

MURMAN: Good afternoon and welcome to the Education Committee. I'm Senator Dave Murman from Glenvil. I represent the 38th District, and it stretches from Clay and Nuckolls County to the west along the southern border to Red Willow County. The committee will take up the bills in the order posted. This public hearing today is your opportunity to be part of the legislative process and to express your position on the proposed legislation before us. If you are planning to testify today, please fill out the green testifier sheets that are on the table at the back of the room. Be sure to print clearly and fill it out completely. When it is your turn to come forward to testify, give the testifier sheet to the page or to the committee clerk. If you would like to have your position known but not testify, at the front desk there is a white sheet next to the green sheets where you can state your name and position for the permanent record. If you do not wish to testify but would like to indicate your position on a bill, there are also white sign-in sheets back on the table. These sheets will be included as an exhibit in the official hearing record. When you come up to testify, please speak clearly into the microphone. Tell us your name and spell your first and last name to ensure that we get an accurate record. We will begin each bill hearing today with the introducer's opening statement, followed by proponents of the bill, then opponents, and finally by anyone speaking in the neutral capacity. We will finish with closing statement by the introducer if they wish to give one. We will be using a 3-minute light system for all testifiers. When you begin your testimony, the light on the table will be green. When the yellow light comes on you have 1 minute remaining and the red light indicates you need to wrap up your final thought and stop. Questions from the committee may follow. Also, committee members may come and go during the hearing. This has nothing to do with the importance of the bills being heard, it is just part of the process as senators may have bills to introduce and other committees. A few final items to facilitate today's hearing. If you have handouts or copies of your testimony, please bring up at least 12 copies and give them to the page. Please silence or turn off your cell phones. Verbal outbursts or applause are not permitted in the hearing room. Such behavior may be cause for you to be asked to leave the hearing. Finally, committee procedures for all committees states that written position comments on a bill to be included in the record must be submitted by 8 a.m. the day of the hearing. The only acceptable method of submission is via the Legislature's website that nebraskalegislature.gov. You may submit a written letter for the record or testify in person at the hearing, not both. Written position

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Education Committee January 23, 2024
Rough Draft

letters will be included in the official hearing record, but only those testifying in person before the committee will be included on the committee statement. I will now have the committee members with us today to introduce themselves starting on my right.

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

LINEHAN: Good afternoon. Lou Ann Linehan, Legislative District 39, which is Waterloo and Elkhorn in Douglas County.

ALBRECHT: Hi. Joni Albrecht, District 17.

WALZ: Lynne Walz, District 15, which is Dodge County and Valley.

MEYER: Fred Meyer, District 41, central Nebraska north of Grand Island.

MURMAN: And also assisting me today at my immediate right is Jack Spray. And to my far right is committee clerk Shelley Schwarz. Our pages for the committee today are Isabel Kolb. And go ahead and introduce yourselves.

ISABEL KOLB: I'm studying political science at UNL.

MURMAN: And Shriya-- I'll let you say your last name.

SHRIYA RAGHUVANSHI: Hi, everyone. I'm Shriya Raghuvanshi and I also study political science at UNL.

MURMAN: Thank you. With that, we'll begin today's hearing with LB1101.

HARDIN: Thank you, Chairman Murman, and good afternoon, senators of the Education Committee. I am Senator Brian Hardin. For the record, that is B-r-i-a-n H-a-r-d-i-n, and I represent the Banner, Kimball and Scotts Bluff counties, have the 48th Legislative District in western Nebraska. I'm here to introduce LB1101, which aims to firmly establish the Rural Health Opportunities Program, RHOP, and Public Health Early Admission Student Track, PHEAST, if you will, programs into state statute. These initiatives have played a pivotal role in addressing the healthcare needs of rural Nebraska for over 3 decades. LB1101 will ensure these rural health workforce pathways are sustained in the future. The RHOP Program, a collaborative effort between the University of Nebraska Medical Center and the Nebraska State Colleges, has been operational since 1989. It encourages and provides financial

support to rural residents pursuing careers in various healthcare fields. The most recent review in revision of the RHOP Program resulted in a systemwide RHOP agreement approved in April of 2023, effective for a 5-year term. To be eligible for the RHOP Program, students must complete all RHOP application requirements, be rural Nebraska residents, and must be an incoming freshman accepted to Chadron, Peru, or Wayne State College. Selected students receive an RHOP tuition waiver covering tuition costs at the state colleges and guaranteed admission to UNMC, subject to meeting program requirements. Established in 2011, the PHEAST Program is a collaborative partnership between UNMC College of Public Health and the Nebraska State Colleges. It recruits, educates, and graduates public health leaders from Nebraska, providing provisional acceptance to the Master of Public Health Program upon acceptance into PHEAST. Both programs enable the state colleges to recruit high-performing high school seniors from rural Nebraska, and offer them tuition waivers and early admission to UNMC for health-related professions. The impact of these initiatives is evident in the success of over 700 RHOP and PHEAST graduates, with over 2/3 remaining in Nebraska and nearly half returning to rural communities to serve. The healthcare workforce challenges in Nebraska necessitate, necessitate an increased number of healthcare professionals, particularly in rural areas. Recent findings from UNMC's status of the Nebraska healthcare workforce update of 2022 indicates shortages across various healthcare fields. The RHOP and PHEAST programs align with UNMC's recommendations to enhance pipeline programs and tuition waivers to address workforce shortages. As part of the fiscal year '24 and '25 biennium budget request process, the Nebraska State Colleges sought financial support from the Legislature to cover half of the tuition waiver costs, ensuring the long-term viability of the program and opening avenues for expansion. The Appropriations Committee endorsed this request, providing \$300,000 in funding for new RHOP and PHEAST recipients in the '23-24 cohort, increasing to \$600,000 next year. While LB1101 includes intent language for ongoing support from the state of Nebraska, there is no fiscal impact this coming year. Any future funding request beyond \$600,000 will follow the traditional budget request processed by the Nebraska State Colleges, subject to approval by future legislatures. LB1101 currently identifies the RHOP and PHEAST as separate programs established between UNMC and the state colleges. However, since the introduction of LB1101, UNMC and the state colleges have agreed to fold the Public Health Program Track, currently known as PHEAST, into the RHOP Program agreement. This ensures that all UNMC health-related program tracks are comprehensively referenced within one overarching

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee January 23, 2024
Rough Draft

agreement and establishes consistent admission criteria and program support for all program tracks. Therefore, I would like to turn your attention-- later on today that will happen to the amendment, that was handed out by the pages, and this amendment strikes Section 1 of the bill removing all references to the PHEAST Program to a stand-alone program and solely focuses upon RHOP Program. In conclusion, I urge your support for the amended version of LB1101 to firmly establish the RHOP and PHEAST programs into state statute. These programs have a proven record of success in developing healthcare professionals from rural Nebraska addressing workforce shortages and ensuring access to quality education. The continuation of these two programs is vital for the health and well-being of our rural communities. Following me this afternoon will be Chancellor Turman from the Nebraska State College System, as well as a few health providers who have completed these great programs. Thank you for your time, and I'm ready to answer any questions you may have. However, I fully recognize that everyone following me will have vastly more knowledge with actual lived experience than I have, which is a very limited healthcare experience of applying Band-Aids to my own fingers. Any questions?

MURMAN: Thank you. Any questions for Senator Hardin? Yeah, Senator Albrecht.

ALBRECHT: Thank you, Chair Murman. Where's the-- did you hand out an amendment, too.

HARDIN: We sure wanted to.

ALBRECHT: You wanted to, but it's coming.

HARDIN: I don't know that we have that here, but I think it is in process and I, I believe that my, my missing LA is taking care of that right now, so.

ALBRECHT: OK. Very good. Thank you.

MURMAN: Any other questions for Senator Hardin?

HARDIN: And, really, what it does, just to summarize what that amendment is,--

ALBRECHT: Yes.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee January 23, 2024
Rough Draft

HARDIN: --it reads exactly like, like what you have in front of you. But at the very top, it basically points out that these 2 separate programs are to be referred to just as RHOP.

ALBRECHT: OK.

HARDIN: Is what it says.

MURMAN: OK. Thank you,--

HARDIN: Yeah.

MURMAN: --Senator Hardin. Ask for the first testifier for LB1101-- the proponent for LB1101.

PAUL TURMAN: Good afternoon, Chairman Murman, members of the Education Committee. My name is Paul Turman. That's spelled P-a-u-l T-u-r-m-a-n. I'm the chancellor of the Nebraska State College System. Certainly, have had the opportunity to speak with many of you about the importance of this program over the last few years. RHOP, a very long-standing program that started in Chadron back in 1989, expanded to Wayne and then expanded to Peru, where at any given year we have anywhere between 150 students to 200 students that are actively involved in the various degree program tracks that we have in partnership with UNMC. The handout I provided gives you a breakdown of the, the tracks or the slots that become available for each of our students. Each year students come to us as seniors in high school. They interview with us, UNMC faculty and staff. We make recommendations and then honor their ability to come and have a seamless pathway onto UNMC once they've graduated. That focus provides them the opportunity for a, a tuition waiver at our institutions to help it make it more affordable for them to be able to go into the healthcare degree programs themselves. Senator Hardin kind of referenced the, the overall impact. More than 700 people have graduated from these programs, starting with us finishing at UNMC, going on, practicing in the state of Nebraska, serving in rural areas of the state as well. What we recognized, something that started with 24 students at a cost of about \$28,000 of a tuition waiver over a 3-year dec-- or 3 decades has grown to about \$1.6 million. And so we came to the state last year as a part of our budget process and asked to support some of that activity, that rather than asking students and families to support rural health workforce, how do we partner together with the state for half of that scholarship to be covered by state investments? Was supported by the Legislature last year. And really

what our intention, is to make sure that we have the capacity for the next 3 decades, to have a program like RHOP serving and functioning in the state of Nebraska, regardless of who becomes the chancellor, who becomes the president, or the chancellor of UNMC. This hopefully affirms that going forward, we have the capacity that RHOP is going to be in place. The Governor spoke a little bit about One Nebraska in his State of the State. And I think this is a very good example of One Nebraska, a partnership to eliminate duplication rather than us having healthcare programs. We partner and we work with UNMC in a way that I think you all would expect us to do. In the end, we're not looking for additional appropriation. We felt that the language we submitted emphasizes intent. It's the intent of the Legislature. You've already provided us our next year funding to bring in any new cohort that is supported half by the state. And if there's questions ongoing when we look at the fiscal note that's been submitted that suggests that, that there's anything more than that, we would work with Senator Hardin and the committee to address any amendments on that intent language for appropriations that is needed. But ultimately, my goal would be to bring forward, again, a budget request for additional new dollars to be able to support the program going forward. With that, my time is expired. Happy to answer any questions that you might have about this important program.

MURMAN: Thank you. Any questions for Chancellor Turman? Yes, Senator Walz.

WALZ: Thank you. Thank you for coming. I just want to clarify, and I probably should have asked Senator Hardin but, so you're going to work with him to address the amendment on the fiscal note?

PAUL TURMAN: We would, and, and so we've certainly worked with the Governor's budget director and even the Appropriations Committee staffers. As they look at that language, when we submitted it, we tried to outline to the Bill Drafters what our intent was that we're not asking for new dollars this year that certainly would require an A bill to be incorporated. We felt that you all honored our request last year. And it's been the position of the state colleges to always come forward and do these types of requests through the traditional budgeting process. Our board would approve it as a special initiative. We would take it on to the Governor for his consideration. And then ultimately, it comes to the Appropriations Committee to, to be able to hear that. And so if we need to continue to clarify that language so it's not suggesting that you're responsible for half of our scholarship costs, but, right now, the funding that we've been

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee January 23, 2024
Rough Draft

allocated covers the total cost of the slots that, on average, we're providing to students in the state of Nebraska. So that would be our intention. If we need to clean it up, we would provide that to you so that it's very clear we're not asking for a new-- new resources this year and/or for FY '25. We have those to cover our costs.

WALZ: All right. Got it. Thank you.

PAUL TURMAN: Yeah.

MURMAN: Any other questions? Senator Meyer.

MEYER: I certainly support the program and have for, for many, many years. Do you track 10 years postgraduation on how many of those students are still practicing in rural areas?

PAUL TURMAN: A very good question, Senator. I know that we track the, the years just after they've completed at UNMC. For how long they track that, I'm not completely sure. I know that we have a, a comprehensive reporting system now in place that's a consortium between the university system, our system, and the community colleges and K-12 that has 10 years worth of data and will be able to have ongoing kind of attrition data moving forward. But overall, I think the UNMC has been very pleased with the outcomes that they've seen from this program that it's fed back into rural areas of the state. And when we look at other states that have tried to mirror these types of programs, UNMC's track record for rural health is, is one of the best in the country.

MURMAN: Any other questions for Chancellor Turman? Thank you very much.

PAUL TURMAN: Thank you. Thank you very much.

MURMAN: Other proponents? Good afternoon.

DOUG KRISTENSEN: Good afternoon, Mr. Chairman, members of the Education Committee. My name is Doug Kristensen. That's D-o-u-g K-r-i-s-t-e-n-s-e-n. I'm the chancellor at the University of Nebraska at Kearney and I'm here in support of LB1101 and its support of the Health Opportunities Program in Nebraska. Also, in support of the amendment to include University of Nebraska at Kearney. And that's our version of RHOP, which we call KHOP. I really appreciate the committee's interest in the state's rural healthcare workforce over the years. I've come to appreciate that there's a great need to

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee January 23, 2024
Rough Draft

prioritize those things that truly can make a difference in rural Nebraska and to Nebraska as a whole. LB1101 is one of those proven track records and will benefit all Nebraskans, but especially rural Nebraska where the quality healthcare is in short supply. And, quite frankly, the future's at great risk. As a resident of Minden, I see every day the importance of healthcare in the less populated areas. Rural communities have been struggling for a long time to obtain and keep good, quality healthcare providers. The pandemic didn't do us any favors. It dealt a great burnout blow to our existing providers. And given the age of many healthcare providers in rural Nebraska, we are at even greater risk. It's going to get worse. We all understand that a healthy, rural Nebraska is good for the state. Quality healthcare should not be determined by where you live. It's a matter of fairness and economic survival. Our rural communities are not going to survive without access to good quality healthcare and to have it close to them. University of Nebraska Medical Center has had powerful research that shows us 14 of our counties don't have a primary care provider. Every county in the state of Nebraska except Omaha and Lincoln is a medical shortage area. And that's a real problem for us. What happens is people are forced to travel hours or to do without those services. We have a highly visible project with rural healthcare. Our problem is we're near capacity with KHOP, which is RHOP only with the university campus in Kearney. We have 70% of our students get into medical school. They get good, good preparation. You have a handout that shows our success rate and our acceptance rates. Our program started in 2010. We've had over 174 students have been through the program and matriculated to UNMC. We're good at it. And the state colleges are good at it. They're good at preparing students for those professional programs. This is precisely the sort of students we need to recruit and keep in rural Nebraska. From our perspective, this is given up tuition. This is how we funded it in the past. We're at capacity and, obviously, we, we can't increase, we can't go forward without that. We have, right now, 82 students. We have 4 in PHEAST and it's clear that if we don't find a way to increase this, we're not going to be able to address the shortages of rural Nebraska. We're on the path to become a national leader in rural health education. When the Rural Health (Education) Building comes online in 2025, the largest rural health facility, education facility in the country is going to be in Nebraska. It's going to be here, and we need to shore up that pipeline. That pipeline comes from all of our state colleges and from the University of Nebraska at Kearney's KHOP Program.

MURMAN: You're welcome to continue if you want to continue.

DOUG KRISTENSEN: Well, I mean, I-- I'll be here all afternoon. This is a great-- seriously, Senator, this is a great project that's helped a ton of Nebraskans and has proven-- the concept is proven. And I think it's so important that people understand, all the state colleges and University of Nebraska at Kearney recognize. We put our own money in it, we're giving up tuition to try to attract these students. But we're kind of at the point we can't do it anymore. All of us. And the Med Center is in terms of educating healthcare professionals, it's top of the list. They're world class. What I think is so important that you should be so proud of is your investment that you made as a Legislature 2 years ago. 85% of the students that come through that rural healthcare facility start out and stay in Nebraska. That's better than any other economic development program we have. And, and what's best is they, they answer the need that we have. So I'm, I'm excited about this. I appreciate Senator Hardin bringing it to you with the amendment and I just couldn't be more supportive. So I'd be happy to answer any questions.

MURMAN: Thank you. I've got a question. You just said 85% that go through the program stay in Nebraska, if I understood you correctly. So they would go to UNMC and then the residency could be, I assume, anywhere in the nation.

DOUG KRISTENSEN: Sure.

MURMAN: And but 85% do end up staying in Nebraska no matter where the residency was. That's--

DOUG KRISTENSEN: And that's of those students who come to the Health Science Education Complex, soon to be expanded into the rural health facility, to do that. So they, they come from all over. They come from, not only our campus, but they come from any of the state colleges. And they're primarily kids who grew up in rural Nebraska who were smart, but they want to stay there because they were educated. They met their significant other. They got that first house. They, they get that first internship or that first job, they're more likely to stay. And we've seen that in education with teachers. We've seen that now in healthcare workers as well.

MURMAN: That's very impressive and then I've got another thought that--

DOUG KRISTENSEN: Sure.

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Education Committee January 23, 2024
Rough Draft

MURMAN: --brings a follow-up question. You mentioned that the program was at capacity. Now you're, you're talking-- are you talking about the scholarship program or the actual whole capacity? And I know we're building the new rural health center--

DOUG KRISTENSEN: We are.

MURMAN: --so is, is the whole department at capacity?

DOUG KRISTENSEN: We're, we're, we're at capacity as the ability to fund more students with those scholarships. So we're spending right now about 600 and I think it's-- \$(6)50,000 for remissions, forgiving tuition to attract those students to come. I can't give up much more. I've got to be able to have some assistance. That's the reason this bill is really a godsend to be able to do that. We can increase the numbers to do that. It requires a lot of people to do a lot of different things. The Med Center is going to have to make sure that they have a track and an education process that keeps those students in rural Nebraska, but that depends so much on the pipeline that comes into them. And, right now, I think between the, the 3 state colleges and us, we've, we've got a really good pipeline.

MURMAN: OK. Any other questions for Chancellor Kristensen? Senator Meyer.

MEYER: Yeah, is the [INAUDIBLE] program at UNK one of the institutions where nursing students in RHOP can finish their degree?

DOUG KRISTENSEN: Yes.

MEYER: OK. You are part of that, just like--

DOUG KRISTENSEN: Yep.

MEYER: Thank you.

MURMAN: Any other questions for Chancellor Kristensen? Yes, Senator Linehan.

LINEHAN: So this is-- thank you, Chairman Murman-- it's follow-up that-- from Chairman Murman's question. So you have more capacity and you will have even more when the rural healthcare center is completed?

DOUG KRISTENSEN: I think that--

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee January 23, 2024
Rough Draft

LINEHAN: Not-- I'm not talking about tuition, just-- I'm just talking about the number of kids you can accept.

DOUG KRISTENSEN: Yeah. So what, what we're dealing with here in this bill is the front end. In other words, taking undergraduates, getting them into our pipeline. That's where the money crunch is right now to, to recruit more of that. When the Rural Health (Education) Building comes on line, we're going to be expanding the number of students. But those are UNMC students, not UNK students, not Chadron, not Wayne students. So those are the professional students. And, and that capacity is growing. I think you'll see us, before we're all done, we're probably going to increase, maybe, as much as 800 students when it's all fully "cohorted."

LINEHAN: And it won't take away from UNMC in Omaha?

DOUG KRISTENSEN: No.

LINEHAN: This is 800 new slots for new students that aren't being served now?

DOUG KRISTENSEN: It will be 800 total, so we've already got roughly now over there, 350.

LINEHAN: OK.

DOUG KRISTENSEN: But by the time we get all done, you're going to increase those numbers. No, in fact, the great beauty of working with UNMC is they're sort of at a standstill in terms of expanding in Omaha because of lack of clinical opportunities. And so when they expand out to Kearney, there's like 60 places within an hour where they can get their clinical experiences and, and do those relationships that are so vital towards their education. So that, that gives UNMC the chance to expand and produce even more. The beauty is those kids stay in rural Nebraska.

LINEHAN: Thank you very much. Appreciate it.

MURMAN: Any other questions for Chancellor Kristensen? If not, thank you very much for testifying.

DOUG KRISTENSEN: Great to see you all. Thank you so much.

MURMAN: Any other proponents of LB1101? Any opponents for LB1101? Anyone in a neutral capacity for LB1101? If not, Senator Hardin,

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee January 23, 2024
Rough Draft

you're welcome to close. And while he's coming up, we have online 2 proponents, no opponents, and no neutrals. Go ahead.

HARDIN: I was given some supplemental information I'll share with you. This really is 11 different programs within RHOP. So that includes dental hygiene, dentistry, medical lab science, medicine, nursing, occupational therapy, pharmacy, physical therapy, physician assistant, radiography, and public health in general. So it's not just a single program. It's all encompassing, so.

MURMAN: Thank you. Any follow-up-- finishing questions for Senator Hardin? If not, thank you very much. That'll close our hearing for LB1101. And we will open our hearing for LB1063. That's Senator Halloran.

HALLORAN: Good afternoon, Mr. Chairman.

MURMAN: Good afternoon.

HALLORAN: I would be curious, and maybe the committee would also, to, maybe, have a show of hands to see the number of testifiers, proponents and opponents. I would just be curious.

MURMAN: If you're planning on testifying on LB1063, would you raise your hand, please? Quite a few, about 10. OK. You're welcome to start, Senator Halloran.

MEYER: Feel better now? [LAUGH]

HALLORAN: Question was, do I feel better? I do. Thank you for asking. Good afternoon, Chairman Murman and members of the Education Committee. Thank you for this hearing. For the record, my name is Senator Steve Halloran, S-t-e-v-e H-a-l-l-o-r-a-n, and I represent the 33rd Legislative District. I'm here today to introduce LB1063, which requires voters of the school district to approve a school board's proposed expenditures from their special building fund over \$250,000 for erecting a schoolhouse, school building, making additions or improvements to existing school property, or the purchase of equipment. Numerous constituents complained and informed me about the abuse of the special building fund by school administrators and school boards. Expenditures from a school's building fund for other purposes beyond the original scope of the building fund, and not making those expenditures, expenditures from the school's general fund budget are what have crossed the line. Additionally, misusing the building fund to circumvent bonding hearings for major building projects also

crosses the line. As I stated with LB1063, building fund expenditures over a quarter of a million dollars are those that would require voter approval during the general or special election, which avoids additional election expenses. Building fund expenditures less than a quarter of a million dollars would continue to happen at the discretion of the school board and school administration without a public vote. LB1063 provides accountability, transparency, honesty, and the appropriate use of a larger special building fund expenditures through public knowledge and their approval. Certain unforeseen expenditures from a special building fund, such as roof replacements following a horrible storm or a fire, heating and air conditioning replacement from that storm or, or their standard long-term usage should be expenditures not requiring a public vote. And I am open to the committee amending LB1063 to include possible exceptions like those and others. Additionally, I would, I would encourage the committee, and I can bring an amendment to the committee, of possibly having this be tiered based upon the size of the schools. Clearly, no, no, no school district-- no 2 school districts are the same. But we do categorize those in Class A, B, C, and so forth. So possibly having Class A, I'm just throwing this out there, Class A be three quarters of a million dollars, Class B half a million dollars, Class C quarter of a million dollars. Something along that line so it shows respect for the fact that some school districts are very large and might experience very large expenditures. I'm not trying to do this to tamp down local control, on the contrary, I'm doing this to make an effort-- in an effort to have the voters be acknowledged and recognized for large building projects and not use the special building fund to circumvent by accumulating those funds and then circumventing a bonding issue and the hassles that go with that. And then-- and then building that project. I can give an example, one very locally, and I will protect the innocence of the name of the school district in this, but there was a, a building project, a, a bus barn. I should have the figure at hand, but I don't. Mr. Spray asked me to check on that and I failed to do that, but it was a fairly large building project. It was a, a bus barn, an air conditioned and heated bus barn. Now, they may have had their reasons for air conditioning and heating the bus barns. And that's fine, but it was an extraordinary expense. It should have been a bond issue, but they used the special building fund to do that. Now it was presented at the school board meeting, which people can attend, and I think 4 or 5 people showed up and, well, that's not public representation, but that's oftentimes the nature of school board meetings, too few people show up. So anyway, I would be one of the few senators that you'll find that will come to you and say, this

is-- this is a-- this is not a perfect bill. I know we're all very proud of the bills we sponsor, and sometimes we think you're absolutely perfect, they cannot be improved. I think this one can be improved. I understand that we're, we're going to hear from opponents, and I'll respect their opinions. But that being said, I think it's necessary to have a bill acknowledging the fact that we shouldn't be using special building funds without, at some levels, at least without the approval of, of the voters. With that, I will close and attempt to ask-- answer or maybe ask questions.

MURMAN: Thank you.

HALLORAN: Oh, I can't ask questions.

MURMAN: Any questions for Senator Halloran? Yes, Senator Walz.

WALZ: Thank you, Chair Murman. I just have an easy question. I'm just wondering where you came up with the 250?

HALLORAN: Purely an arbitrary figure.

WALZ: OK.

HALLORAN: We often say, you'll hear it on the floor and you'll, you'll hear it in committee rooms where we'll say, let's create a conversation. OK? So a quarter million was just an arbitrary figure to throw in there to start the conversation. As I said in my opening statement, I am open to having possibly a tiered-- a tiered level of, of a bench line for a public vote because the schools vary in size.

MURMAN: Any other questions for Senator Halloran?

HALLORAN: But thank you for the question.

WALZ: Yeah.

MURMAN: Yes, I have one. The \$250,000, you know, an HVAC project, roofing project, I think those would probably exceed that amount. Are you pretty open to, I guess, fairly significantly raising that amount?

HALLORAN: Well, fairly significant is like beauty, it's in the eye of the beholder. So throw something at it-- at it and we'll see. I mean, I-- you know, look, I, I think there needs to be something to adjust to. and I-- and I'll say this. Not all schools-- not all schools abuse their building funds. Some do. But the nature of what we do in the

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Education Committee January 23, 2024
Rough Draft

Legislature is, is a few people abuse something, and we, we make laws to-- that everyone has to follow and that sometimes can be intrusive to do that. If, if the-- if the committee can think of a way to just narrowly control those school districts that abuse it, I'm all for that.

MURMAN: And then kind of a follow-up question, I know you mentioned fire or some kind of a, a tornado or some kind of, of wind damage.

HALLORAN: Right. It depends on if it's a successful fire.

MURMAN: Pardon?

HALLORAN: It depends on if it's a successful fire.

MURMAN: How much it burns, in other words.

HALLORAN: Yes. Correct. But, yes, I'm sorry, I interrupted you.

MURMAN: So you, you would possibly amend it to include those kinds of incidents?

HALLORAN: Certainly. I think most schools carry insurance for some of these issues like fire, storm damage. I understand that while waiting for insurance to pay off, that they may have to go to their building fund to start the project because time is of the essence for some of those. So, you know, it's an imperfect bill. I'll just say that. I, I understand that, but I think it's a skeleton of something that needs to be finally completed and worked on.

MURMAN: Any other questions? Senator Linehan.

LINEHAN: Just one. I think-- I can't remember who, but in the past sometimes we talked about this in Education Committee. There was also a suggestion of using square feet. Like, if you had to get modulars for classrooms that wouldn't-- it's under certain square feet. But what I think you're trying to avoid, and I agree with this, building a whole new gym or a whole new school.

HALLORAN: Correct.

LINEHAN: OK.

HALLORAN: Yes.

LINEHAN: Thank you.

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Education Committee January 23, 2024
Rough Draft

HALLORAN: Thank you.

MURMAN: Any other questions for Senator Halloran?

HALLORAN: I will say I don't anticipate a lot of proponents because they're all back home busy making a living so they can pay their taxes. Just throwing that out there.

MURMAN: Thank you very much, Senator Halloran.

HALLORAN: OK.

MURMAN: We'll ask for proponents for LB1063. Proponents? Any opponents for LB1063?

KYLE FAIRBAIRN: Good afternoon, Senator 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. My organization represents 25 of the largest school districts in the state. These 25 districts represent 70% of all the children educated in public schools in this state, and over 88% of all minority children are, are represented in my schools. I come to you today in opposition of LB1063, setting a maximum expenditure in the building and site fund at \$250,000. Any amount over that would have to go to the vote of the people. This type of action could cause numerous problems and implementation. The first thing I want to talk about is local school boards is an elected body. And they, they approve all these projects in the budgeting process in their hearings at the board level, that is why elections are held to vote for members. And if the board is not doing what the community wants, then the board will vote it out. That is what we are all about. And that's what democracy's all about. The cost of every project over a certain amount will be increased due to paying for the election for the project. Currently, I have one GNSA school that has 6 projects going on right now that are over \$250,000. If this bill was in place, those projects would cost anywhere from \$70,000 to \$85,000 more because of the cost to holding the elections. What does-- the biggest problem I see is what does a district do when you have 2 schools that have an HVAC problem or a roofing problem? One's in an affluent part of the district, one's not in an affluent part of the district. The affluent one gets passed, the one that's not an affluent part doesn't get passed. Does the school district then not fix the roof in the school district in the other side of the district? That's a huge problem and a huge discrimination problem that we have to-- we have to think about. Looking at these

projects to be voted by the people, with older buildings, roof replacements, you're talking playgrounds, energy efficient window projects, HVAC systems, parking block-- parking blacktopping, and numerous other items will come in at over \$250,000. And, again, Senator Halloran talked about it. But the storm damage-- the storm damage not being covered is huge. I can relate to Bellevue Public Schools. We had a flood in our Bellevue East. It flooded the whole building. Every part of that carpet, tile, drywall had to be repaired. That repair was done in a week. If this bill would have been in place, we would have had an 8-week window where those children would not have any place to go to school. That is not acceptable. So I'd be happy to answer any questions, but please do not advance LB1063.

MURMAN: Thank you. Any questions for Mr. Fairbairn? Senator Linehan.

LINEHAN: Thank you, Chairman Murman. And thank you for being here. Could you explain where you came up with \$72, 000 to \$85,000, your cost of elections?

KYLE FAIRBAIRN: Elections costs about \$12,000 to \$15,000 apiece, and they've got 6 projects going right now.

LINEHAN: Oh, that's a special election. Right?

KYLE FAIRBAIRN: Right. That's a special election. That's right.

LINEHAN: It doesn't cost that much if it's on a regular ballot.

KYLE FAIRBAIRN: That's true. True.

LINEHAN: OK. Is there--

KYLE FAIRBAIRN: If you waited for a general election, you would not, maybe, be able to replace your roof for every 2 years.

LINEHAN: Well, I think we've already covered that the amount is too low, but is there any amount that you think should be limited by the building fund, any project, any amount?

KYLE FAIRBAIRN: No, the, the elected Board of Education is there for a reason, they're elected, or to approve those positions. That's what they're elected for. No, I don't believe that there should be a limit on the building fund.

LINEHAN: Any kind of limit at all?

KYLE FAIRBAIRN: No.

LINEHAN: OK. Thank you very much.

KYLE FAIRBAIRN: Yep.

LINEHAN: Appreciate you being here.

MURMAN: Any other questions for Mr. Fairbairn? If not, thank you very much for testifying.

KYLE FAIRBAIRN: Thank you.

JOSH McDOWELL: Good afternoon, Chairman Murman and members of the Education Committee. My name is Josh McDowell. For the record, that's J-o-s-h M-c-D-o-w-e-l-l, and I'm the proud superintendent of Crete Public Schools. Today I'm not only representing Crete Public Schools, but also Schools Taking Action for Nebraska Children's Education or STANCE. I'm also representing the Nebraska Council of School Administrators, NCSA, and I'm also representing the Nebraska State Education Association, NSEA. I'm here today to express our opposition to LB1063, which proposes a maximum expenditure limit of \$250,000 from the building fund for any school. Any amount exceeding this threshold would require a vote from the district's residents. This bill represents what we consider a significant erosion of local control, and undermines the authority and efficacy of the publicly elected school board. As a body elected by the public, the school board is entrusted with overseeing the school budget and operations. It also provides ample opportunities for public input and scrutiny, especially when it comes to budget workshops and budget development. And then, ultimately, the budget hearing. By imposing an arbitrary cap on expenditures from the fund, LB1063 severely limits the ability for school boards to engage in effective long-range planning. The limitation is particularly detrimental for a district like Crete Public Schools, which utilizes this fund for future planning, especially since Nebraska is 1 of 3 states that offer no facility or construction funds to school. Moreover, the bill increases a potential financial burden to taxpayers. Conducting elections to approve expenditures over \$250,000 could incur additional costs and, and introduce the rest of these funds remaining unused. The process would be time-consuming and could significantly delay projects, ultimately leading to increased costs for those products and services. It is important to recognize that this building fund is often used for essential maintenance and repair projects, many of which have been

mentioned already: roofing projects, parking lot projects. These are not merely cosmetic improvements, but are crucial for ensuring staff and student and community safety. And neglecting these repairs could propose those safety risks? We believe that LB1063 is a fairly shortsighted bill that compromises the autonomy of our school boards, potential increased financial burden on taxpayers, and potentially jeopardizes the safety of our school environments. I urge you to consider these points, and please don't advance LB1063. And with that, I would gladly answer any questions.

MURMAN: Thank you. Any questions for Mr. McDowell? Senator Linehan.

LINEHAN: Thank you, Chairman Murman. What is Crete's building fund levy?

JOSH McDOWELL: Right now we are just under the 14 cents at 13.8.

LINEHAN: Do you know how much you have in your building fund right now?

JOSH McDOWELL: About \$2.4 million.

LINEHAN: And is there any amount you think should go to the vote of the people?

JOSH McDOWELL: I do not out of the building fund. The public has their multiple opportunities, especially within Crete Public Schools, through the budget workshops that we lead, through all of the hearings that we conduct, through every project that comes out of the building fund is voted on by the board. So--

LINEHAN: So you think it'd be OK for a school-- for school to build a whole new building without a vote of the people?

JOSH McDOWELL: I believe that if we could manage our building fund in such a way that would allow us to do that then currently the way the law is written, that, yes, that would be completely acceptable.

LINEHAN: OK. Thank you very much.

MURMAN: Any other questions for Mr. McDowell? Do you happen to know-- and maybe I should have asked the previous testifier, but how many schools of a certain size or, or, you know, how many schools approximately use their special building fund to build new gyms or new buildings?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee January 23, 2024
Rough Draft

JOSH McDOWELL: I, I could not answer that for you, Senator. I do not know.

MURMAN: OK. Thank you.

JOSH McDOWELL: Um-hum.

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

JOSH McDOWELL: Thank you for your time.

MURMAN: Other proponents? Or excuse me, opponents?

JACK MOLES: Excuse me, there. 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, and I'm the executive director of the Nebraska Rural Community Schools Association, also referred to as NRCSA. And on behalf of NRCSA, I would like to testify in opposition to LB1063. One of the things I did is I, I talked to our members and, and said, OK, what are the things you've done out of your special building fund? And I listed some of those there for you. There are also a couple-- there are some situations where a district has built a bigger building, you know, a gym or something like that. But each-- in each one of those projects, what was conveyed to me was that the board communited-- communicated a great deal with the public to keep the patrons informed on the plans for the projects, especially on the bigger projects. They received a great deal of input and often the input was not-- or there were times where the input was not in favor of the project, but at least those people were given a chance to be heard. The issue-- part of the, the bill also talks about improvements to any existing school property. That causes us a concern also. When our rural schools compete-- or complete roof projects, they often do this in, in phases. And several of those phases will, will often be over \$250,000. So you might have 4 phases you're going to do. Would you run-- have to run an election every time? Seems a little redundant to me. And-- but I do also appreciate-- acknowledge that Senator Halloran did talk about amending that part of it. Similar projects to this, though, might include HVAC systems, safety issues, things like that. And we-- I-- we believe-- NRCSA believes that the locally elected Board of Education members should be trusted to make those decisions. An issue that is, is also facing Nebraska schools is that there is not state assistance for building projects as it currently exists. I looked at a couple of, of studies on this, and they say that between 30 and 35 of the states provide some sort of assistance for building projects. And there's one

that I didn't review, but out of the Texas Legislative Council that says that Nebraska may be 1 of only 4 districts-- states that do not provide construction assistance for their schools. So there are ways to work on transparency with this. We'd be happy to work with Senator Halloran or the Education Committee on this. The charge of the local elected Board of Education is to make decisions that it can for the school district and its patrons. Sometimes the board must make tough decisions, but that's why they've been elected. It is our contention that the decisions on how best to use a special building fund are left in the hands of the local Board of Education. So we would encourage you not to advance LB1063. Thank you.

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

JACK MOLES: Thank you very much.

MURMAN: Other propo-- excuse me, opponents? Good afternoon.

SCOTT WIESKAMP: Good afternoon, Senator Murman and members of the committee. I appreciate the opportunity. My name is Scott Wieskamp. I'm the director of operations for Lincoln Public Schools. I've been in that position for 25 years. 14 years prior to that, I spent time designing, developing, implementing, constructing pre-K-12 architecture across the state of Nebraska. So I definitely have some history with pre-K-12 education and facilities.

MURMAN: Excuse me, could you spell your name, please?

SCOTT WIESKAMP: S-c-o-t-t W-i-e-s-k-a-m-p. Like all the other that have testified before me, I truly concur with their testimony as well on the opposition side. I'm very fortunate to work for the Lincoln Public Schools. I have an incredible team or a very large district, as you know, and so we're talking about small and large districts with this bill. But it's very difficult for a large district like ourselves. I appreciate what you do and the fact that you're trying to curb abuse and all the types of things that you-- that have been discussed today. I just believe that there's probably a better way to do that in terms of putting another limitation on how school districts spend this money. To put it into perspective, Lincoln Public Schools has 81 facilities over 8 million square feet. Over 6 million square feet of that 8 million is roofing, over 6 million. We look at about a 25-year life cycle for replacing roofs. OK? And that's pretty normal if it was your house or a school, 25-year life cycle. If you divide

that 6 million square feet-plus by 25 years, that's 240,000 square feet annually that we need to replace on a 25-year life cycle. That's square feet, not \$250,000, 24-- 240,000 square feet. And using a conservative number of \$10 a square feet, that's \$2.4 million of roofing, just roofing. We can talk HVAC and many other topics that we need to deal with on an annual basis. So that's definitely a challenge if we have to get a vote for every one of those projects or expenditures based on 5, 10, 12 roof projects annually. And, again, this is only roofing. We can talk about HVAC equipment. We can talk about building improvements to accommodate special needs children. We can talk about HVAC equipment that needs a preorder package, because HVAC equipment takes a year to arrive today and then bid a second package to install it, both would be in excess of a quarter of a million dollars. So does that need a, a vote of the people? The last bond issue we held, which is a special election, cost nearly \$300,000. If we were to do a general election, it would cost Lincoln's voters about \$50,000 on top of that project cost. So you can imagine the challenges it would put on us to accommodate all of the needs within our district. We have 81 facilities, as I mentioned, nearly 20 of those are 1920s and 1930s. We care about our buildings. We take good care of our buildings. We like to invest in our buildings. We want the community to use our buildings. But, again, this really puts a lot of challenges on us. And so we would recommend a different solution to curb abuse, because this puts just one more layer of hoops to jump through for us to accomplish these projects that are really important and, and necessary on a preventive maintenance perspective. Be happy to answer any questions.

MURMAN: Thank you. Any, any questions for Senator-- or Mr. Wieskamp? Senator Linehan.

LINEHAN: Thank you, Chairman Murman. You said, I think, another limitation on building funds. What limitations? What other limitations are you talking about?

SCOTT WIESKAMP: Well, I think there are levy lids in place, whether it's the \$1.05 or the 14 cents. I know there are even other funds like QCPUF that have more limitations, there's 3 cents--

LINEHAN: So you're talking about the lids?

SCOTT WIESKAMP: Lids.

LINEHAN: Yes.

SCOTT WIESKAMP: But I-- but I think-- I do agree that if there are ways to curb what you believe is abuse, I, I understand that. I think there's a better way than putting a expenditure limitation on school districts.

LINEHAN: You said a special election in Lincoln cost \$50,000.

SCOTT WIESKAMP: No, a special election cost nearly \$300,000. A general election, if we were to accommodate a general election, it's close to 50.

LINEHAN: OK, well, that seems very different than Douglas County, which is confusing to me, but we will ask some questions of Government Affairs, I guess.

MURMAN: Any other questions? Senator Albrecht.

ALBRECHT: Thank you, Chair Murman. And thank you for being here for-- with the information you've provided. I guess I would like to ask you a little history on the building fund. So how does that building fund grow? And the reason I'm asking that, I want to know how, how do you know how much you have allocated for all these schools that you have in the Lincoln Public Schools? Because I've asked some of my district how much is in your building fund, and a lot of them said they don't have one.

SCOTT WIESKAMP: So we have a 10-year plan that outlines long-range planning: building, roofing, maintenance projects so that we can plan ahead. Having the money to fulfill that plan--

ALBRECHT: Where does that money come from?

SCOTT WIESKAMP: So a bond issue.

ALBRECHT: OK, but if you didn't have to go out for a bond and you just had money set aside, the set aside money that you have right now for the Lincoln Public Schools, where did it come from?

SCOTT WIESKAMP: We have approximately \$7 million in a nonrestricted building fund. Some of that comes from revenue from facility use by the community, cell tower leases, things of that sort. That's not near enough to cover \$2.4 million a year in roofing. So it's not being replenished at a rapid rate. So we would rely on a building fund or a vote to add money to that particular fund.

ALBRECHT: So the previous testifier indicated that if there-- if that money isn't coming in, you're saying you get it from different places, but when you have a bond issue go out for any of these projects, is there any leftover money that goes into the building fund?

SCOTT WIESKAMP: No.

ALBRECHT: You spend it all, everything?

SCOTT WIESKAMP: So typically a bond issue has a time-- an end date--

ALBRECHT: Time sensitive.

SCOTT WIESKAMP: --sunset date in terms of when that has to be expended. And so our last bond issue in 2020, which included new high schools, also had some infrastructure projects: roofing, pavement overlays, and those types of things.

ALBRECHT: It's always included.

SCOTT WIESKAMP: And we've been accomplishing those based on the plan that was presented to the voter for that bond issue.

ALBRECHT: Um-hum. Thank you.

SCOTT WIESKAMP: Sure.

MURMAN: Any other questions for Mr. Wieskamp? Senator Linehan.

LINEHAN: Thank you, Senator Murman-- or Chairman Murman. When was your last special election?

SCOTT WIESKAMP: 2020, February.

LINEHAN: And was that for the new high schools?

SCOTT WIESKAMP: Yes.

LINEHAN: It was in February of 2020?

SCOTT WIESKAMP: Yes.

LINEHAN: Was there a reason that couldn't wait until May 2020?

SCOTT WIESKAMP: Time is money in construction and projects. The last 3 bond issues that we held dating back at the early 2000s were all held

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Education Committee January 23, 2024
Rough Draft

in February. The day after the bond issue passes, we're working-- we released an RFP for architects so that we can design the first phase of projects so they can bid in November, December, and January so that you can get good prices. Because if you're bidding in April or May, contractors' plates are full or filling up for the construction season. So we've been very aggressive and we've got good numbers based on historical processes in terms of bidding projects. And so that's why we've typically done that. So that special election cost, \$300,000, we've easily saved that based on moving that schedule forward when you look at the amount, quantity, value of the projects that we bid that winter and fall.

LINEHAN: So wouldn't have there been a city election in the spring previous? If you got a 10-year plan, it seems to me that you could figure out between-- you have your-- Lancaster County has city elections and they're in the off year. You have an election every year. So if you have a 10-year plan, couldn't you match that up to the elections?

SCOTT WIESKAMP: We could. We, we have discussions with the city, community colleges, the county. There are many vested interests, interests to find the ideal time for a bond election. Correct? And you can imagine if everybody pools it together, are the chances of all of them passing simultaneously good? And people-- you look at that. You, you try to predict the best time to get your vested interests passed. And we saved money. We were able to pay for that special election because of that foresight and practice that we had implemented.

LINEHAN: Thank you very much for being here.

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

SCOTT WIESKAMP: Thank you.

MURMAN: Any other opponents for LB1063?

SUZANNE SAPP: Chairman Murman, members of the Education Committee, good afternoon. I am Suzanne Sapp, S-u-z-a-n-n-e S-a-p-p, and I am in my 20th year on the school board at Ashland-Greenwood Public Schools, and I'm in my 6th year on the Nebraska Association of School Boards Legislative Committee. And I'm here on behalf of Ashland-Greenwood Public Schools in opposition to LB1063. My opposition to this bill is based on my 19-plus years on the board at Ashland-Greenwood. I feel as elected officials, we have been empowered by our voters to make

decisions that go beyond the \$250,000 you wish to cap the special building funds spending at. The local control we currently have has allowed us to address, without delay, multiple projects. I'm going to give you a couple examples of how we have used the special building funds to our benefit. In 2020, we passed a \$59.9 million bond for construction of 2 new buildings. We started the following January with a pre-K through second grade building. With construction supply shortage, we made some modifications which resulted in an increase in price. We then put bids out the following year for a new middle school and the numbers came back even higher. In addition to the increase we already experienced, we were almost \$9 million over our projected bond. Our architects and contracts modified and cut. With those changes, private donation projections, along with the money we had in the special building funds, we were able to still move ahead without asking any additional increase from our constituents. We even sent a survey out to get a pulse of the people in our district. It went out to every constituent in the district and we got very few back. But the ones we did get back, 70% said they were in favor of it. And of those in favor, we got many comments as this is your job to, to make these decisions, not ours. So we moved forward with the project. Had we not moved forward right away, we were able to lock in a \$285 per square foot on our buildings. Now, if we would have had to wait even a year, that cost went up to over \$500,000-- \$500 a square foot, which would have made that building almost twice as expensive as what we paid. We currently pay-- we moved quickly-- by moving quickly forward, we saved our district millions of dollars of having to fund dollars resulting in more probable tax hikes. Another problem issue we had was our aging football field. The service-- surface was in poor condition. It had some other issues, such as one of our end zone corners went uphill and into a fence. What caused-- the straw that broke the camel's back on that project was the fact that we didn't know that there was a sewer line going to the middle of our field. In the middle of one of our home football games, it fortunately was the last game of the season, it started to leak raw sewage into our football field and on the entire opponent sideline. That was something that we needed to address quickly. We needed to get started on it so that come spring, we were able to repair that field, make the adjustments we needed to making the fields-- we no longer had an end zone that went uphill away from the fans and we got the, the waterline capped. So, therefore, that was not-- no longer an issue for us, but it was a \$300,000 project that we, we went ahead and did, and we got very few complaints from our constituents. A couple months ago we did a board retreat. One of the policies we reviewed was our board ethics. Two statements really stood

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee January 23, 2024
Rough Draft

out to me that I think pertain to this committee: Always be mindful of your fiduciary obligation to the school-- school's district, including duties of loyalty, care, and by placing the interests of districts above the board members' personal interests. Remember that a board member's first and greatest concern must be educational welfare of the students attending this district. My challenge to this committee is, are you putting the interests of the district in this state ahead of your own personal interests? As an Education Committee, are you putting first and greatest-- is your first and greatest concern the educational welfare of the school districts in the state of Nebraska? Just like you--

MURMAN: Excuse me, you have the red light, but you can--

SUZANNE SAPP: OK.

MURMAN: --wrap up or continue if you want.

SUZANNE SAPP: OK, I have one more statement.

MURMAN: OK.

SUZANNE SAPP: I was just going to say, just like all of you, we're elected. Everybody else has said that we are elected officials. And with that election, it gives us board control. And I feel like this bill is aimed at taking away some of the board control that we have earned through our elections. And thank you for letting me go beyond.

MURMAN: Thank you. Any questions for Ms. Sapp? Senator Linehan.

LINEHAN: Thank you, Senator Murman. I've studied a lot of schools since I've been on the committee here, and I will agree with you that you guys do a good job.

SUZANNE SAPP: Thank you. Thank you.

LINEHAN: You were very impressive. I'm trying to figure out what your overall levy is?

SUZANNE SAPP: Our levy for this year is 85.7.

LINEHAN: OK. So you're not at your max levy?

SUZANNE SAPP: No. No.

LINEHAN: Have you got any bonds on the books now?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee January 23, 2024
Rough Draft

SUZANNE SAPP: Yes we do, we have that \$59.9 million bond.

LINEHAN: Which was to build--

SUZANNE SAPP: To build two schools, two buildings, in which we just opened up the second building this January.

LINEHAN: So you built two buildings with \$59 million?

SUZANNE SAPP: Yes, because we got on it and we, we hit the perfect storm. We were able to lock in, like I said, the \$285 a square foot, and that's when bond percentage error rates were very low. So, yes, we did. And we-- and in addition to that, the two schools, one is now currently a middle school which someday will become our high school, but it also includes a competition gym and a new theater.

LINEHAN: You're growing too, aren't you?

SUZANNE SAPP: Yes, it's slowed down a little bit, but it's because of lack of space to build. But, yes, we are growing.

LINEHAN: How many students do you have?

SUZANNE SAPP: Just over 1,100.

LINEHAN: Thank you very much for being here.

SUZANNE SAPP: Thank you.

MURMAN: Thank you. Any other questions? Senator Meyer.

MEYER: I was just curious what your opponents thought when the sewer was leaking on their side?

SUZANNE SAPP: Well, it's an embarrassment to the school, I'll tell you that as a school board member. But, yeah, it's-- fortunately, it was towards the end of the game, and I think they tried to accommodate, maybe put some wood or something. It, it was, was not good.

MEYER: Sorry.

SUZANNE SAPP: At least, you know, some people joke, well, at least it was the opponent's side, not ours, so. But it, it was not a good look for a school district.

MURMAN: Any other--

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Education Committee January 23, 2024
Rough Draft

SUZANNE SAPP: Any other questions? Thank you.

MURMAN: Thank you very--

SUZANNE SAPP: And thank you for allowing me to go over.

MURMAN: Sure. No problem. Other opponents?

GARY KUBICEK: Good afternoon, Chair Murman and members of the Education Committee. Pleasure to be here. My name is Gary Kubicek, spelled G-a-r-y K-u-b-i-c-e-k. I am presently vice president of the Norris School District 160, and I'm here today in opposition of LB1063 on behalf of the Nebraska Association of School Boards, which is NASB, and the Norris School District. Take you back a few years, Norris School District was hit by an F4 tornado in 2004. \$35 million later, we had rebuilt and repaired the Norris campus. Fast forward to 2024, today, the Norris campus has now aging infrastructure equipment. Whether it's roofs, HVAC, parking lot services, athletic fields, wastewater lagoons, and that's just a few of the things that we're being addressed with now that we have concerns over today. LB1063 would not allow the school board to make decisions in public meetings to update and replace the aging equipment for campus projects that would be more than \$250,000. The Norris Board of Education has prided itself on transparency with patrons and building positive relationships to ensure students go to school in a safe, healthy, and welcoming environment. The district is currently in the process of developing a 5-year strategic plan in cooperation with the NASB Board and looking at our campus facilities. Here's a couple examples of LB1063 that would have an impact on some of the projects that could come up. In 2015 the Norris School Board discussed a field turf project for safety reasons, and utilized a transparency process, holding 4 public meetings, that was 4 public meetings to seek feedback and input from patrons. After the meetings were concluded, the board voted to approve a 7-year lease agreement to purchase turf for the football field. The amount of the project was \$800,000. The lease agreement is paid through the building fund. This would not have been possible with LB1063. Finally, Norris has 4 school buildings on our campus, 3 of which are aging HVAC systems, which you've heard a lot about. So we're at 20-plus years of age right now in those HVAC systems. We had just completed replacing one of them in our middle school, which was at at the cost of \$3.7 million. And we used QCPUF funds for that. The Norris Board is strategically planning on how to address the replacement of the other 3 buildings and maintenance issues that will cost over \$250,000. The question we have is, how

would a school district like Norris be expected to replace critical HVAC units in an emergency situation? Especially with the cold weather, if one of those would go out at this time with the age they are that would be a problem. All of the school board meetings are open to the public. We are public officials voted in by our patrons. Decisions are made in public at public meetings. LB1063 would take away the ability of the school boards to make timely decisions on maintaining facilities and being proactive on maintenance of the district. School districts would respectfully ask that elected boards continue to make decisions about the spending of their districts under the current law, and stand accountable to our constituents for those decisions. Thank you.

MURMAN: Thank you. Any questions for Mr. Kubicek? I have one. You said the tornado, if I recall, caused \$35 million in damage?

GARY KUBICEK: To re-- yeah, to replace all the facilities and, of course, HVACs, roofs, and everything else.

MURMAN: So how much of that was paid approximately by the special building fund and was it-- did you have insurance to cover that?

GARY KUBICEK: It was insurance covered a lot of that. Yes. I, I can't-- I, I don't know, it's before my time on the board. This, this is my first-year term on the board, but I know insurance covered a lot of it. And how that all settled out, I don't know the final details of that, but I'm, I'm assuming most of it was because our insurance has been very good to Norris School District in covering a lot of things.

MURMAN: OK. Do you happen to know if there was any delays? If you couldn't have used the special building fund to, to maybe get started, you know, would there have been any delays that you couldn't or--

GARY KUBICEK: I, I don't know the answer to that for sure. I'm-- at that time, I'm guessing there were-- there was probably some delays because we had to, I believe, at the time they brought in pods and so they had to bring in special housing for, for the students. But other delays, I don't know of any at this time.

MURMAN: OK. Any other questions for Mr. Kubicek? Thank you very much.

GARY KUBICEK: Thank you.

MURMAN: Other opponents? Any other opponents for LB1063? Good afternoon.

JEREMY KLEIN: Good afternoon, Chairman Murman. Thank you, Chairman, Education Committee members for the chance to speak with you today. My name is Jeremy Klein, J-e-r-e-m-y K-l-e-i-n. I'm the superintendent of Heartland Community Schools. Heartland Community Schools is headquartered in Henderson, Nebraska. We serve the communities of Henderson and Bradshaw in western York County. I'm here speaking-- offering testimony in opposition of LB1063 today. I would offer my opposition based on 2 main points, I, I think. One being that the, the, the participation of voters that the bill seeks to provide is, is already in place and already exists and is being provided to, to voters at an appropriate level. And that, secondly, the bill would likely, unintentionally, provide a lot of practical impediments to the governance of our local school districts by our, our local boards of, of education. You know, firstly with the, the ability of voters to participate in the process of spending money out of the special building fund, looking back over the last, say, 11 years or so, if you look at the statewide AFR, you'll see that, approximately, 75 to 85% of the dollars actually spent out of a school district's special building fund on a statewide basis is, is actually funded by the sale of bonds as funded through bonded indebtedness. And so that comes from bond elections. The voters are participating in those bond elections. And so in terms of, you know, the, the largest amount of money being spent through the special building fund that's being done through a process where the voters are participating in bond elections and funding the special building fund with those-- with those bonds to, to the tune of about 75 to 85% of the-- of the spending that's taking place there. Outside of the, the spending that's not taking place with bonds, again, we've talked about local control, local elected boards are in a good place to, to monitor and provide accountability to, to those dollars being spent. I would just ask you to, to keep in mind that, you know, the dollars that the boards are being asked to provide oversight of, they are large amounts, but in the grand scheme of things, they're very reasonable amounts. If over the last 11 years or so, you take a look at the dollar spent on a per year basis per district per year, you're looking at tax requests that are roughly \$363,000 per district per year. If you look at a per student basis, if you assume about 315,000 students, you come to about \$282 or, excuse me, \$288 per student per year. So in a district like mine that has about 350 pre-K students, that's a tax request of about \$98,000. A district of about 600 students is going to have tax credits of about \$168,000; district of about 5-- excuse me, 1,500 students is going to have a tax request of \$422,000; and a district of about 5,000 students

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee January 23, 2024
Rough Draft

will have about a \$1.5 million tax request. And those are, are, are proportionately appropriate amounts to ask for a building fund.

MURMAN: Thank you. Any questions for Mr. Klein? Senator Linehan.

LINEHAN: Thank you, Chairman Murman. So I bet the Heartland Community, you must do a pretty good job. Your total levy is not even 58 cents.

JEREMY KLEIN: 57.79 cents, I believe.

LINEHAN: Yes, very good. Your building fund is really small.

JEREMY KLEIN: It's a little over a cent.

LINEHAN: So is that-- and you have 350 students?

JEREMY KLEIN: I, I think we-- pre-K, we have about 339 students this year, but, we will-- you know, us, us being a, a smaller school we'll, we'll fluctuate really pretty steadily between 330, 350 students, depending upon the year. Our section sizes will vary fairly widely from one year to the next.

LINEHAN: So you said you were here representing which group? I'm sorry.

JEREMY KLEIN: Heartland Community Schools, my school district.

LINEHAN: No. OK. Thank you for being here. Appreciate it.

JEREMY KLEIN: You bet.

MURMAN: Thank you. Any other questions for Mr. Klein? Thank you for testifying. Any other opponents for LB1063? Other opponents? Anyone neutral for LB1063? If not, Senator Halloran, you're welcome to come up to close. And while he's coming up, let's see, online we had 4 proponents, 6 opponents, and 1 neutral.

HALLORAN: So if anyone's wondering about the limp, my leg fell asleep along with other parts of my body. I appreciate the testimony of those opposed to this bill. Again, at some point in time there's never enough money. I, I could have put on there, \$3 million, and I'm guessing there would have been just about as many people opposed as with a quarter of a million dollars. And I get that, it's a concern about getting into local control. But part of that local control are the people that elect the school board members. And school board

members-- school board member candidates are about as hard to find as candidates for the Legislature. It's pretty difficult. It's a tough job and it doesn't pay well. Probably it pays well-- pays less for school board members than it does for us. But that being said, there still has to be-- there still has to be-- there's no association that I saw represented in, in, in, in testimony on this on behalf of the taxpayer. There wasn't. Maybe that's my fault, I should have got some proponents here. I think there's some positive testimony in the written testimony that was submitted. But, again, where do we draw the line between good management in budgeting process, general budgeting process and anticipating issues with building maintenance, air conditioning, roof. You all understand depreciation, deterioration. That, that should be, typically, part of the good process of good management, be it the board or the administration. I just don't want this building fund to be a slush fund. OK? Slush funds aren't attractive to me because I think by their nature, they make us "budgetarily" lazy. And I'm not implying anybody here. I'm just saying it's, it's true the Legislature as well. But slush funds don't force us to be focused on good budgeting practices and so because the money's always there. It's always there. Every school has a tax levy authority to do 14 cents, 14 cents. Some do hardly any, and the last testifier was 1 cent. Some max it out. It's just on how it's managing what it's used for. I just don't want people building new buildings, substantial new buildings, or for that matter, baseball fields or football fields using the building fund that wasn't really designed for that. The intent wasn't for that. The intent was, was for infrastructure of the building. And, and, and having said that, I have never seen a building teach a kid. And yet we, we spend a lot of time and effort and money making sure we have the best buildings possible. Sure, there has to be infrastructure there to house them. They have to be safe. They have to be warm. They have to be protected. But a building never teaches the kid. We could-- we could spend all the money in the world on buildings and it won't result in better ACT or SAT scores. Anyway, I'm digressing here. It's not a perfect bill, I admit that. I would love to work with committee, and I would love to work with anyone here that was opposed to this that would like to make this a better bill to address the issue of abuse where it happens. With that, I will close. Thank you.

MURMAN: Thank you. Any questions for Senator Halloran? Senator Linehan.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee January 23, 2024
Rough Draft

LINEHAN: I just want to say this part out loud. I'm looking at the proponents, so the Farm Bureau and Nebraska Ag Leaders Working Group are supporting this, right?

HALLORAN: Right. Yeah. Thank you. Um-hum.

MURMAN: Any other questions? If not, thank you very much. And that will close the hearing on LB1063.

HALLORAN: Thank you.

ALBRECHT: We'll now open on LB1091 with Senator Murman.

MURMAN: Thank you, Vice Chair Albrecht, and members of the Education Committee. My name is Senator Dave Murman, represent 38th District. Today, I have the privilege to introduce LB1091, the Equal Access Act. This legislation ensures school boards do not pick winners and losers, but instead ensures any education, professional employee association an equal opportunity. Under LB1091, if a school board grants one professional employee association a certain privilege such as access to school mailboxes, physical or electronic, access to bulletin boards, and the ability to attend meetings such as a new teacher orientation, they cannot deny those same privileges to another professional employee association. There are currently multiple organiza-- organizations for our teachers and education staff that provide the valuable tools of professional development and liability protection. But rather because of high cost disagreement due to political donations or general disagreements of point of view, one organization is not necessarily the best fit for every teacher. But when a school administration allows one organization to set up a table at its new teacher orientation while prohibiting other organizations to do the same thing, teachers are blocked from seeing all the options. In some cases, teachers may not even know about all the organizations that are available to them. This isn't for lack of trying. You'll hear from proponents behind me that they have supported organizations who have been deliberately blocked from school board after school board. By giving this favoritism to one organization over another, we do our educators a disservice. Under LB1091, we allow all of the options to be laid out in front of teachers to decide what works best for them. The more options, the more competition, and the more information that we can lay in front of educators means the better way they can make that decision. This is not an attack on any one particular organization, because nothing in the bill takes away any of their powers. Instead, it's simply ensuring any professional

organization has the same opportunities. If no teachers decide to join other organizations due to this legislation instead, that's fine, but they deserve the right to be informed about them. With that, I'm happy to take any questions you might have.

ALBRECHT: Thank you, Senator Murman. Do we have any questions of the committee? Seeing none, thank you and you'll sit in the corner and wait quietly. [LAUGHTER] OK, we're ready for proponents. Do we have any proponents to LB1091? Hi. OK.

CHARLES ZURCHER: OK, well, thank you for letting me speak today. My name is Charles Zurcher, Z-u-r-c-h-e-r. I'll read this. Thank you for the opportunity to speak. Some background on myself. I have lived in Nebraska my whole life. I hold a teaching degree from UNL. My wife, Kim, has been a public school teacher for over the last 40 years. My oldest son and his wife have their teaching degree, as does my daughter. I was elected in 2016 to the Papillion La Vista School Board. So as you can imagine, I have a vested interest and passion for the well-being of the hardworking teachers in the state and the students they serve. I've been the regional director for the Association of American Educators in Nebraska for the past 3 years. We are the largest nonunion teachers' association in the country, with tens of thousands of members nationwide providing teachers liability, legal protection for workplace issues, along with professional development, scholarships and grants for the classroom, and many other benefits. We are nonpartisan, nonpolitical. AAE has been serving teachers for the last 30 years. The reason I am compelled to speak today is to inform you that thousands of teachers throughout this state currently do not know they have options when it comes to joining a professional association and the ability to save tens of thousands of dollars. Tens of thousands of dollars back in teachers' pockets. How can this be? Because the ability to inform educators is restricted to mainly one organization, the NSEA. The NSEA has access to school districts teachers' emails, school presentations, teachers' mailboxes, district bulletin boards in virtually-- in virtually every school in our state. Other professional associations are severely restricted. I would invite you to see the many examples which I have placed in front of you, where school districts have denied AAE and myself the ability to inform their school educators valuable information, at the same time giving the NSEA almost unlimited access. This is fundamentally wrong and creates a monopoly. In this country, we know that monopolies are not good and hurts the consumer. Or in this case, the educators in the state of Nebraska. I feel that in many cases, superintendents and administrators in Nebraska feel intimidated by the NSEA and are

hesitant to rock the boat by letting alternative information into their district. This pressure would be eliminated when this bill is passed. In Omaha-- in the Omaha School District, only 49% of its educators are members of the union, according to a Omaha school board member. This leaves 51% of teachers that have chosen not to join the NSEA. Those teachers need to know there are alternatives. But yet, after three years of asking the Omaha School Assoc-- or school-- excuse me, the Omaha School administration access to share information to its educators about options they have for other professional association, no response has been given.

ALBRECHT: Excuse me, Mr-- you have a red light, Mr. Zurcher, so go ahead and finish.

CHARLES ZURCHER: I do, I've got about another 2 minutes, if I may.

ALBRECHT: Very good. Very good.

CHARLES ZURCHER: Thank you.

ALBRECHT: Thank you.

CHARLES ZURCHER: This spring I spoke in front of the Omaha School Board asking once again if I could have the same access to educators as the NSEA. No action or response was given. In Lincoln schools, I spoke to the school board requesting access with the same results. Over the last 3 years I have asked, but yet been denied opportunity to speak with new teachers and school districts throughout the state. Again, see the examples before you. This year, however, there was one district, Papillion La Vista Schools in the state that allowed me to present, along with the NSEA to its new teachers. I was first to present to 105 teachers that day. At the beginning of my presentation, I asked how many educators had heard of AAE, 5 raised their hand. Then I asked how many had heard about the NSEA, almost everyone in the room raised their hand. If I had not been allowed to speak that day to the new teachers in attendance, there would have been 100 Nebraska educators that would have no idea that they have a choice in a professional association. I spoke to Doctor Rikli, superintendent of Papillion Schools, after the presentation. I thanked him for the opportunity to speak with the new educators. His response to me was no thanks necessary as it is only fair. That is why I'm here today asking you to do what is fair and right for the good, hardworking teachers of Nebraska. Please pass LB1091.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee January 23, 2024
Rough Draft

ALBRECHT: Thank you very much for your testimony. Do we have any questions of the committee for Mr. Zurcher? Go ahead. Senator Walz.

WALZ: This is the first time I've heard this so I do have a couple questions.

CHARLES ZURCHER: That's quite all right.

WALZ: And they're kind of elementary questions, but I'm going to ask because I don't know. So are there other professions where there are other organizations other than the union that are allowed to come in and do the same thing in other professions?

CHARLES ZURCHER: In as far as--

WALZ: Like not teaching, any other professions. I don't know, doctors, lawyers,--

CHARLES ZURCHER: I-- yeah, I'm--

WALZ: --accountants, any, do you know?

CHARLES ZURCHER: I'm not-- as, as far as that offers legal and liability for teachers?

WALZ: No, other professions other than teachers?

CHARLES ZURCHER: Oh, that I can't answer.

WALZ: OK.

CHARLES ZURCHER: I'm not, I'm not familiar with that.

WALZ: OK. And then what other organizations if-- like, what other organizations would this open this up to besides--

CHARLES ZURCHER: Well, actually, it only opens it up to associations that provide legal, liability, and professional development to the teachers in Nebraska. That's what the NSEA does. That's what we do.

WALZ: OK.

CHARLES ZURCHER: There's-- I am the only other association in Nebraska that has a, a, a representative in Nebraska. So, basically, you're talking two, NSEA and AAE.

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Education Committee January 23, 2024
Rough Draft

WALZ: OK. All right. Thank you. Sorry about the question. I just--

CHARLES ZURCHER: No, not at all.

WALZ: OK.

ALBRECHT: Thank you, Senator Walz. Any other questions? Seeing none, thank you for your testimony.

CHARLES ZURCHER: Very good. Thank you for your time today.

ALBRECHT: Any other proponents wishing to speak?

MARIS BENTLEY: Thank you very much. I appreciate this opportunity. My name is Maris, M-a-r-i-s, Bentley, B-e-n-t-l-e-y. I reside at 2006 Kings Lane in Plattsmouth. I'm here to urge you to support LB1091. I already actually submitted written testimony online, but when I had the opportunity at the last minute to be here to speak in person, I wanted to take advantage of it. I am a retired teacher and K-12 school counselor, and I spent most of my years in education in the rural schools of central Nebraska. LB1091 is a bill for the teachers of Nebraska. This is a bill that would help ensure that our educators are educated about all the options that they have, about the professional organizations that they can choose or choose not to belong to. Frankly, it's shocking to me that school districts in Nebraska are not allowing organizations such as the Association of American Educators, and there is another one, there's an association of Christian school teachers, too, I don't know the exact terminology for it, that they're not being allowed to have access to the teachers, especially in light of the fact that the NSEA is always allowed to do so. Isn't that a form of discrimination? In the school districts where I was employed, the packet of information that was given out to the new teachers included the enrollment form for the NSEA. I never saw or heard anything about other options that I could have chosen to belong to. And like Mr. Zurcher said, it's been around for more than 30 years. Of course, monopolization is a good business model for the NSEA, but it's not what's best for Nebraska teachers. Since learning about the AAE, and it was after I retired, I might add, I have shared their materials and information with teachers across the state. The vast majority have been very grateful to learn that there are options like AAE available to them. And then they would ask me and wonder like I did, why haven't I heard of this before? You as the Education Committee, and hopefully then the whole body of the Unicameral, have a chance to rectify this lack of education on the part of our educators and the lack of equal

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee January 23, 2024
Rough Draft

access, access that is granted to the NSEA, but not to AAE. I urge you to please support this important and much needed bill, LB1091. Thank you.

ALBRECHT: Thank you, Ms. Bentley. Any questions from the committee? Seeing none--

MARIS BENTLEY: Thank you.

ALBRECHT: I appreciate you coming in. Thanks. Any other proponents? Seeing none, are there any opponents that would like to speak? Welcome.

TIM ROYERS: Good afternoon, members of the Education Committee. For the record, my name is Tim, T-i-m, Royers, R-o-y-e-r-s. I'm the president of the Millard Education Association, and I'm speaking on behalf of the Nebraska State Education Association in opposition to LB1091. LB1091 is a poorly written bill with the express purpose of undermining both local control and the collective bargaining rights of educators across the state. Contrary to what you just heard in the proponent testimony, our access to educators is earned. We earned it because we represent them in the collective bargaining process. A majority of educators are members of our organization. And to be a certified bargaining unit all teachers, members or not of the union, vote. So, for example, Papillion La Vista recently held a certification election for its teachers. Over 90% of all teachers, not just members, all teachers voted to certify our local affiliate, the Papillion La Vista Education Association, as the exclusive bargaining agent for teachers. When we recently conducted our election in Millard to be the recognized bargaining agent for our paraprofessionals, 99.1% of paraprofessionals voted to serve-- to recognize us. Again, that's not our members. That election was conducted with all paraprofessionals in the district, members or not. As the bargaining agent, any attendance at meetings or use of school facilities is earned. It's the subject of collective bargaining. If you want to look in Millard's, it's Section 7 of our contract that we have. The school board has to approve it. We work with administrators to comply with all rules and expectations. To tell a school district that it must allow any outside organization to come in simply because the district is engaged in collective bargaining, flies in the face of local control. It signals that this Legislature does not trust its educators, and the signals that this legislator-- Legislature does not trust the voters and their locally elected school boards. It is also very telling that LB1091 does not say that districts have to permit

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee January 23, 2024
Rough Draft

competing organizations to have access. And there's a very specific reason why this bill does not say competing organizations. It's because there is no competing organization. There are no other organizations that do the things our association does. In fact, the Association of American Educators' website plainly says, quote, we do not engage in collective bargaining. LB1091 undermines the principle of local, local control for the sole purpose of providing a bailout for organizations and districts do not recognize and the educators do not want. And I also want to point out, in anticipation of a question, the CIR has already established procedures for if another organization wants to come in and access collective bargaining rights relative to the existing organization. So there's already rules in place. So in closing, LB1091 undermines local control, disrespects voters and our duly elected school boards and disregards that collective bargaining process. LB1091 is unnecessary and flies in the face of the tone Speaker Arch is hoping to set in this session. I ask that this committee not advance the bill. Thank you for your time.

ALBRECHT: Thank you for being here today. Any questions from the committee? Seeing none, thank you.

TIM ROYERS: Thank you.

ALBRECHT: Any other opponents for LB1091?

KARIN WAGGONER: Hi.

ALBRECHT: Hi.

CONRAD: Hello.

KARIN WAGGONER: All righty. It's my first time testifying, so bear with me. A little nervous.

ALBRECHT: You're fine.

KARIN WAGGONER: My name is Karin Waggoner, K-a-r-i-n W-a-g-g-o-n-e-r, and I represent Nebraskans Against Government Overreach. Nebraskans Against Government Overreach opposes LB1091. It is vital to allow local school boards to continue to exercise local control. School boards currently vote in open meetings on which professional employee organizations are given access to teachers and paras. There are reasons school boards limit who is allowed to access their employees. Public school boards do not need more laws encroaching into their local control. The parents I represent love their public school

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee January 23, 2024
Rough Draft

boards, and we trust our school boards and their decision-making. Nebraskans Against Government Overreach trust public school boards to continue to vote for the best bargaining organization available in Nebraska.

ALBRECHT: Thank you very much. Hold on one second. I need to see if anybody has a question for you. Anyone from the committee?

KARIN WAGGONER: Please say no. [LAUGHTER]

ALBRECHT: Thank you for your time.

KARIN WAGGONER: Thank you.

ALBRECHT: Have a wonderful day.

KARIN WAGGONER: Thank you.

ALBRECHT: OK. Any other opponents? Seeing none, anyone in a neutral stance? That will-- we won't close until we ask Senator Murman to come up and close. And we do have 31 proponents, 2 opponents, and zero in neutral, so. Senator Murman, welcome back.

MURMAN: Thank you. OK, as I said, this legislation does not limit the access of, of any particular organization to the school boards. It only would allow all professional employee organizations as defined in Section 1(a) of the bill, that include collective bargaining with schools, terms and conditions of professional service, professional development and liability protection. So it's limited to only those organizations. And there are at least 3 other organizations that would fit that definition. We heard from one of them today. So with that, I'll, I'll entertain any questions.

ALBRECHT: Any questions of Senator Murman? Seeing none, thank you very much.

MURMAN: Thank you very much.

ALBRECHT: That will close LB1091.

MURMAN: We'll open the hearing on LB860. Senator Linehan.

LINEHAN: Good afternoon, Chairman Murman and members of the Education Committee. I am Lou Ann Linehan, L-o-u A-n-n L-i-n-e-h-a-n, and I represent Legislative District 39, Elkhorn and Waterloo. Today, I'm

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Education Committee January 23, 2024
Rough Draft

introducing LB860. LB860 requires that the Department of Education gives certain reports to the Legislature. I have also filed AM2133, which hopefully you're getting right now, which is an amendment-- this amendment is a white copy amendment that adds additional requirements under this bill. Currently, I'm unsure how early childhood grants function and how the department distributes these grants. Therefore, I would like the department to explain how this program functions to give these reports to the State Board of Education and the Legislature, and for the trustees of the endowment grants to be listed publicly and for their members to appear during already required public hearings. So I can't-- I think this goes back, and I'm not sure, I think this goes back to when we set up endowments for early childhood. Oh, you might have been here.

CONRAD: Not quite, but yeah.

LINEHAN: So there was money contributed and then the state could-- the state said they could use some of the lands and school-- school lands and funds money for early childhood. And in the law now, and I pointed this out to Chairman Murman, and it's not Chairman Murman's fault or former Chairman Walz's fault, it says in the law now that we're supposed to get a report in every odd year and we're supposed to have a hearing on it. I don't think-- I haven't seen a report, and we definitely have not had a hearing in the last 7 years. So some-- we're missing a step here. And it's uncomfortable to me that we've got trustees on a board that we don't know about handing out state money. So this is my effort to kind of figure out what is going on and where's the money going, and is it accomplishing what it was supposed to accomplish? So I'll take questions.

MURMAN: Thank you, Senator Linehan. Any questions?

MEYER: So, so--

MURMAN: Senator Meyer.

MEYER: --the last requirement was not in the original bill of those grant applications?

LINEHAN: Well, the requirement to have a report before the 1st of January for every odd year is in statute and the-- and the requirement to have a hearing is in the statute.

MEYER: How many times have they skipped that or are we just coming up on the first? Maybe, it was 2023.

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Education Committee January 23, 2024
Rough Draft

LINEHAN: I think Senator Walz has some information.

MEYER: Whoever, whoever. Or is-- or is 2025 going to be the first odd year that-- that's required?

LINEHAN: Nope, we got-- he's got to ask her to ask a question.

MEYER: Sorry.

LINEHAN: That's OK.

MEYER: I'm new at this.

LINEHAN: Yeah, that's OK.

MURMAN: No, no problem. Any other questions?

LINEHAN: He's ready for Exec Committee. He's going to reach over the table.

WALZ: See? Your turn.

MEYER: May I ask a question of another person?

MURMAN: He has figured it out that I have to say Senator Meyer before he starts talking.

LINEHAN: Well, he's got-- anyway, you're doing a great job.

MURMAN: Yeah, he didn't get adequate training from the Chair,--

LINEHAN: Doing a great job.

MURMAN: --so. Senator Walz.

WALZ: I-- I'm wondering, are you talking about a report from the land and school funds that would include the early literacy or the early childhood information? Because I know we had a report--

LINEHAN: So I have--

WALZ: --2 years ago from the-- that board.

LINEHAN: No-- here I-- it's in the white copy if I can find it quick. Well, I was reading the bill after I asked for the bill and I was reading it, I came across it and it said that we would have a report

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee January 23, 2024
Rough Draft

1st of January-- by the 1st of January in every odd-numbered year from the Department of Education, and we would have a hearing on it. I just think it's something that's gotten lost in the shuffle.

WALZ: OK.

MURMAN: Any other questions? I'll ask a question.

LINEHAN: Um-hum.

MURMAN: Could you ask me about if that report's been asked for?

LINEHAN: Has that report been asked for?

MURMAN: Yes, we have asked for that report. I don't think we've got a reply on it yet-- reply to our, our asking.

LINEHAN: So have you--I, I don't unless-- Senator Walz has been on the committee as long as I have, and I don't think we've ever had a hearing about it. But maybe I'm forgetting.

WALZ: Yeah, I'm going to find out.

LINEHAN: OK.

MURMAN: We've only asked in the last week or so. So, you know, they're, they're probably trying to determine their answer right now.

LINEHAN: Yeah.

MURMAN: Senator Conrad.

CONRAD: Thank you so much, Chair Murman. Thank you, Senator Linehan, for bringing this forward. And I think you and I had a chance to visit about some of these matters over the interim or at the early part of session. It all kind of runs together now timelinewise. But, I mean, I think there's no doubt that Nebraska voters took great strides to do some innovative things to try and provide funding for early childhood, and that's evidenced in constitutional amendments and a, a host of statutes that flow therefrom. But I have felt a lot of the same concerns as a new member of this committee that I, I think you were grappling with, and perhaps may be the impetus for this bill, is that I find it challenging to find credible information about what's working and not-- what's working and not working in terms of Nebraska early childhood or education writ large. Or even when you take the

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee January 23, 2024
Rough Draft

time to read the reports, there's a lot of pretty pictures, but it's kind of hard to glean, like, how does this program comport with another program? Is this outdated? Is this a good bang for the buck? You know, those kinds of really qualitative, quantitative data points that we're lacking in order to make good judgments as policymakers. So I don't want to put words in your mouth, but it's that kind of part of what you were maybe trying to, to get a clearer picture on with some of these funds and programs?

LINEHAN: Thank you, Senator Conrad. That's very helpful. Yes. Here-- here's what in the workforce, workforce working--

CONRAD: Right.

LINEHAN: --group this summer--

CONRAD: Right.

LINEHAN: --which I didn't attend every one of them, but one of the big problems we have in the state of Nebraska is the lack of childcare.

CONRAD: Yeah.

LINEHAN: And one of the reasons we have lack of childcare is lack of pay. We don't pay them enough. But then I see all kinds of programs floating around where we're spending millions of dollars and others are spending millions of dollars. And it's just that I don't think we need to study it anymore. We, we need to figure out a way that early childcare workers get paid more or we're not going to have-- I mean, you know, I saw a tweet last night, and I'm proud of them, though I kind of wonder what's going on. But I think it was from somebody who might be still here that Millard increased salaries for teachers by 11% or 7% or whatever over two years, that we're going to have to do that. And to do that, we're going to have to figure out where we're spending some money that's not really-- it's not producing anything anymore.

CONRAD: Yeah.

LINEHAN: So, yes, I want to know what we're spending money on in early childhood and is there a way to better spend that so we can support people who are working in that space?

CONRAD: Yeah.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee January 23, 2024
Rough Draft

LINEHAN: And maybe they are. I don't-- but we just don't know.

CONRAD: Right.

LINEHAN: And I think you're right. It was, like, in 2006, there was a constitutional amendment. So please correct me if I'm wrong, because this is really going off memory. In 2006, a constitutional amendment that we could allow public schools to use property taxes to pay for early childcare. And then there was a lot of legislation after that. But all the people that were here then, I mean, they're still around, but I don't know if we're doing what they wanted us to do. Was it to go on forever and ever? Is there no look back? It's part, and I'll say this out loud, it's part of the problem with term limits. You're here, you set something up, but then you're gone when it comes time to review it.

CONRAD: Yeah.

LINEHAN: And in this case, it seems like it's just gone underground and nobody's looking at it in the Legislature, which isn't OK.

CONRAD: Right. Yeah. Thank you, Chairman Murman. And just one quick follow-up. I, I think maybe it was evidenced in the prior hearing that Senator Halloran had this afternoon, as well, that I was kind of percolating on. And I know we've talked about it a lot as members of the Education Committee, just this kind of general frustration that we feel as policymakers and no doubt taxpayers are feeling, as well, where we're allocating historic sums in terms of school funding for, for kids, for our general TEEOSA, for different aspects of special needs, and then special education on top of that. And then we've got these historic valuations that have provided additional resources to a lot of districts. And even though it's one time, in many instances, a windfall of COVID money and property taxes are going up and teacher salaries aren't going up and we're not increasing access to early childhood and all of these other things that we need to do. And there's just this kind of confluence of frustration about where is the money? That, that-- that's definitely something that I'm feeling and grappling with and thinking about in regards to your bill.

LINEHAN: Yeah. I, I do think there's, there's so-- I mean, I talked to Senator Hughes on the floor this morning and Senator Moser and neither on the Education Committee, right, it's really hard unless you're in this committee to understand how complicated this all is. Because one of their points was, well, you've got-- and there was somebody here

from-- one of the last testifiers on the building fund. Well, he's right next to York and York is at, like, at a buck 15 for a levy and they're at, like, 59 cents. So why, why can't you merge those little schools? Well, that's why. Nobody is going to merge into a district that doubles their property taxes. So, I mean, we've-- and maybe I, I just-- I think you could serve on this committee for 20 years and--

CONRAD: Yeah.

LINEHAN: --you would still have a hard time coming up with all the answers. I think we've done a lot of good things. A lot of good things last year, obviously, but there's still a lot of unanswered things that we need to focus on, so.

CONRAD: Thank you.

MURMAN: Thank you. Any other questions for Senator Linehan? It not, thank you very much. Any proponents for LB860? Proponents? Opponents for LB860? Any neutral testifiers for LB860? Good afternoon.

ELIZABETH EVERETT: Hi. Good afternoon. Thank you for allowing me to testify today. My name is Elizabeth Everett, spelled E-l-i-z-a-b-e-t-h E-v-e-r-e-t-t, and I'm the deputy director of First Five Nebraska. We are a statewide public policy organization focused on providing quality care and early learning opportunities for all children in the state. I want to thank Senator Linehan for introducing this bill. This is a really important issue, and I wanted to come on the committee and answer some questions to clarify how Sixpences run, and then also to hopefully address some of the concerns that Senator Linehan had as well. So in 2006, the Legislature passed LB1256, which was a bill that created the Nebraska Early Childhood (Education) Endowment Fund. This specific fund is a public-private partnership. So we get the initial investment was \$40 million from the state through the lands and trust fund, and then \$20 million from the private sector. The money is then invested by two separate councils. So the Nebraska Investment Council invests the public side, the Nebraska Children and Families Foundation, with some accountants and other finance experts invest the private side. The money that is then provided through the earnings is deposited into a cash fund. The cash fund itself then provides grants to specific grant recipients across the state. We have 3 different programs that are funded through Sixpence. We have center-based programs, home visitation programs, and what's called childcare partnerships. After LB1256 was passed, the Legislature did provide additional appropriations from the state General Funds. And we did

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Education Committee January 23, 2024
Rough Draft

increase that in the last couple of years to \$7.5 million per year. The funds are normally all spent. We have a long list of grant recipients who have been able to use the funds and have been able to show success from those programs. We also have a waiting list of communities that want additional funds, because they want to either expand their current programs or take on a new program. As Senator Linehan mentioned, we-- there is a report submitted to the Legislature, and I apologize if the report was not submitted. I will confirm why it wasn't submitted. I do have the, the report with me as well for the 2022-2023 year. There was also supposed to be a hearing, and I'm also not sure why there wasn't. That is also something that I would love to provide that information for the committee. And then also just to address Senator Linehan concerns. I do appreciate her comment around making sure that we provide the appropriate wages for childcare employees. That has to be our first priority. And if there is a way for us to work with the committee to help us understand where the funds are being used appropriately, and maybe some ways that we can make some improvements, I know we would really love to do that.

CONRAD: Great.

ELIZABETH EVERETT: I'm happy to answer any questions that you might have.

MURMAN: Thank you. Any questions for Ms. Everett? Senator Albrecht.

ALBRECHT: Thank you, Chairman Murman. And thank you for being here.

ELIZABETH EVERETT: Of course.

ALBRECHT: You talked really fast and I, I--

ELIZABETH EVERETT: Sorry.

ALBRECHT: That's OK. I just have to go back to public funds and private. Did you say \$25 million for private?

ELIZABETH EVERETT: \$20 million from the private sector was the initial investment.

ALBRECHT: \$20 million--

ELIZABETH EVERETT: Yes.

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Education Committee January 23, 2024
Rough Draft

ALBRECHT: --was the initial investment, but you said it was the public-private, so pub-- [RECORDER MALFUNCTION]

ELIZABETH EVERETT: Million.

ALBRECHT: \$40 million. So it's 40-20, 40-20. OK. Got it. Thank you.

ELIZABETH EVERETT: Of course.

MURMAN: Any other questions? I've got one. I must have misunderstood. I thought you said last year the funding from the state was \$7.5 million. Was it increased by \$7.5 million or?

ELIZABETH EVERETT: So we have a separate pot of money that comes through the state General Funds every year that gets appropriated to the cash fund directly and that's \$7.5 million.

MURMAN: OK.

ELIZABETH EVERETT: The initial investment, nothing has changed. The corpus has grown based on the investments that they've made. But the only-- the interest or the earnings, excuse me, off of the original investment, it gets deposited. So if you look at it, there's technically 2, 2 ways that funding gets deposited. It's from the initial investment and then from the state General Funds.

MURMAN: OK. The, the initial investment from the state was \$40 million. Is that right?

ELIZABETH EVERETT: Correct. Yeah. So the combination of both the 40 and 20, that initial investment gets deposited, and then the state General Funds gets deposited into a large cash fund.

MURMAN: OK. Thank you. Any other questions? Senator Conrad.

CONRAD: Thank you so much, Chair Murman. And thanks for being here. And thanks for that opportunity to follow up on those important things. I know in some of the briefing materials that are sent to our office, I don't remember if it was published by your organization or Buffett Early Childhood or some other local entity. But there was an interesting report that came out over the last year that basically detailed all of the different revenue streams--

ELIZABETH EVERETT: Um-hum.

CONRAD: --for childhood or early childhood funding, childcare, things like that in Nebraska, where some of the gaps were kind of perhaps how Nebraska compared to some sister states. And that definitely I think is instructive and a part of this puzzle. But was that from your shop? Now I can't remember--

ELIZABETH EVERETT: It wasn't.

CONRAD: --where it came from. OK. All right. Well, it might have been Buffeett Early Childhood--

ELIZABETH EVERETT: It was.

CONRAD: --and I can go back and send that around. There's a lot. It's, it's pretty complex. I think set of revenue streams, all attempting, as Senator Linehan said, to kind of get after the same goal. But it does feel like we're not making a lot of progress--

ELIZABETH EVERETT: Yeah.

CONRAD: --with those resources. So I can-- I can dig that up and send it around for the committee, too, but.

ELIZABETH EVERETT: Of course. Yeah. And if it's OK if I can-- if I can comment.

CONRAD: Sure. Please. Yes.

ELIZABETH EVERETT: I completely understand and I understand the frustration when it comes to, like, making sure the money is being used appropriate. And that's one thing that we're trying to do, is to make sure that, you know, the most-- three most important things is making sure that we have access to quality care, that parents can afford childcare, and that we have employees that can have competitive wages to stay in the industry.

CONRAD: Um-hum.

ELIZABETH EVERETT: And so making sure that our funds are being used appropriately is our top priority right now. One of the things that we would love to do is, you know, that report was great and it provided a huge comprehensive understanding of the early childhood space. But one of the things that we would love to do is look just specifically at childcare. That, that specific fund looks at everything early childhood related, birth through grade five. What I would love to do

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Education Committee January 23, 2024
Rough Draft

is maybe provide the committee some, some additional information around just childcare specifically, where that dollar amount is going.

CONRAD: Yeah, I think that would be great. And any other information that we can get to figure out, like, you know, whether any of those funds go to your organization or other organizations, what's that mean in terms of admin benefit--

ELIZABETH EVERETT: Um-hum.

CONRAD: --salaries versus what's being pushed out to the childcare workers on the front lines? I mean, I'd have the same kind of questions for HHS and their administrative staff for some of the pieces that they-- that they're responsible for as well, because that-- that kind of-- kind of plays into it too, but.

ELIZABETH EVERETT: Yeah. And I understand. We're, we're privately funded. We don't have any state dollars. We get grants from across the country and from state partners--

CONRAD: Right.

ELIZABETH EVERETT: --as well to provide support for us.

CONRAD: Great.

MURMAN: Senator Meyer.

MEYER: So from that official or that initial fund was about \$60 million.

ELIZABETH EVERETT: Um-hum.

MEYER: So just 5% of that is only \$300 million a year. So that's-- \$3 million a year. That doesn't go a long ways toward a statewide effort to provide what's needed, I guess. So \$60 million might sound like a lot of money, but when you're only spending the income off of that--

ELIZABETH EVERETT: Yeah.

MEYER: --it doesn't go very far. I appreciate your efforts at First Five.

ELIZABETH EVERETT: Thank you.

MURMAN: Other questions? I've still got one.

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Education Committee January 23, 2024
Rough Draft

ELIZABETH EVERETT: Sure.

MURMAN: The \$60 million was the initial investment--

ELIZABETH EVERETT: Um-hum.

MURMAN: --total now. Is there a yearly investment other than the interest off of that from the private sector?

ELIZABETH EVERETT: Oh, from the private sector. Let me get back to you on that. I don't want to misspeak on that, but I can follow up with you.

MURMAN: OK. It's-- you're funded off the interest from the, the \$40 million and the \$20 million yearly. But there could possibly be a yearly investment from the private sector.

ELIZABETH EVERETT: Correct. Yeah. And then, yeah, the state General Funds as well funds it and it funds the Sixpence, not First Five Nebraska.

MURMAN: [INAUDIBLE] Thank you. Any other questions? Thank you very much.

ELIZABETH EVERETT: Great. Thank you.

MURMAN: Any other neutral testifiers for LB860? If not, Senator Linehan, you're welcome to come up. And we have 1 proponent on electronic, 0 opponents, 0 neutral.

LINEHAN: There was something. OK, so this brings up another thing that I think is problematic. See, here 8 years, you figure out what you should be doing. So since I've been in the Legislature, there's been more than once where the appropriators decided to appropriate something in education and it, in my opinion, should have come to Education Committee. But last year because one of us actually read all the rules, it does say, and this is for you who are still going to be here, if the Appropriations does that, if they fund a program, the education-- that has to do with education, the Education Committee can also hold a hearing. And that's something I'm sure used to happen all the time. And it's-- we've gotten away from that and we need to get back to it. So if-- because I remember during the COVID downpour of money, I think \$5 million a year, maybe \$50 million a year went to community colleges and it, it didn't come through this committee at all. So we had no idea what they were going to do with it. It's, it's

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee January 23, 2024
Rough Draft

just not a good idea that the authorizing committee, which is what we are, is not having oversight on appropriations. And this has nothing to do with personalities. It's just I think it's something in the system that's gotten rusty. And I, I think we-- I don't know why we didn't get the report for '23, but I don't remember seeing a report for '21 or for '19. Again, I haven't seen one of these reports. That doesn't mean I didn't get it, but I get lots of things I don't get read. But I'm sure I would remember a hearing on this and we didn't do that either so.

MURMAN: Thank you. Any questions for Senator Linehan? If not, thank you very much. That will close the hearing on LB860 and we'll open the hearing on LB985 also-- also by Senator Linehan.

LINEHAN: This is-- this LB-- I'm sorry. Good afternoon, Chairperson Murman and members of the Education Committee. I am Lou Ann Linehan, L-o-u A-n-n L-i-n-e-h-a-n. I represent Legislative District 39. And I'm here today to introduce LB985. LB985 is a cleanup of the Nebraska Teacher Recruitment Retention Act that we passed last year. What we didn't do is we said, if you are a teacher and you go back to get certified in SpEd, STEM, or dual credit, we would send you a \$5,000 grant from the state. But we didn't say you had to teach in that. So to get the \$5,000, we need to say they actually need to use the endorsement, because if we're filling the shortfall, we need them to go into that. So it's just-- hopefully it can be a consent, it's not a problem, easy, and we can get it out and up.

MURMAN: OK. Thank you. Any questions for Senator Linehan? If not, any proponents for LB985? Opponents for LB985? Neutral for LB985? You're welcome to come up and close if you want.

SANDERS: Oh. That's a fast hearing.

MURMAN: Senator Linehan waives closing.

SANDERS: Oh my gosh.

MURMAN: We have 3 electronic proponents for LB985, 1 opponent and 0 neutral. And we will open the hearing on LB855, Senator Conrad. And we will stand at ease and wait for Senator Conrad.

CONRAD: Hello.

MURMAN: Welcome, Senator Conrad. Welcome back.

CONRAD: Well, thank you so much, Chair. I see how quickly the committee progresses when I leave the room. So noted. Hi. My name is Danielle Conrad. It's D-a-n-i-e-l-l-e, Conrad, C-o-n-r-a-d. I proudly represent north Lincoln's "Fightin'" 46th Legislative District. And I'm here today to proudly introduce LB855. Colleagues, I know we have a really jam-packed hearing schedule, before this committee. And so I don't want to belabor the point, but I just want to share a little bit of information about why I brought this forward for your consideration. So we-- you're all very well versed on the amount of need in our state and in our schools when it comes to addressing childhood poverty, childhood nutrition. We've heard bills from Senator Bostar, Senator Cavanaugh, Senator Walz, and others that all seek to address different aspects of school nutrition programs over the last year that I think we push forward with the CEP bill, but then have the universal school meals that are carried over from the other 2 senators. And I was thinking about these issues over the interim, and I thought, well, I know that we still want to keep these issues in the limelight. We want to keep attention on those. We thus far haven't had enough political will to figure out how to pick up that fiscal note on the universal school breakfast and meals program that other states are adopting that was a part of COVID relief from the federal government. And nobody asked me to bring this bill forward. But I was looking at some of the measures that the Legislature passed recently, and I saw that there was a prohibition on the utilization of debt collectors for sexual assault victims, where people would be the victim of sexual assault, incur a medical bill, and then get sent to collections for it if they didn't have the money. And it was a horrific practice, and we came together last year and said, no, we're not going to allow that to happen anymore. And so then I kind of connected the dots in my head about how that might interface with this food and nutrition policy and families living and working in poverty. The other thing I will let you know is I don't think that this is a widespread practice across the state, and that's evidenced in some of the written online materials that you've all already been presented by school officials. But I will tell you, as a mom who has dug into the handbook in Lincoln Public Schools, this is an issue that I identified years and years ago that was happening in Lincoln Public Schools. I brought it to the attention of the school board, to the school government relations lobby, liaison, and to 2 different superintendents in, in Lincoln. And I said, wow, I'm really concerned about the equity issues here. I think this is wrong-headed. I'd really like you to revise your policy. And they listened politely and have made some adjustments over the years. But I will tell you, I've gone and pulled the court filings. And in

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee January 23, 2024
Rough Draft

Lincoln, there are families being turned over to collections for a \$20 unpaid lunch bill. Now, some of those cases were from a couple of years ago. But there's a host of very recent cases for, for slightly more money. But I just think it's wrong from a moral perspective. And I appreciate those costs have to come from somewhere. I understand that schools are not made of money and all of these things. But I can tell you this. When families are living on the edge and these are the families who can't pay their school meal debt, when they get turned over to collection, it really starts to spiral for them. Imagine a blizzard of phone calls and emails and certified letters and court hearings, that these companies who buy this debt or pursue this debt start to send out to folks. And these folks can't afford a lawyer to represent them on these issues. And if they get a default judgment against them, it stays on their credit report. It impacts their ability to rent. It impacts their ability to pursue other productive areas in their life. And it really spirals and spirals and spirals and spirals. So I think that we should end this practice in Nebraska. And I think it's one way to address childhood poverty and nutrition and family economic self-sufficiency. But I think that the better option would be to pick up school breakfasts and lunches, and we should still talk about that. We should still consider that. But we should-- we should also stop this, this process where families are being hounded by private debt collectors and being hauled into court because they can't pay for lunch. I'm happy to answer questions.

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

WALZ: Thank you, Chairman Murman. Thank you, Senator Conrad, for bringing this. When you were having the discussions, were there other ideas that you guys had discussed what could be done instead of, you know, sending it over to debt collectors or were there other ideas that you had?

CONRAD: Yeah, I think that there are a host of ideas. There's the Community Eligibility program that allows schools to provide near universal, if not universal, meals for their students if they opt in or opt out of that. As you well know, some state-- schools like OPS have utilized that provision. Others have not. Hopefully, thanks to your legislation, we'll see more come on board. Different states have moved to pick up the tab for school lunch or school breakfast after that pandemic relief went away. And those are the bills Senator Bostar and Senator Machaela Cavanaugh have carried over in this committee to this year. They have roughly 40, \$50 million price tag to them, which

is significant, but not in the context of some of the other fiscal notes that we see come through. Sometimes private philanthropy steps forward to help pay down school meal debt. I don't think that this is a major prop-- practice in Nebraska, but you've probably seen some of the horror stories about, quote unquote, shame sandwiches and things like that that some schools have utilized when families can't meet their, their school meal bill. I don't think that happens in Nebraska, thankfully. But, you know, this is, I think, just one small piece of a bigger issue when it comes to student achievement, family self-sufficiency, and making sure that, in a state where we feed the world, that we're taking care of our own kids here. And if we're not going to pick up the tab for that, at least we're not going to haul them in to court.

WALZ: Thank you.

MURMAN: Thank you. Any other questions for Senator Conrad? Thank you.

CONRAD: Thanks. I'll stick around.

MURMAN: OK. Proponents for LB855.

KATIE NUNGESSER: Thank you, Chairperson Murman and members of the Education Committee. My name is Katie Nungesser, spelled K-a-t-i-e N-u-n-g-e-s-s-e-r, and I'm here today representing Voices for Children in Nebraska in support of LB855. Children are Nebraska's greatest asset. And when children can reach their full potential, our state and communities are better off. We believe that all children in Nebraska deserve access to nutritious and healthy meals at school. School meals play a vital role in the development and well-being of every student. As the cost of these meals rise, it has become increasingly challenging for Nebraska families to afford them. The United States Department of Agriculture does not allow school lunch funds to be used to cover these meal debts. Families with incomes slightly over certain income limits often find themselves struggling to keep up with school meal accounts as they try to make ends meet. The existing free and reduced meals programs designed to assist families in need falls short in addressing the financial challenges faced by those just above that limit. Furthermore, the issue extends to families that are eligible for free and reduced lunch as they may unknowingly end up in collections due to administrative errors. According to the USDA, errors in administrative procedures and program limitations have led to some students not receiving free or reduced lunch meals each year. Simple mistakes, such as misspelling a child's name, can result in

families accumulating significant debts, despite their belief that their student is qualified and participating in the program. Although schools are not able to use that federal lunch program money to help families with their school meal debt, the program does allow schools to use the program money-- some of the program money to contract with for-profit collection agencies. Prior to this role, I was a food banker for ten years. I know from walking the lines and engaging with those across our state needing food assistance that many of these families are not just ignoring their meal debts. They're struggling to put food on the table at home and having to make tradeoffs in their finances to keep their basic needs met. Turning their meal debt into collection agencies seems like a step in the wrong direction to help these Nebraskans care for their families. LB855 is a crucial step in addressing these challenges by ensuring that school meal debt does not lead to punitive measures like collections. I urge you to consider the impact of this legislation on the well-being of Nebraska's children and families. By supporting LB855, we can collectively contribute to a system that prioritizes access to nutritious meals for all students, regardless of their economic circumstances. Thank you.

MURMAN: Thank you. Any questions for Ms. Nungesser? Senator Walz.

WALZ: Thank you, Chairman Murman. I just have a question. The fourth paragraph: Although schools are not able to use federal lunch money program to help families in school, the federal program does allow for schools to use program money to contract not-- or for-profit.

KATIE NUNGESSER: Yeah.

WALZ: Can you explain that a little bit?

KATIE NUNGESSER: Yeah. And I can send out where we found information. I actually found that last minute when I was kind of researching what was going on with other states. I wish I could remember right now what state it was, but they highlighted that, that the-- they don't have money to help these families, but yet they're paying collection agencies and then collection agencies get a percentage of what's, what's gone back to. So it was highlighting, like, what if that money was going to help families instead of go after families. So I can get you more information.

WALZ: OK. All right. Thanks.

KATIE NUNGESSER: Yeah.

MURMAN: Any other questions? Senator Linehan.

LINEHAN: Yes. Thank you. Because I'm going to follow up on Senator Walz's question. That's what collection agencies do. I mean, they get half the money they collect.

KATIE NUNGESSER: Um-hum.

LINEHAN: So are you saying that's how the-- the way this reads, it's like the federal government's OK with the schools contracting collection agencies. Is that what you mean?

KATIE NUNGESSER: Yeah. In the article and in the-- I'm sorry that I don't have it cited on there.

LINEHAN: That's OK.

KATIE NUNGESSER: I just saw that.

LINEHAN: Were you reading the law or are you just reading an article?

KATIE NUNGESSER: I was reading an article that connected to the USDA, like, program regulations. And so there is a piece in there about, like, there's a-- there's, like, some talking points and some guidance on how schools can handle the unpaid meal debt. And there's a little bit of information in there that-- I think it's a very limited amount, but they can use program funds to help with the collections.

LINEHAN: OK. Thank you.

KATIE NUNGESSER: Yes.

MURMAN: Any other questions for Katie Nungesser? Thank you very much for testifying. Other proponents for LB855?

CHASE BOYD: Good afternoon.

MURMAN: Good afternoon.

CHASE BOYD: Chairperson Murman and members of the committee, my name is Chase Boyd, C-h-a-s-e B-o-y-d. I currently reside in Omaha, Nebraska. I am here in support of LB855. This bill would prevent schools from being able to send school meal debt to collections agencies and help protect families from the harms that pursuing school meal debt can cause. The reason for my support is very personal. When I was in the fourth grade, the country was hit by the 2008 recession.

My family was affected and we struggled to stay afloat. At school, I had a lunch debt that had slowly accrued during the beginning of the year. I remember one day at school when I was going through the lunch line. I had gotten my food and as I was about to walk to my table, the lunch lady said, tell your parents you have a bill. At first I didn't know how to process what they said. I mean, really, I didn't even know what they meant. As a kid, I felt very awkward. Like, did I do something wrong? None of the other kids around me were told they had a bill. I didn't know what to do. It wasn't until later that night around my loved ones that I was able to understand what the lunch lady had meant. I was worried about if my eating lunch was hurting my family. It is my belief that no child should have to go through or experience what I did. The embarrassment that I felt that day should be no child's cross to bear. LB855 is, is an important step for reducing the harm and discomfort kids and their families feel when they are struggling to afford enough food. It was hard enough dealing with this awkward situation with my family. I can only imagine the difficulty people face when this school meal debt gets sent to collections. This bill will not only help families. It will help children to leave-- to lead, excuse me, a normal, healthy life that every child deserves. I hope you'll support what I've said and vote LB855 out of committee for all the Nebraskans and families in need. Thank you.

MURMAN: Thank you. Any questions for Mr. Boyd?

CHASE BOYD: OK. Thanks, folks.

MURMAN: Thank you for your testimony. Other proponents for LB855?

KEN SMITH: Good afternoon, Chairman Murman, members of the committee. My name is Ken Smith. That's K-e-n S-m-i-t-h, and I'm the director of the economic justice program at Nebraska Appleseed. Appleseed is a nonprofit, public interest law and policy organization. Our mission is to fight for justice and opportunity for all Nebraskans. I'm here to testify in support of LB855. You're probably more familiar with my colleague, Eric Savaiano, who is kind of our resident child nutrition guru. He's unable to be here today so I am testifying in his place. I just wanted to kind of highlight 3 kind of main points from our testimony. And the first is that school meal debt as an issue in Nebraska is a growing problem across the state, both in terms of the amount of school meal debt, which is increasing, but also the prevalence of families' inability to pay. So in our testimony we note that according to one source, as of 2020, there's about \$2.8 million

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee January 23, 2024
Rough Draft

of unpaid school meal debt in the state. And over the course of just a couple of years, that increased to about \$14.8 million in 2022. Also over a period of time between 2012 and the present, there's been almost a 10% increase in the number of students who qualify for free and reduced price meals to the point where I think half of the students across the state are now in that-- in that category. So we have a situation with both school meal debt on the rise and also the economic distress that families are going through, seemingly putting more and more families in a position where they may be unable to meet those needs. Secondly, and Senator Conrad underscored this very well, but just wanting to add our perspective that sending school meal debt to collection agencies can do a lot of harm in the sense that that process very often adds a lot of unnecessary expenses. Senator Conrad mentioned that a lot of times these meal debt amounts are very, very small. But after the debt collection process plays out, fees and other costs are assessed. And we know of instances, for example, where the additional expenses and fees can, can in fact exceed the total amount that a family owes. So I guess I know we're running a little short on time, but we also just want to acknowledge, I think school districts are often operating on tight budgets. There has been a lot of conversation about the rule that prevents using that federal reimbursement from covering some of the cost of this debt. So, Senator Walz, that might be another thing, if we want to try to change the federal rules around the program. I know there's been some talk in the kind of child nutrition space, kind of generally about that. But that seems like a pretty tall task. So we just want to focus on what Senator Conrad laid out, as I think the myriad of options this committee has. Ending the practice of outsourcing this debt to, to collection agencies is a very important step. Some of the other proposals in front of this committee around universal meals and the Community Eligibility Provision to prevent the debt from being incurred in the first place is also important. See my time is out. Thank you for your time. We want to thank Senator Conrad for her leadership, and I'd be happy to try to answer questions. I'm not as good as Eric.

MURMAN: Thank you. Any questions for Mr. Smith? Yes, Senator Walz.

WALZ: Thank you, Chairman Murman. Sorry. And I should know the answer to this, but I, I don't remember and maybe you will. And if not, maybe Senator Conrad can answer. Do you know what the fiscal note was on the universal school lunch?

KEN SMITH: About \$40 million.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee January 23, 2024
Rough Draft

WALZ: \$40 million. OK. I just wanted to know, because I-- the number of \$14.8 million in school lunch debt in Nebraska in one year?

KEN SMITH: I think that's-- I think that's just a kind of a snapshot of one, like a moment. So I'm not sure if that, that has-- like if that's debt that has accrued over a one-year period of time or not.

WALZ: OK. All right. I'm just-- OK. That's all. Thank, thank you.

MURMAN: Any other questions for Smith? Senator Linehan.

LINEHAN: Thank you very much, Mr. Smith, for being here. Thank you, Chairman Murman. Don't-- and I'm asking-- I would be surprised if you know the answer. But I'm going to ask it so maybe we can figure it out. Doesn't the federal government subsidize every school lunch, even paid school lunches?

KEN SMITH: I think that-- actually, I'm not sure. I know that there's-- we have the subsidized rate for the reduced price, but I'm not sure about the fully paid. I believe the answer to that is yes.

LINEHAN: [INAUDIBLE]

KEN SMITH: And I think Eric is watching right now, is looking at me like, we just talked about this, Ken. I prepared you for this question. And now you're [INAUDIBLE]. But I think the answer to your question is yes. I'm happy to follow up with more.

LINEHAN: I think it's pretty significant.

KEN SMITH: That may be right.

LINEHAN: OK. Well, I think the committee needs to understand what-- that the whole program is already subsidized by the federal government. And just-- because I've looked at these numbers before and I can't quite figure out why we can't make ends meet with the government-- I just think we need to look at it. Thank you.

KEN SMITH: Thank you. I think that's an important point.

MURMAN: Any other questions for Mr. Smith? Thank you very much for testifying.

KEN SMITH: Thank you.

MURMAN: Other proponents for LB855.

SPIKE EICKHOLT: Good afternoon, Chair Murman and members of the committee. My name is Spike Eickholt, S-p-i-k-e, last name is E-i-c-k-h-o-l-t. I'm appearing on behalf of the Education Rights Council as their lobbyist in support of LB855. I'm not going to duplicate the testimony that you heard earlier about school lunch debt. But I wanted to maybe illustrate to the committee sort of what this means to the families and the parents impacted. In addition to lobbying, I've got a law practice and I have access to the JUSTICE account, which is the court database where you can look up cases that are pending. And I did a very cursory search of collection cases or county court filings in which the collection agency that collects on behalf of the Lincoln Public Schools has filed cases. I found one from 2016. I'm not going to say the name of the people impacted. But for 2016, the school lunch debt was what-- school lunch debt was \$20.94. There's a case that was filed just two weeks ago on January 8, the school lunch debt was \$143.80. I mentioned that, and this one caught my eye because the complaint is filed, which alleges basically that the person owes a debt and how much the debt is and what the debt is for. And it says Lincoln Public Schools for goods, services, food, etcetera. And it has what they call the praecipe, which tells the clerk of the court to tell the sheriff where to serve the papers, and one of the parents is directed to be served at their job. So the impact for the families are twofold. Not only what Senator Conrad talked about, it's the buildup before they turn it over to the agency that sues on their behalf. It's the phone calls. It's the certified letters. It's the emails. But now you're getting served at work with papers, and your employer presumably wants to know what's going on. Why is there a sheriff here? And you can say, well, it's a \$140 school debt; but they may not believe that. In any event, you have a-- the parents will have a judgment against them for a debt, even though it may be a small amount that's so consequential for their credit rating. It's going to impact their ability to rent anywhere, because many landlords look for people's credit history and court history. And these things have a real impact. I don't know how much is really at stake. I've looked at a variety of these, and I got these that I can show to the committee. I've never seen-- the most I've ever seen for debt owed is \$900. Usually it's \$100, \$200, \$300. Again, this is a cursory search. It may not be all encompassing. I'm sure Lincoln Public Schools can speak to that, but it is happening. And I'll answer any questions if anyone does have any.

MURMAN: Thank you. Any questions for Mr. Eickholt? If not, thank you very much for testimony. Any other proponents for LB855? Any opponents for LB855? Any-- opponent? Opponent.

STEPHEN GRIZZLE: Thank you, Chair Murman and members of the Education Committee. And I also want to thank Senator Conrad for bringing this bill up. I just want to preface my comments that my opposition is not to the intent of the bill, but it's more of the-- towards the unintended consequences of the bill perhaps. Running a school lunch program-- first of all, my name is Stephen Grizzle, S-t-e-p-h-e-n G-r-i-z-z-l-e. I'm not going to read my letter that I submitted. I will read a portion of it. And I just want to be able to provide some feedback on a couple of things. As I said, my name is Stephen Grizzle. I'm currently the superintendent of South Central Unified District Number 5. I'm here to testify in opposition of LB855, which proposes to prohibit schools from working with collection agencies to collect delinquent lunch accounts. I've been a superintendent in rural Nebraska since 2009, starting in Pawnee City, in Fairbury, and now in South Central. I've included the policies from each district that govern lunch accounts. All three policies are similar. All policies lay out the process in which each district must follow to collect monies from families, including the use of collection agencies. My opposition stems from the sense of frustration and a sense of what are schools to do. It's only during the COVID years that most lunch programs operated in the black. Most of the time, our lunch programs are in debt. As a result, each year we-- school districts transfer funds into the lunch account from a general fund. And I provided a table of 2 districts, Fairbury and South Central. And you can see the transfers that were made each year into the school lunch program. It's been mentioned we get reimbursed for meals. We do. For paid lunches, that reimbursement's \$0.42. So for every lunch that we serve, if they don't qualify for free and reduced meals, we do get a reimbursement of \$0.42. The biggest opposition, I think, is the unintended consequences. If we-- if we don't have any method to recapture the lost income, then what's the incentive for anybody to pay for their school meals? If you use a factor of, let's just say lunch is \$3 and we have 177 school days, that comes to about \$500 per student. If all 650 students decide not to pay their bill, then that's \$300,000, \$350,000 that school would have to pick up to cover that cost. So it's also has been mentioned about the community program. That's not a district-wide eligibility. It's a school building wide eligibility. So if you have 3 buildings in your district, 1 building may qualify; the other 2 buildings may not. I can say is when I was in Fairbury, we

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee January 23, 2024
Rough Draft

looked at that program and one of our schools would qualify, but the other 2 would not, and it would cost the district another \$100,000, \$120,000 in order to offer free meals for everybody. So that is an option, but it is something that the districts have to keep in mind. I do feel like this is unintended, but I feel like this is another example of a bill being passed that's requiring the school districts to pick up more and more costs. And we also get accused of spending too much money and being the sole reason for high property taxes. So that's kind of the impetus for our opposition in this regard. I'd be happy to answer any questions.

MURMAN: Thank you. Any questions for Mr. Grizzle? Senator Albrecht.

ALBRECHT: Thank you, Chairman Murman, and thank you for being here. And it's probably tough to come up with your comments after everybody else we got here. I thank you for that anyway, because I'd like to know your schools, what's the population in schools?

STEPHEN GRIZZLE: Fairbury, it was 900. South Central it was 650.

ALBRECHT: OK. So with the funds that the Governor gave all the schools throughout the state, \$1,500 per child, what did you use those funds for?

STEPHEN GRIZZLE: General fund.

ALBRECHT: You just put it in the general fund.

STEPHEN GRIZZLE: Right.

ALBRECHT: So again, you know, you're-- you have those that do pay, those that don't pay, those that can't pay and those that can sign up for free and reduced lunch. But it's not the ones that have signed up for free and reduced lunch that we're talking about. But that middle ground that--

STEPHEN GRIZZLE: Most likely.

ALBRECHT: --are struggling. Right? So

STEPHEN GRIZZLE: Most likely. And we also-- we do work with local churches. We also have some banks that offer scholarships or willingness to pay off school debt or lunch debts for some families. And I know in South Central, they have not turned anybody over to collections for the last 10 years so.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee January 23, 2024
Rough Draft

ALBRECHT: That-- the whole part of this bill is what I don't want to see is for anybody to go to collections over--

STEPHEN GRIZZLE: Right.

ALBRECHT: --a \$20 bill. A \$300 bill is absolutely absurd in my mind. And that's what I would fight for in the bill. But there has to be a way knowing, I mean, you have a history on your chart. I'm sure all schools do. And I think of our little tiny town that I could think of 3 or 4 people, you know, or 3 or 4 organizations that I could possibly knock on their door and say, hey, we have a problem here and somebody is going to help. Right?

STEPHEN GRIZZLE: Right, right.

ALBRECHT: But, but to have to change a law, you know, I think it's terrible, terrible that we do that to families. I mean, it-- whether, whether there's problems at home or, you know, there's 2 different people in the household, I mean, meeting bills of any kind is a struggle for anybody unless you have an exorbitant amount of money coming in. But when I think of what our Governor has done and Senator Sanders bringing that bill last year, \$1,500 per child is a lot of money. And I immediately thought of food. You know, you have to do something with that money to better educate that child and what better than to be able to nourish their bodies? So I think everybody needs to kind of be thinking about that, because the money was to go to the children. What can you do to enhance their education? So with that, it's just giving you something to think about. But I'm definitely in support of not having to, to do that to the families, you know, taking that up in court. Thank you.

MURMAN: I have a question. There's quite a difference between the Fairbury Public Schools and South Central United on the general amounts taken from general fund to pay on debt. You probably said it. I might have missed it, but is Fairbury Public Schools on free and reduced lunch? Is that--

STEPHEN GRIZZLE: Um-hum.

MURMAN: --explains the difference?

STEPHEN GRIZZLE: And we-- well, no, I mean--

MURMAN: At least partly explains the difference?

STEPHEN GRIZZLE: Both districts have, I would say, 40 to 50% of their students qualify for free and reduced meals. I can't speak to the discrepancy of, you know what South Central's history of transfers are. I know in Fairbury, we, we tried to pride ourselves on being as fiscally responsible as possible. And that's one reason why the transfers are lower. But each district has their own challenges in providing the service. But I think all districts want to provide a quality food service program for their students, and they're willing to supplement it with the general fund.

MURMAN: So if I remember correctly, I probably don't remember this right, but during COVID, if there are more than 40% students qualify for free and reduced lunch, the whole school got free and reduced lunch. Is that correct?

STEPHEN GRIZZLE: During COVID, the reimbursement rates were extended to more of the population. But it wasn't something that-- there was more programs offered through the food service program that covered the cost of shipping, increased prices and supply chain incentives, those kinds of things. And during the COVID years, school lunch programs typically showed a profit.

MURMAN: OK.

STEPHEN GRIZZLE: But I would also point that during COVID, the number of applications submitted to qualify for free and reduced meals went down drastically because there wasn't a need, because all students were getting a free meal.

MURMAN: Yes. That's-- so that, you know, prompts a follow-up question. OK, I see the difference. South Central United went down to 20,000.

STEPHEN GRIZZLE: Right.

MURMAN: OK. Thank you very much. Any other questions? Senator Meyer.

MEYER: Thank you, Chairman. So the, the chart we have here is just the general fund transfers.

STEPHEN GRIZZLE: Correct.

MEYER: This is not necessarily a figure that indicates the amount of delinquent funds.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee January 23, 2024
Rough Draft

STEPHEN GRIZZLE: No. Currently this year, when I talked to officials from Fairbury, they're, they're holding about a \$5,000 delinquent balance right now. And my district currently is about \$1,500.

MEYER: So, so those figures aren't near what this chart says?

STEPHEN GRIZZLE: No.

MEYER: OK, so--

STEPHEN GRIZZLE: The point is--

MEYER: --[INAUDIBLE] perfectly clear.

STEPHEN GRIZZLE: Yes, but the point I want to make is if we take away school districts' ability to collect delinquent funds, where's the incentive for the other people to pay for their bills as well? Anecdotally, when I was on my way here today talking with my brother-in-law, he said, what are you doing? Well, I'm headed to Lincoln to testify. What are you testifying about? And I told him what the bill is. He said, well, why would I pay my lunch bill if nobody has to pay their lunch bill? So that's just the potential unintended consequence of something like this.

MEYER: I would like to think there's a lot of citizens that have good conscience to feed their own kids that aren't gonna go down that road.

STEPHEN GRIZZLE: Right.

MURMAN: Any other questions? Senator Walz.

WALZ: Thank you, Chairman Murman. It's all about kids. When you're talking about feeding kids, I have a lot of questions. Sorry. First of all, I am in total agreement with what, and I'm sure you are, too. Nobody wants to send any family to debt collectors. It's a really tough situation. And I think, you know, when I first started in the Legislature and started talking about school lunch programs, I thought about the lunch itself. You know, why is it costing or why does it cost our school so much to feed the child? But I just thought about the lunch. Can you give us a little context of everything else that goes into feeding kids at school for lunch, not just the food, but everything else? So I just think it's an important part of this discussion.

STEPHEN GRIZZLE: So things aren't getting cheaper. The cost of food supplies is going up drastically. Obviously, personnel. We do have a hard time. There seems to be somewhat of a revolving door in the food service area, simply because it's early hours, hard work, and we aren't paying as much as we probably should be paying to keep quality employees. So there's that challenge as well. But we offer a good breakfast program, a good lunch program, snacks. We get, you know, we do have a grant for fruit and vegetable snacks as well. We also have the farm-to-school program. But if you ever ordered a side of beef or a half beef or a quarter beef, you know the processing cost of that is very expensive. So for every cow we get donated, the cost is about \$1,200, \$1,500 to get it processed. And that comes from-- if you don't have a donation to cover that, that has to come from the lunch program as well. But that's also the commitment to providing as quality a meal as we possibly can. We're very proud of our farm-to-school program in both districts, but it is expensive.

WALZ: Yeah. Yeah. Can you give us an idea of your overall school lunch program budget? How much does it cost?

STEPHEN GRIZZLE: About \$600,000 for South Central.

WALZ: OK. Thank you.

MURMAN: Any other questions? I've got one more. During the COVID years, the free and reduced lunch-- lunches were paid for, correct?

STEPHEN GRIZZLE: Um-hum.

MURMAN: From the federal government.

STEPHEN GRIZZLE: Actually--

MURMAN: Did that not cover the total cost of the lunches? Because you said that normally there's transfers from the general fund to the lunch fund to cover part of the expense.

STEPHEN GRIZZLE: It, it covered the lion's share; and in fact, we didn't transfer funds from Fairbury during those years because we had money in the account to cover those costs. So it wasn't a debt situation. So yeah.

MURMAN: I guess I'm trying to get to why after '19, '20, '21, was there still \$20,000?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee January 23, 2024
Rough Draft

STEPHEN GRIZZLE: That I can't answer. That's South [INAUDIBLE] I've only been there a year.

MURMAN: Because that's free and reduced lunch time so.

STEPHEN GRIZZLE: I can't answer that.

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

STEPHEN GRIZZLE: OK. Thank you.

MURMAN: Any other opponents for LB855? Any neutral testifiers for LB855? If not, that will close the hearing or excuse me. Senator Conrad, you're welcome to close. And while she's coming up, there were electronically 25 proponents, 2 opponents and 1 neutral testifier.

CONRAD: Thank you so much, Chair Murman. Thank you so much, members of the committee, for your rapt attention and excellent consideration of the important issues contained in LB855. And I look forward to working with the committee to advance this measure this session, making modifications as need be. I definitely think we learned a lot about the interplay with debt collection and student meals today. I think it is perhaps a bigger problem than I anticipated when I started with this measure. But that being said, I think it's good to note that our state's largest school district, for example, is not doing this. And many [INAUDIBLE] in our smaller districts are not doing this. That if you look at the online comments, I think you can see a survey from the rural schools that they look-- asked 75 or 80 superintendents if they utilize this practice. I think that online comment indicated that there were 4 that said that they had and 3 that said that they would never use debt collection again. So that being said, it kind of cuts both ways. But I do think it would provide clarity and uniformity if we stop this practice in Nebraska and then worked with schools to pursue other alternatives and to ensure that individual families are not-- are not bearing the burdens that come with civil debt collection and harassment for unpaid school meal debt. There's no doubt that there's a significant amount of families who do qualify for help with the free and reduced programs that go through that paperwork, that update it. And that's who those programs are supposed to help out. And then there's another set of families that have the resources to pay their regular breakfast and lunch tab for their kiddos as they're going to school. But I do think for different reasons at different times, maybe you don't get the paperwork turned in or maybe you make

just too much to qualify for that help. And then you-- somebody gets sick in your family or you have an unexpected car bill or something like that for those families that are really right on the edge, that just kind of throws them into turmoil, and then they get deeper and deeper and deeper into debt when those kind of life events do occur, unfortunately. So if we can ease just a little bit of that from the state level with a \$0 fiscal note approach or solution, I think it's one piece of the puzzle and would answer any more questions and urge your favorable consideration.

MURMAN: Thank you, Senator. Any questions for Senator Conrad?

CONRAD: OK, very good. Thank you.

MURMAN: Thank you. Thank you very much, Senator Conrad. And that will close the hearing for LB855 and close our hearings for the day.