WELSCH: Right.

ALBRECHT: But I'm telling you--

DAVE WELSCH: The pigs come home for Governor Pillen.

ALBRECHT: Pigs, yeah, whatever-- yeah, hogs. I mean, we went from beef to pork and that's OK too. But it's this, this map. I mean, everybody's got to, you know, be--

DAVE WELSCH: Right.

ALBRECHT: able to, to work with it and--

DAVE WELSCH: Yeah. To respond to that, that's where LB320 left nine schools without any increased state aid. But taking LB583 and combining it with LB320--

ALBRECHT: By handing the \$1,500 per child--

DAVE WELSCH: Right. Well, it's really the SPED reimbursement that picks up those nine schools that we left out in LB320. And plus the \$1,500 on the back end to get everybody up to that so, yes.

ALBRECHT: The other concern that I have is, you know, I'm kind of enjoying those checks that we're getting. You know, I'm sorry that a lot of people haven't figured it out, that it's out there.

DAVE WELSCH: The LB1107 money?

ALBRECHT: Yeah.

DAVE WELSCH: Right.

ALBRECHT: That's a lot of money--

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DAVE WELSCH: Yep.

ALBRECHT: --you know? And we are so flush with cash, but it's the people's cash.

DAVE WELSCH: Right.

ALBRECHT: So how do we get that back to them and still be able to do something like this that works for everybody?

DAVE WELSCH: Right.

ALBRECHT: So I appreciate the work that you do. I really do. You've always got the math where most don't or you always have something that you can offer up to us to make us--

DAVE WELSCH: Right.

ALBRECHT: --try to think about it, but--

DAVE WELSCH: Thank you.

ALBRECHT: --it not a one-size-fits-all plan--

DAVE WELSCH: No.

ALBRECHT: --no matter which way we go. It's just a matter of taking care of the kids.

DAVE WELSCH: Yeah, that's clearly what I learned the most in this last 12 months was that we have 244 very unique school districts in the state. We go from almost around 50,000 kids to 60 kids within a school district and they're all valuable. As far as I know, they do a good job of educating their kids. Obviously, I haven't visited all of them. I've met with a lot of school board members and you can tell by talking to them and the superintendents that they're, they're doing the best they can for the kids that they're in charge of. And, and, you know, I-- and I, I like the way Governor Pillen phrases it. We need to invest in our students in this state. And, and I think he's, he's really made a commitment to do that. I appreciate that. I think we've got the tools with these two bills in front of us to accomplish something this year. And by increasing the number of equalized schools, then I think we can start looking at things like on the need

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side of the equation. You know, do we need to put more emphasis on different areas, you know, like poverty or ELL or, or things like that? But if you've only got one-third of the schools equalized, you're not going to make any progress there because a lot of people don't have any skin in the game when you go on the need's sides.

ALBRECHT: Well, I'm anxious to hear from those behind you that they'll--

DAVE WELSCH: Yeah, yeah.

ALBRECHT: --commit to helping us with--

DAVE WELSCH: Yeah and I, yeah and I appreciate all the questions. We're getting later into the afternoon. But again, you said-- yeah, I'd be happy to come in and talk to the entire committee at another time or certainly each of you individually, if that's the only way it works. But there's, there's a solution to be had this legislative session that will greatly restore TEEOSA and what it was meant to be 33 years ago. So thank you for your time.

MURMAN: Oh, I've got just a quick question-- I think it's simple--

DAVE WELSCH: Sure.

MURMAN: --before you leave. In combining the plans, you're talking about the \$1,500 per student--

DAVE WELSCH: Right.

MURMAN: --and combining that with the Nebraska plan and also the 80 percent reimbursement.

DAVE WELSCH: Right.

MURMAN: And you are using the property tax credit-- all the property tax then?

DAVE WELSCH: We're not touching the LB1107 money.

MURMAN: OK.

DAVE WELSCH: If I said that in any way, shape or form-- it's only the unclaimed LB1107 money. You will still get a 25 percent income tax

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credit on your school property taxes paid. I-- did I miss-- misinterpret what you were saying or?

ALBRECHT: The way I'm hearing you saying it is that you'd like to take that fund that nobody's claiming and put that in a trust fund.

DAVE WELSCH: Yes. Only the unclaimed amount.

ALBRECHT: OK, but when I hear the Governor say he's going to put \$1 billion away plus \$250 million for five years thereafter, that's where we have to massage it just a tad to get where we need to.

DAVE WELSCH: Yeah. Yeah, that's--

ALBRECHT: I don't think taking that money from people who don't quite yet realize-- that's our fault that we haven't let people know that it's there.

DAVE WELSCH: Right. Yeah. And I, and I think they can file an amended return for three, maybe four years. So you wouldn't be able to touch that money for-- the unclaimed amounts for another year or two. Yeah, if there's some way we could do a campaign blitz to get people to take advantage of that, that'd be great.

MURMAN: Yeah, that was my next question. We're not sure how much will be in there because you get three years, I think, to--

DAVE WELSCH: Right.

MURMAN: --to claim it, so.

DAVE WELSCH: Yeah.

MURMAN: OK. That's all the questions I have. Any more questions?

DAVE WELSCH: Thank, thank you for your time.

MURMAN: Thank you very much. Appreciate all your work.

JACK MOLES: Good afternoon, Senator Murman and members of the Education Committee. My name is Jack Moles. That's J-a-c-k M-o-l-e-s. I'm the executive director of the Nebraska Rural Community Schools Association, also known as NRCSA. On behalf of NRCSA, I'd like to voice our support for LB320. We thank Senator Brandt for carrying the

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bill. We're appreciative also of the work that Dave Welsch has put into this bill. We're also thankful to Senator Pillen [SIC] for his recognition that we need to address school funding in a different way. With about two-thirds of Nebraska public schools not receiving equalization aid, NRCSA believes there is a failure in our system of funding our schools. The TEEOSA formula was never designed to exclude almost two-thirds of the school districts in the state from receiving equalization aid. LB320 attempts to rectify some of those failures. When I first started visiting with, with Dave about this concept, we looked back to 2007-2008, as that was when the majority of the school districts were receiving equalization aid. Of course, as ag land valuations started to steadily climb, more and more rural districts started losing their equalization aid until today, when most of them do not receive any. Bringing ag land valuations back in line with where they were approximately in 2007-2008 was a very good start. You may hear that lowering ag land valuations to 42 percent and residential and commercial valuations only at 86 percent is not proportional. NRCSA would contend, though, that the loss of all equalization aid to so many schools as compared to the few districts that do receive equalization aid was also not proportional. Also built into LB320 is a section that ensures that every public school district receive at least 10 percent of its basic funding from the state. This would help to back Governor Pillen's promise that every public school student in the state should have state funding behind him or her. You're faced with two bills that would substantially address the inequities of providing state aid according to TEEOS-- through the TEEOSA formula under current conditions. Senator Sanders' bill, LB583, is a bill we do support. It is a very good bill. LB320 is also a very good bill that accomplishes some of the things that LB583 does not. We would support you considering both bills and encourage you to explore the benefits of combining the two bills. We appreciate Senator Brandt, as well as Senator Sanders and Governor Pillen for recognizing the inequities in state funding in our public schools. With the adoption of LB320, LB583 or a combination of the two, you could help correct those inequities and you would place school districts in a position to have an opportunity to provide real property tax relief for their local taxpayers. We do encourage you to move LB320 forward. Thank you.

MURMAN: Thank you. Any questions for Mr. Moles? If not, thank you very much.

JACK MOLES: Thank you.

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MURMAN: Good afternoon.

CHIP KAY: Good afternoon, Chairperson Murman, Education Committee. My name is Chip Kay, C-h-i-p K-a-y. I want to start by thanking Senator Brandt and Dave Welsch for their hard work on this. I can very much understand what the last year has been like for, for Dave in putting something together. I'm the director of finance and human resources for Columbus Public Schools. I'm here on behalf of the school district. We are in favor of LB320. This a palatable proposal for fine tuning the current TEEOSA model that provides the opportunity to sensibly reduce property tax levies and both equalized and nonequalized school districts. With any education funding plan, it certainly adds a fiscal commitment of the state of Nebraska. There must be a funding source to support it. There are several components that are well thought out and viable in this Nebraska plan. Number one, providing the 10 percent of a district's basic funding is a positive when coupled with current TEEOSA formula to ensure all districts receive funding. For an equalized district, the way this is calculated in LB320 will actually allow us, when coupled with equalization and other aid, to reduce our levy while meeting necessary expenditures. The 96 to 86 percent valuation for nonagricultural land, residential and commercial, coupled with increased state funding, will provide for natural property tax relief in most equalized districts. The use of the unallocated funds in LB1107 to create a trust and infuse funds into the formula for this proposal is a positive and there would be no need to make any changes to the current net option enrollment funding. There are some considerations I would like to propose as part of LB320, some of which have already been discussed. So including the 80 percent of total state and federal special education costs for school-age students is reimbursed per the language in LB583 in this bill. However, under this additional, 80 percent would appear in the resources, while 100 percent of SPED costs would appear in the needs. Seventy-two to 42 percent of valuation for agriculture land is a dramatic reduction that would force some rural districts into equalization. This would be an area that might be best phased over a couple of years, depending on the, the cost impact with a floor of 52 percent. So the reason I bring in 52 percent is currently we passed a bill a couple of years ago that for bonds, it's 50 percent. So it would make it a little bit more predictable for the general fund and the special building fund if we kept it-- those percentages close so we're recommending 52 percent. We really do like

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LB320 coupled with LB681, which is the education trust, and Senator Briese's LB589, which has the caps. LB681 will provide some additional funds for sustainability, while the amended version of LB589 actually works very well with this Nebraska plan. There must continue to be language in every funding bill that recognizes that equalization aid is a tool to serve kids through equitable funding so it must be protected at the top of every fiscal note, whether it's LB320 or LB583. LB320 recognizes the difference in agricultural land and nonagricultural land when compared to the impact property tax has on the earning potential of property in Nebraska. So until we can work collaboratively on a different funding source, we must embrace that local property taxes, along with reasonable investment by the state of Nebraska, are imperative to the necessary survival of public schools. We must continue to be eval-- continue to evaluate unfunded mandates and prioritize the outcomes for public schools. We must work together to ensure each district has the staff, facilities, equipment and materials to serve every student in Nebraska, whether it's Valentine to Kimball to north Omaha.

MURMAN: Thank you. Any questions for Mr. Kay? Yes.

ALBRECHT: So, number one, the levy. Would you, would you work to bring it down if this were enacted?

CHIP KAY: So--

ALBRECHT: How can you--

CHIP KAY: So, Senator Albrecht, I think when you look at several of the factors, starting with the Nebraska plan and, and the change-- so really, it's kind of through one and two together, that change of the valuation, the infusion of the basic funding, the way it's calculated in the Nebraska plan. And again, I did mention that including Senator Briese's LB589. I think those three together, under this plan, give us the most realistic opportunity for property tax relief.

ALBRECHT: And LB681 was which one?

CHIP KAY: That's the education trust.

ALBRECHT: So you want to see that after it's-- after a few years.

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CHIP KAY: Yep and because I believe any-- anything we-- that's brought to the table needs sustainability. And I applaud, you know, Governor Pillen in bringing LB681. It looks like a very good plan for sustainability.

ALBRECHT: So what do you see the \$1 billion being put away for-- or the \$250 million? Is that a trust deal with the schools with the Governor or what, what exactly do you see that money sitting there being used for?

CHIP KAY: So I think there's-- it's more of what does the Governor see? So I will say I implicitly trust Governor Pillen. I think he's got a vision for what he wants to do with those funds. They always say the devil's in the details. How is that fund going to grow and be sustainable? If we're-- if you're just pulling money out because you're pulling out more than you're pulling in, we all know the sustainability won't last. Where they'll be a-- will there be an amount that's untouchable? How-- will they extend the number of years money is put in? So I think those are some of the details to work out, but LB681 presents a good framework to get that started as long as the details can be worked out.

ALBRECHT: Thank you.

MURMAN: Any other questions for Mr. Kay? OK. Thanks a lot for testifying. Other testifiers for LB320?

CONNIE KNOCHE: Good afternoon, Chairman Murman and members of the Education Committee. My name is Connie Knoche. It's C-o-n-n-i-e K-n-o-c-h-e. I'm the education policy director of OpenSky Policy Institute and I'm here today in support of LB320 because the most sustainable mechanism for providing property tax relief is for the state to increase its commitment to K-12 funding. LB320 increases the state aid distributed to K-12 districts by lowering the adjusted valuation within the state aid formula, which is used to calculate the yield from local effort rate and by ensuring all school districts receive at least 10 percent of their basic funding. The \$605 million fiscal note is large. However, we believe that until the state decides to take a different approach to fund our schools, LB320 is a good first step towards solving the property tax problems we're facing in Nebraska. We urge the committee to look-- to also look at an outcomes-based funding and how that would work in Nebraska to help

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address the property tax crisis we're facing today. We appreciate that this bill would address the overreliance on property taxes to fund K-12 education by increasing state aid. And it leaves the current TEEOSA formula intact because it's using the mechanisms within the formula to distribute the aid. And I thank you for your time and I'm happy to answer any questions.

MURMAN: Any questions? Senator Linehan.

LINEHAN: Thank you, Chairman Murman, and thank you very much for being here. What do you mean by outcome-based formula? Didn't you say we should move toward an outcomes-based formula?

CONNIE KNOCHE: Right, where you look at what you want the students to be able to accomplish once they complete their education. So you, you start with what you want the students to be, what they, they can achieve and then decide how to fund it from that versus just looking at the property tax reliance on the state aid formula. So it would be a-- just a different way of approaching it by looking at student outcomes. For example, like, if they would pass the ACT test or there's a number of--

LINEHAN: So what would you do if they did pass it? Let's say the outcome is 60 percent of the kids get above 20 in their ACT. So then what happens?

CONNIE KNOCHE: Well, that would be something that would be developed over time. Like, what, what is it that-- you know, I imagine there would be a committee that studies what the outcomes you want the students to have are. And then you would determine, you know, what are the, the levels you want them to achieve to get there?

LINEHAN: OK. I think I know what you're saying. Thank you very much for being here.

MURMAN: Any other questions? I have one. I think you testified against the Governor's plan. Are you in favor of the combined plan in this situation?

CONNIE KNOCHE: We haven't modeled the combined plan so I don't know how that would interact. We like LB320 as it is because it doesn't have a revenue cap on it. The-- LB583 had-- Senator Briese's bill kind

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of attached to it and they're, they're together as they go through. So we support LB320 as its, as its own.

MURMAN: OK. And then also I think with the Governor's plan, you were concerned that the Rainy Day Fund would be at risk. So you are not as concerned with that with this plan?

CONNIE KNOCHE: Well, this bill proposes using the excess LB1107 funds that haven't been claimed as part of the funding mechanism and then state appropriations for it as well. So I think it does need a dedicated funding source that we need to arrive at, but this is a good step forward.

MURMAN: OK. And then, then a related question, I don't think this includes a trust fund like the-- I think it's called the trust fund that the Governor's plan does, the, the \$2.6 million-- billion after, what-- I can't remember now-- five years or whatever it is.

CONNIE KNOCHE: Yeah.

MURMAN: So this one does not include that, correct?

CONNIE KNOCHE: Correct.

MURMAN: OK. So you're not as concerned about the-- having the trust fund available either?

CONNIE KNOCHE: No. We like the components of LB320, that it gets more funding out to the schools so that they don't have to rely so much on property taxes.

MURMAN: OK. Thanks. Any other questions? Senator Linehan.

LINEHAN: Thank you, Chair Murman. When you say dedicated funding source, you mean another tax stream, right? What do you mean? Like, give me a-- can you give me an example of--

CONNIE KNOCHE: Probably like a tax on services or something dedicated to education like a gas tax or something like that, education tax.

LINEHAN: But an increase in some tax that would only go to education.

CONNIE KNOCHE: Yeah, something like that.

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LINEHAN: OK.

MURMAN: Any other questions? Yes, Senator Walz.

WALZ: I just want to clarify that. It does-- it could be a dedicated portion of tax. It doesn't have to be a new tax.

CONNIE KNOCHE: Right.

WALZ: OK. I just want to clarify. Thank you.

LINEHAN: Well, it says dedicated funding source-- like, they've never suggested-- now, I'm, I'm-- not turn. Never mind.

MURMAN: Any other questions?

CONNIE KNOCHE: Wrong committee.

MURMAN: OK. Thanks a lot for testifying.

CONNIE KNOCHE: Thank you.

JASON RICHTERS: Good afternoon, Chairman Murman and members of the Education Committee. My name is Jason Richters, J-a-s-o-n R-i-c-h-t-e-r-s. I'm a parent, farmer and president of the Centennial Board of Education. I appreciate the opportunity to testify in support of LB320, the Nebraska plan, and I want to thank Senator Brandt for introducing LB320 and Dave Welsch for the incredible amount of time and effort he's devoted to find an equitable solution to school funding. It's somewhat ironic that I'm here testifying in support of a plan submitted, submitted by a Milford school board member. For those of you who don't know, Milford and Centennial are passionate conference rivals. The fact that I'm in support of LB320, I believe, is testament to how important this legislative-- this legislation is for students in Nebraska schools. Since I was elected to our school board over eight years ago, a common concern among the education community has been the unequal support of public education by our state. The TEEOSA formula worked as intended until valuations changed in ways that no legislator could have envisioned. LB320 has a mechanism that fixes the valuation problem by reducing ag land valuation, as well as all other real property valuation, which results in more equalized schools. LB320 also reduces the disparity in levies between school districts. As currently written, LB583 does not

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accomplish this as effectively. And intent of, of the original TEEOSA act was to assure a greater level of equity in property tax rates for the support of the public school system. It is my hope that any legislation passed would work towards this goal. I attended last week's Education Committee hearing when Senator Sanders introduced LB583 on behalf of Governor Pillen. I'm thankful for the leadership of the Governor in his attempt to address the recent failures of funding our students' education. His proposal addresses important areas that need improvement, such as increasing SPED reimbursement to 80 percent. But there are items in LB320, such as valuation decreases and a minimum level of basic funding, that can enhance the effectiveness of the Governor's plan, creating more equity in education across our great state. In comparing LB583 and LB320, our school district would actually receive more state funding under LB583, the Governor's plan, but I would still encourage adopting the best parts of both bills. This will increase the number of equalized schools, reduce disparity of levies and show evidence that our state values the education of all students in our public schools. Thank you and I'd be happy to answer any questions you might have.

MURMAN: Thank you. Any questions for Mr. Richters? Thank you very much. Other proponents for LB320. Good afternoon. It's afternoon-- it's 6 p.m.-- for a farmer especially.

BRUCE RIEKER: Yeah. Good afternoon, Chairman Murman, members of the committee. My name is Bruce Rieker. It's B-r-u-c-e R-i-e-k-e-r. I'm the senior director of state legislative affairs at Farm Bureau. And in addition to Farm Bureau, I am here on behalf of the Nebraska Corn Growers Association, Nebraska Soybean Association, Nebraska State Dairy Association, Nebraska Pork Producers Association and brace yourself, even the Nebraska Farm-- Farmers Union. So that's a rarity that we testify, but we are in agreement on this for a lot of the reasons that have been presented. We believe that this is a good bill. And, you know, it's-- as it was-- you've asked Mr. Welsch how this came together. How many years you've been working on this, four or five? But it's, it's a-- you know, several different coalitions, things like that. For the reasons stated that, you know, putting bills together, you have a great opportunity to do something monumental. As far as just a few things that-- we do have the money to do this. The fiscal note, as I look at it, in the first year is \$294 million, the second year is \$312 million, which is very similar to the cost of the Governor's bill. And I'm not picking favorites or picking one over the

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other here. I'm talking with-- we support the Governor's package, LB583 and LB681 and the other components that go into that, the trust fund. But a couple, a couple of things I'd like to share with you. I'll have to go back and get the exact numbers, but we modeled something along these lines a couple of years ago. For every 10 percent reduction in ag land values, it's about \$30 million of tax relief to ag producers. So a 30 percent decrease would put us somewhere in the neighborhood of \$90 million, which I imagine those numbers have changed a little bit over the last couple of years. As far as a 10 percent reduction in residential and commercial, that's about \$120 million. And so there's some proportionality there, but then I would imagine that the rest of it comes from the basic education funding. In comparison to the cost of this bill versus the Governor's bill, on foundation aid, that's \$113 million per year. The initial year-- it's red.

MURMAN: Keep going.

BRUCE RIEKER: OK. Thank you. For the special education funding, it's \$157 million the first year and grows to \$232 million in year six-- I mean-- or seven, excuse me, which would make the cost of that bill \$345 million. So the numbers are there-- I mean, are somewhat equal. We definitely support the trust fund because we believe-- that is in LB681 because that is a dedicated funding source that can help you put together the package. I will also, so all of my friends in the education community know that I have-- with the-- I'm not speaking for the other ag groups that I'm here on behalf right now, but just for Farm Bureau. So I don't want to get in trouble with any other ones. But we have asked Senator Briese to draft an amendment which we would call a transparency amendment for whatever you come up with and we want to work with you on putting this together. That moving forward, that there would be a public report as to how much additional money each school gets based upon the changes that you make and how much their property taxes change. So it's not a spending limit. It's not a revenue limit. It is a transparency amendment that we have asked Senator Briese to take a look at so that the, the local voters or the patrons of their schools will have, you know, full transparency as to how things move going forward. And with that, I'll conclude my comments.

MURMAN: Any questions for Mr. Rieker? Senator Linehan.

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LINEHAN: Thank you, Chairman Murman. The report would go to who?

BRUCE RIEKER: Well--

LINEHAN: It's still in the drafting stage, so maybe an unfair question, but--

BRUCE RIEKER: Right, well, I just had a conversation-- the second conversation about it today. The report would go to the Department of Education, which needed to be forwarded to the Legislature.

MURMAN: Any other questions?

BRUCE RIEKER: So far, nobody shot me in the back, so I think I'm OK.

MURMAN: Senator Albrecht.

BRUCE RIEKER: But I want them to know I don't want to sneak up on them. I want them to know that we asked Senator Briese to do that.

ALBRECHT: OK. So sustainability throughout the future, when we're looking at what could have been, should have been, could be, but is it truly something that giving the schools 10 percent plus giving them the \$1,500 per student and-- so you're-- you vetted this and so do you feel like we need an interim study if this bill decides to go through? We wouldn't need one, but you were wanting us to hold back on LB820.

BRUCE RIEKER: Oh, on the valuation bill?

ALBRECHT: Yes.

BRUCE RIEKER: Yeah.

ALBRECHT: So if these valuations are reduced from 72 to 42, I mean, do we have to continue to give the money, \$1,500 every year, or you're going to--

BRUCE RIEKER: Oh.

ALBRECHT: --do 10 percent of what they are-- what their budget or what their overall is?

BRUCE RIEKER: Well, that one-- OK. The valuation bill, I'm going to set that on an income or a production-based approach. I'm going to set

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that on the side because as we understand it, that's revenue neutral. That's changing the way we value ag land. This--

ALBRECHT: So we have a predictability as, as ag, ag producers know what to expect.

BRUCE RIEKER: Right. If, if we can figure out how to make that revenue-- I mean, and, and a balanced approach, which we are working on-- and I'm working on a memo for all of you that have asked for that-- to see if we can make that work. That still is not designed, as far as I understand it. It's not designed to lower property taxes. It's designed to change the way we value ag land. So that's how we are working on this.

ALBRECHT: There's a significant reduction on this one.

BRUCE RIEKER: Right, this is, this is a straight reduction on valuations. So that doesn't affect any of the work that we're doing on trying to figure out a solution to the income-based approach, but. So I don't know if I've answered your question yet. As far as how this basic education funding would work in conjunction with the foundation aid, I still got to think that through. Are we-- at our team, we need to think that through. And I want-- you know, I'm sure that Senator Brandt, Senator-- or Governor-- yeah, Governor-- Mr. Welsch will hopefully share their data with us so that we can model that to figure out to help you make some decisions about how that might look. Yeah, Senator, I'm not prepared to say how basic education funding and foundation aid--

ALBRECHT: Well, that's where my concern lies--

BRUCE RIEKER: --would intersect.

ALBRECHT: --to not knowing what, what, what's that 10 percent--

BRUCE RIEKER: Yeah.

ALBRECHT: --number because that's-- I, I haven't seen a chart on that. I'd like to see what kind of money we would be funding these schools, at 10 percent of what?

BRUCE RIEKER: OK.

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ALBRECHT: Because again, sustainability is what we're headed for. If you-- if people are out there wanting to blow up TEEOSA and just-- and then refigure how we're going to pay for everything is one thing, but, but this is something to look at. But I, I do have a lot of-- just as many questions as you would have. You were, you were telling us about how you felt about these, these, these little-- not so little-- these maps that they have that are showing that not everybody is going to get it. And that's what your concern was before. Not every--

BRUCE RIEKER: Right.

ALBRECHT: --farmer is going to get a reduction or have a valuation that's going to stay steady. Or if it raises, then it wouldn't be fair.

BRUCE RIEKER: Yeah.

ALBRECHT: So that's what we have to try to find is a common area that everybody's going to be able to, to work with.

BRUCE RIEKER: And, yeah, and we'll work on that. And I'm sure we'll work with Senator Brandt and the Governor's office and Mr. Welsch to figure that out. This is a guess and Dave-- I don't know. I shouldn't-- I can't ask you, you know, I guess, but I'm guessing that the basic education funding component-- you know, I gave you a couple numbers that add up to about \$210 million as far as lowering the valuations. And then I'm guessing that the other \$70 or \$80 million of the initial cost of this bill is from the basic education funding, the 10 percent. I don't know that yet and we'll take a look at that.

ALBRECHT: Yes.

BRUCE RIEKER: But a couple of years ago, Senator Friesen had a bill that proposed 25 percent basic education funding and that cost \$197 million. So we'll figure it out.

ALBRECHT: OK.

BRUCE RIEKER: I don't have the silver bullet here, but I also don't want to throw cold water on anything because I think that we have the makings for something good, but we got to figure it out together.

ALBRECHT: Thank you.

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MURMAN: Any more questions for Mr. Rieker? I have one. Why are you going to a transparency program to-- with Senator Briesse to control the property tax increases instead of the lids?

BRUCE RIEKER: I didn't say instead of.

MURMAN: OK.

BRUCE RIEKER: Yeah, it's, it's, it's not an instead of.

MURMAN: So you're not moving away from the lid.

BRUCE RIEKER: Huh?

MURMAN: You're not moving away from his original--

BRUCE RIEKER: No, not at all. I-- we just-- you know, it's public funds. Transparency is good. And so it's in addition to. It doesn't have any stick or carrot attached to it. It is simply a transparency of here's how much new money they receive and here's how property tax changed, end of story.

MURMAN: Sounds good. Any other questions? OK, thanks a lot.

BRUCE RIEKER: You bet. Thank you.

MURMAN: Other proponents for LB320? Any other proponents for LB320? Any opponents for LB320?

KYLE FAIRBAIRN: Chairman Murman, members of the Education Committee, my name is Kyle Fairbairn, K-y-l-e F-a-i-r-b-a-i-r-n. I represent the Greater Nebraska Schools Association, which is an organization of the 25 largest school districts in the state of Nebraska. Come to you today in opposition of LB320, but I would like to thank Senator Brandt and Dave Welsch. This bill took a long time. It took a lot of work by Dave to put this bill together and Senator Brandt is carrying it for him. Dave met and talked with our group on several occasions to try to, try to explain the agreement to, to our group and for our group to sit down with Dave and look at, look at what he's proposing. We do believe the bill would lower property taxes in the state and it gives a better distribution of funds to rural schools using a percentage basis versus a flat fund dollar amount. We're opposing the bill on basically three points. The current state of property tax is a little

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different than it was in 2008 that we're comparing to. We think the breakdown of the reduction in property taxes is disproportionately in favor of agricultural sector. In Dave's analysis, it shows that the agricultural values increase dramatically over a period of years. But in the past five years, those values have decreased by 12 percent, while residential properties have increased in the same period by about 50 percent. The original Property Tax Reduction Act that was passed in the Legislature heavily favored the agricultural land owner versus the residential property owner. LB1107 was a straight split, with 25 percent going to property taxes paid, but the original was in favor of, of agricultural land owners. This was millions of dollars in agriculture property tax reductions. GNSA, GNSA would like to see a greater reduction in residential property values so that we could give our residential the same type of property tax relief as the agricultural property tax relief. Part of the Governor's three-bill plan includes a \$1 billion trust fund. That is something we greatly-- that, that brings a lot of trust to the ability of the state to continue to finance TEEOSA. The model calls for funding come from money left on the table from LB1107. We're not sure what the funding sources on the out years and we have not seen modeling on the out years. Again, I would like to thank Senator Brandt for bringing this bill forward. There's a lot of positives in it, but there's a lot of things that, that we would like to see change. With that, I'll sure try to answer any questions.

MURMAN: OK. Any questions for Mr. Fairbairn?

KYLE FAIRBAIRN: You guys are taking it easy on me, Senator Albrecht.

ALBRECHT: I'm not going to take it easy on you.

KYLE FAIRBAIRN: OK.

ALBRECHT: I'd just like-- I just have to, to think this thing through because you're saying in-- number one that you would like to see residential properties included in this and it sounds like it is going to reduce some of those.

KYLE FAIRBAIRN: Yeah, it takes it from 96 cents right now to 86--

ALBRECHT: To 86.

KYLE FAIRBAIRN: --Senator.

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ALBRECHT: Right.

KYLE FAIRBAIRN: And we just feel like 72 to 42 is a much greater distribution than the residential side.

ALBRECHT: Right, but knowing that residential doesn't and neither does commercial and neither does industrial. That doesn't happen every year. It's, like, every three years is what I'm hearing from some of the bigger cities. They don't value it all.

KYLE FAIRBAIRN: Just, just city of Lincoln. Everybody else--

ALBRECHT: Just Lincoln?

KYLE FAIRBAIRN: --basically does it every year, yeah.

ALBRECHT: I'd have to ask, but, but again, I think this is, is a good start for all of us to get at the table. And you'll certainly be having a chair there for us to figure this out because I think something has to be done. Now is the time. The money is there. We have to figure out what we need to do to, to make it work for everybody.

KYLE FAIRBAIRN: I appreciate that, Senator. We agree totally.

ALBRECHT: Thank you.

MURMAN: And I've got a question.

KYLE FAIRBAIRN: OK.

MURMAN: You mentioned we give residential owners the same type of property tax relief as agricultural property tax relief. Agricultural-- farmers also are residential--

KYLE FAIRBAIRN: They are.

MURMAN: --taxpayers.

KYLE FAIRBAIRN: That's a true fact.

MURMAN: So--

KYLE FAIRBAIRN: So they get it on both sides maybe. Any way I can help, Senator.

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MURMAN: Well, that's a good thing.

KYLE FAIRBAIRN: There you go. That's right. Property tax relief is a good thing.

MURMAN: So yeah, go ahead. Any other questions?

ALBRECHT: Come on, Justin, help us out.

MURMAN: Yeah, I need--

ALBRECHT: Just kidding.

MURMAN: In the last year, of course, agricultural property has also increased. I don't know--

KYLE FAIRBAIRN: Yeah, and this is, this is the previous five years, Chairman. So, yes, I, I-- that's not including-- and Dave may be able to help me with that, but no, that does not include this year. That is the past five years, which is what I looked at and I'm sure residential went up a ton.

MURMAN: So it's not as much a difference if you include the last year.

KYLE FAIRBAIRN: Probably not, Chairman. That's correct.

MURMAN: And-- well, I think that's all the questions I have, so.

KYLE FAIRBAIRN: Perfect.

MURMAN: Thank you for your testimony.

KYLE FAIRBAIRN: Thank you.

MURMAN: Other opponents? Other opponents for LB320? Anybody in a neutral position for LB320? If not, Senator Brandt, you can come up to close.

BRANDT: If I didn't have an opponent, it would be consent calendar material, right?

WAYNE: No.

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BRANDT: No? Well, I want to thank the committee. It's Valentine's Day. I know everybody's got plans, so I'll keep this short. When Dave was up here, the main focus is to try and restore more equalization aid to more rural schools. And I think, I think agreeing with Senator Albrecht there is a solution to be had this legislative session. Jack Moles, the loss of state aid to rural schools, it was not proportional. I mean, it's-- you've got the numbers there. You know, proportionality. We were willing to talk to everybody about this-- after this about what's proportional and what's not. Skip that one. Connie Knoche, yes, we are in a property tax crisis. We are not looking for any new taxes. The Fiscal Office, there's just a little footnote. Right now, there's 150-- they forecast \$150 million available of unused LB1107 money. Think about that. So if this is going to cost us 300, you know, there's going to be a lot of moving parts here. So what do we all want to put in this? You know, Senator Briese has got his cap bill, you know, and Farm Bureau talked about changing that. So-- and I've talked to Senator Murman about this. I'd really like this to be my priority bill, but I want to know if this is surviving before the deadline so, you know, I'm not throwing my priority away. Also, I think we're willing to work with the Governor's people, with the committee and with everybody on this. So we need to go big or go home. Now's the time. So any questions?

MURMAN: Any further questions for Senator Brandt? Well-- oh, yeah, Senator Wayne.

WAYNE: That's what determines whether this is your priority bill or not?

BRANDT: Whether it comes out of the committee.

WAYNE: Oh.

BRANDT: How's that?

WAYNE: I'm sorry.

BRANDT: Do you-- Senator Wayne, do you, do you-- do you remember what my first-year priority bill was?

WAYNE: No.

BRANDT: And whose was that?

*Indicates written testimony submitted prior to the public hearing in accordance with the Legislature's guidelines on ADA testimony

WAYNE: I think it was mine.

BRANDT: Yes.

WAYNE: I know.

BRANDT: OK, I'm just trying to--

WAYNE: I don't remember.

BRANDT: Don't even remember-- payback, buddy. Payback. No.

WAYNE: He gave me a priority.

BRANDT: Yeah. Yeah, I gave him priority.

WAYNE: I work all sides of the aisle.

BRANDT: Yeah.

MURMAN: OK. Any more questions? I really appreciate you bringing forth the bill. Before we close, we had three proponents, one opponent, zero neutral. And if there are no more questions, that will conclude the hearing on LB320.

BRANDT: All right, thank you.

MURMAN: Thank you, everybody.

WAYNE: Are we going to IPP this bill today or--