

Transcript Prepared by Clerk of the Legislature Transcribers Office
Health and Human Services Committee February 24, 2023

HANSEN: All right. Good afternoon and welcome to the Health and Human Services Committee. It's a little bit more empty than usual. Jeez, I don't know if that's good or bad. My name is Senator Ben Hansen. I represent the 16th Legislative District in Washington, Burt, Cuming and parts of Stanton County and I serve as Chair of the Health and Human Services Committee. I'd like to invite the members of the committee to introduce themselves, starting on my right with Senator Day.

DAY: Good afternoon. Senator Jen Day, represent Legislative District 49 in Sarpy County.

M. CAVANAUGH: Senate-- oh.

HARDIN: Hi. Senator Brian Hardin from District 48: Banner, Kimball and Scotts Bluff Counties.

M. CAVANAUGH: I'm always forgetting to start when it's my turn and I jumped the gun. Senator Machaela Cavanaugh, District 6, west-central Omaha, Douglas County.

RIEPE: Merv Riepe, Legislative District 12, which is southwest Omaha and the good folks of Ralston.

HANSEN: Also assist-- assisting the committee is our legal counsel, Benson Wallace, our committee clerk, Christina Campbell. And our pages for this afternoon is Ethan and Delanie. A few notes about our policy and procedures: please turn off or silence your cell phones. We will be hearing four bills and we'll be taking them in the order listed on the agenda outside the room. On each of the tablets near the doors to the hearing room, you will find green testifier sheets. If you're planning to testify today, please fill one out and hand it to Christina when you come up to testify. This will help us keep an accurate record of the hearing. If you are not testifying at the microphone, but want to go on record as having a position on a bill being heard today, there are white sign-in sheets at each entrance where you may leave your name and other pertinent information. Also, I would note if you are not testifying but have an online position comment to submit, the Legislature's policy is that all comments for the record must be received by the committee by noon the day prior to

the hearing. Any handouts submitted by testifiers will also be included as part of the record as exhibits. We would ask that you-- if you do have any handouts, that you please bring ten copies and give them to the page. We use the light system for testifying. Each testifier will have five minutes to testify. When you begin, the light will turn green. When the light turns yellow, that means you have one minute left. When the light turns red, it is time to end your testimony and we will ask you to wrap up your final thoughts. When you come up to testify, please begin by stating your name clearly into the microphone and then spell both your first and last name. The hearing on each bill will begin with the introducer's opening statement, followed by the, the introducer stating that the Judiciary Committee is less than HHS Committee. After the opening statement, then we will hear from supporters of the bill, then from those in opposition, followed by those speaking in a neutral capacity. The introducer of the bill will then be given the opportunity to make closing statements if they wish to do so. On a side note, the reading of testimony that is not your own is not allowed unless previously approved and we do have a strict no-prop policy in this committee. With that, we'll begin today's hearing with LB794 and welcome Senator Wayne to open.

WAYNE: Good afternoon, Chairman Hansen and members of the Health and Human Services. First, I must say, Vice Chair Hardin, you run a way better hearing than Senator Hansen has ever ran.

HARDIN: Thank you.

WAYNE: So I want, wanted to put that on the record that I really appreciate what you did last time for me. Second, my name is Justin Wayne, J-u-s-t-i-n W-a-y-n-e-m, and I represent Legislative District 13, which is north Omaha and northeast Douglas County. LB794 is simple. We've identified problems that we have nursing shortages in Nebraska, a workforce issue and a brain drain issue. The reality is on the Education Committee, we are dealing with a lot of things around teacher shortages and try to come up with pathways and ways to increase that workforce. Because of that, I felt it was an opportunity to look at some of the health industry that we are short and brought this bill to help address those workforce shortage. According to the Nebraska Examiner, the state's 93 counties, 73 have less than the national average ratio of nurses-- or registered nurses to patients. Four of our counties only have one registered nurse. Nine counties

don't even have a single registered nurse at all. LB974 [SIC, LB794] offers a solution and financial incentive to non-Nebraskans or Nebraskans to come to Nebraska and enter an accelerated bachelor's pro-- nursing program. Under this bill, the state will offer a 40 percent scholarship to enter the program and then forgive for 20 percent after three years of working in the fields-- in a nursing field. If a nurse completes the program and works as a nurse for three years, then all of the nurse's tuition will be forgiven. The total cost of the program is \$10 million, \$4 million for the fiscal year of '23-24 and 6 million for '24-25. This program could potentially result in over 100 nurses being recruited to the state, staying in the state and serving our-- and filling in our work shortage. Right now there are around four thousand-- we are short around 4,000 nurses in this state. It's one of the critical things that we need for healthcare and that's why I brought this bill. And with that, I will answer any questions.

HANSEN: Thank you. Are there any questions from the committee? Yes, Senator Riepe.

RIEPE: Thank you. Senator, good to see you.

WAYNE: Good to see you.

RIEPE: My question is this a Creighton bill specifically?

WAYNE: What makes you think that? No, I'm not-- no, it's not a Creighton bill specifically. It's, it's just a bill that I did work with Creighton on developing. When I was looking at what they're doing in Arizona, they have a similar accelerated program that they used ARPA dollars for and they're having a huge success. So I did base it off of that program with Creighton, yes.

RIEPE: I know Creighton has a growing program in Phoenix in terms of medical school, etcetera. I guess, you know, one of my questions would be is what percentage of-- and I, I was going under the assumption it was fundamentally a Creighton piece for the \$10 million is-- my question got to be is the probability of Creighton nurses leaving Omaha, leaving Nebraska, going to western rural Nebraska.

WAYNE: So there's two parts. One, there's some people behind me who might be able to answer that question--

RIEPE: OK.

WAYNE: --better. But part of what we try to do in this bill was allow the 20 percent forgiven each year for the three years to make sure people stay here for three years. And I believe if we get those students coming out of college who are staying here for three years, that they're more-- most likely to stay because they'll, they'll have roots here.

RIEPE: My guess is, too, that a nursing degree from Creighton is probably a more expensive degree than it would be from-- a nursing degree from, say, Nebraska, a state school.

WAYNE: I can't accept the premise of the question because I don't know the answer to that, so.

RIEPE: OK. That's good. OK, thank you, sir.

HANSEN: Any other questions? Seeing none, see you at close?

WAYNE: I don't know. I'm in "Aprops" and I'm-- I got two other hearings in Judiciary so I may be back. We're going to be watching it for-- to answer any questions maybe at the end. But if not, if you could Exec on this bill today and kick it out, it's in my top five choices for a priority bill so I really would appreciate it.

HANSEN: Well, we'll definitely take that into consideration. Thank you, Senator Wayne. All right, we'll take our first testifier in support. Welcome.

MARDELL WILSON: Thank you. Good afternoon, Senator Hansen and members of the committee. My name is Mardell Wilson, M-a-r-d-e-l-l W-i-l-s-o-n, and I serve as provost and chief academic officer at Creighton University. I extend my thanks to the members of the committee for the opportunity to testify on behalf of Creighton University as a proponent of LB794. The nursing shortage in Nebraska is of critical concern. It has been predicted that in two short years, Nebraska will have 5,000 fewer nurses than what is needed to care for our citizens. Addressing this crisis requires a multifaceted strategy

that opens various pathways, embraces public-private partnerships and creates incentivized options to rapidly increase the nursing workforce. Creighton University celebrates its 145th year as one of 27 Jesuit colleges and universities in the United States. With degree programs that emphasize education of the whole person academically, socially and spiritually, Creighton is nationally recognized for providing a challenged and balanced educational experience, serving more than 8,000 undergraduate, graduate and professional students from all 50 states and U.S. territories, as well as more than 40 countries are represented among the student body. In addition to our 140 distinct academic pathways offered among the nine colleges and schools, Creighton maintains a comprehensive and robust portfolio in the health professions, including dentistry, medicine, pharmacy, OT, PT, PA and nursing. With many counties in Nebraska not meeting the national average of nurses to patient ratio, and as Senator Wayne acknowledged, almost 10 percent of Nebraska counties reporting no registered nurses in the county, we are at a critical crossroads. The accelerated nursing program at Creighton University has been a proven leader with one of the oldest, most respected programs in the country. The program began in 1975 at the Omaha campus and extended west in 1986 to meet the students-- needs of students in communities both in the metropolitan and rural areas of Nebraska. It is a 12-month curriculum for individuals who hold non-nursing baccalaureate or higher degrees, or in a combination with an established three-plus-one articulation agreement for a dual degree, with one of those degrees being in the accelerated bachelor's in nursing. Our students are exceptionally well prepared by completing more than 900 clinical hours in specialties such as medical/surgical, obstetrics, labor and delivery, pediatrics, mental health, critical care and population and community health. The comprehensive training is evidenced, as Creighton nursing graduates earn a 91 percent first-time NCLEX pass rate, making them workforce ready. Creighton is proud of the fact that 80 percent of our students come from out-of-state and nearly half of those students stay in Nebraska following graduation, clearly demonstrating a brain gain for the state of Nebraska. This fact is especially apparent in the health professions. More than 6,500 Creighton health sciences alumni work in Nebraska healthcare, giving our state the seventh-best ranking for healthcare practitioners' availability to our communities. If you remove Creighton alumni from those statistics, the healthcare workforce in Nebraska drops to 18th

in the number of healthcare practitioners per 10,000 persons. Among the profession, it is well known that nursing graduates typically start working in or near the communities in which they live and study, making proximity of education a significant factor in an area's supply of nurses. At Creighton, we know that three out of four of our accelerated nursing graduates already choose to begin their careers in Nebraska and LB794 would incentivize interested students to pursue a career in nursing in Nebraska. The combination of tuition funds, plus our mission for service to Nebraska, is an excellent opportunity to enhance interest, decrease barriers and rapidly impact our nursing workforce throughout the state. Thank you and I'd be happy to take any questions.

HANSEN: Thank you for your testimony. Are there any questions from the committee? Senator Hardin.

HARDIN: Thanks for being here.

MARDELL WILSON: Yes.

HARDIN: It's Creighton, you guys are second to none. What's it cost to get a nursing degree there?

MARDELL WILSON: \$62,000.

HARDIN: \$62,000?

MARDELL WILSON: Yes, sir.

HARDIN: OK.

MARDELL WILSON: That's all in.

HARDIN: All in.

MARDELL WILSON: Yeah.

HARDIN: Forgive me, what does "all in" mean?

MARDELL WILSON: That's cost of tuition plus fees, plus we factor in cost of living.

HARDIN: OK. So this is \$2,500 towards that experience. Is that per year?

MARDELL WILSON: This particular item is more than \$2,500 is my understanding.

HARDIN: Oh, is it? OK. All right, very good. Thanks for the big picture.

HANSEN: All right, any other questions? Senator Riepe.

RIEPE: Thank you, Chairman. Creighton is a great school and pretty good basketball school too. I guess my piece would be is I spent a lot of time in healthcare in Omaha, part of it at Bergan a number of years. Our general feeling was that in the professional fields, particularly dental and medical school, that the Creighton professional schools were fundamentally the University of California at Creighton or the University of Utah at Creighton. But not a lot of them stayed around Nebraska and particularly outside the urban Omaha market. So, you know, for the state to put in \$10 million-- and just the other day, we, we talked with another group that wants \$10 million for clinical sites and so \$10 million seems to be a favorite number that runs along on-- when, when we talk about nursing. I'm just-- you-- would you, would reiterate how many did you say stay in Omaha, one person?

MARDELL WILSON: In our program, three out of four of our students remain in Nebraska--

RIEPE: Really.

MARDELL WILSON: --following graduation.

RIEPE: OK. They do better than the other professional schools then. Thank you.

MARDELL WILSON: Yes.

RIEPE: OK. Thank you, sir.

HANSEN: Yep. Any other questions from the committee? Can you answer, like, out of the 75 percent that stay out of-- or actually out of 100 percent, how many of those are from out of state? Do you know?

MARDELL WILSON: So 80 percent--

HANSEN: Like, how many enroll at Creighton nursing program that are out of state?

MARDELL WILSON: We'd have to follow the math. So 80 percent of our students-- student body in totality are from out of state and 50 percent of the 80 percent stay if you--

HANSEN: Yeah. OK.

MARDELL WILSON: And then for three out of four of those individuals remain in Nebraska from the nursing program alone.

HANSEN: Yeah, I was trying to get--

MARDELL WILSON: So it's highly-- yeah.

HANSEN: --run the number because this is for out of state, you know--

MARDELL WILSON: Right.

HANSEN: --for those coming from out of the state, but then if they're like, well--

MARDELL WILSON: Yeah.

HANSEN: Ninety percent of them end up leaving anyway so it's, like, what's--

MARDELL WILSON: We have statistics. I reported you statistics for the entire university--

HANSEN: Yeah.

MARDELL WILSON: --which is the 80 percent come from out of state, 50 percent of them stay. What we do know, out of all of our nursing graduates, three out of four are in-- their first--

HANSEN: OK.

MARDELL WILSON: --position after graduation is in Nebraska.

HANSEN: Sure. Gotcha. OK. Yes, Senator Hardin.

HARDIN: Also just a-- another big-picture question. What can someone with a BSN from Creighton hope to make if they stay somewhere in the Lincoln/Omaha or even go back to where I'm from in western Nebraska? Is that a good idea to spend that much money on a degree program is essentially the, the-- myself and the other parents are posing that question. I have one who's working on a BSN right now.

MARDELL WILSON: It's an excellent question. I do not know the exact starting wages within both Omaha or in outstate myself.

HARDIN: OK.

MARDELL WILSON: What I am told is that our students remain interested and it's still a very competitive degree at Creighton.

HARDIN: Thanks.

HANSEN: All right, any other questions? Seeing none, thank you for your testimony.

MARDELL WILSON: Thank you.

HANSEN: We'll take the next testifier in support. Welcome.

ANNE HARTY: Hello. Thank you, Chairman Hansen and members of the committee. My name is Dr. Anne Harty. It's A-n-n-e H-a-r-t-y and I am an assistant professor of nursing at Creighton in the col-- in nursing. I teach leadership, population health and community health nursing. I'm a proud Nebraskan and I am here to share my story with you and ask for your support of LB794. I grew up in Sacramento, California, and first moved to Nebraska in 1993 to study nursing at Creighton. My sister was one year ahead of me, also a Creighton nursing student. My family chose Creighton because we knew other students from Sacramento who attended Creighton before us. Their families all spoke highly of Creighton and of Nebraska. I was excited to move to a new state and was immediately welcomed by my roommate,

Jennifer Roberts, a young woman from David City. Many of you know her as Jen Creager, senior vice president of public policy at the Greater Omaha Chamber. Jen is the reason I began to fall in love with Nebraska. She introduced me to a culture I was not familiar with before. Most importantly, Jen showed me that Nebraskans genuinely care for one another. She also taught me that dinner comes before supper and that few things are more sacred than Runza and Husker football. We grew up to become the best of friends as we navigated Omaha and Creighton together. As an undergraduate student, I began to understand and experience the beautiful relationship between Creighton and the greater Omaha area. I felt as if I could go anywhere, a hospital, a clinic, a pharmacy or a local business, and people had a connection to Creighton. This special relationship was also like nothing I had experienced before and Omaha became my home. My California high school boyfriend, Pat, joined me in Omaha during my senior year. Upon graduating from Georgetown, Pat chose to attend Creighton Medical School, a place he did not know of before he met me. I graduated and immediately started assisting Dr. Henry Lynch with his hereditary cancer research. At the same time, I was a graduate student at Creighton to become a family nurse practitioner. When I graduated as a family nurse practitioner and Pat graduated from medical school in 2000, we continued to make Omaha our home. I worked as an MP for Creighton Nephrology Associates and during my time in nephrology, I became involved in the American Nephrology Nurses Association, ANNA, initially as the state chapter-- Nebraska state chapter president. I was recognized at the-- as the youngest chapter leader at a leadership conference in Dallas, Texas, in 2001. I was invited to address 300-plus leaders in attendance and was able to tell them I was there because of how welcoming the Nebraska ANNA members were and offer-- members and officers had been to me putting our state chapter on the map. Our twin daughters were born at Creighton and baptized at St. John's Parish on Creighton's campus in 2003. I stayed involved in ANNA and continued to work at Creighton Nephrology until Pat's radiology residency was completed in the summer of 2005. We moved to Illinois for one additional year for training for Pat and then were faced with making a difficult decision: return to Omaha, a place we love and had built our beautiful life for ourselves, or move back to Sacramento to raise our daughters near family. We chose to move back to Sacramento, where we lived for 16 years. We visited Omaha often, at least twice a year and talked about moving back, but the timing was never right.

While in Sacramento, I worked as a school nurse and became a Creighton student for a third time, entering-- I earned a doctorate of education in interdisciplinary leadership. In the fall of 2021, I anticipated our daughters' 2022 high school graduation. Pat and I had no opportunities for growth in our careers in Sacramento and the girls would be leaving so I told Pat I was going to apply for Creighton College of Nursing. He said. I better call my friends and former residency mates and see if they have a job for me. We were both offered opportunities we could not pass up and decided to move back to Omaha in July of 2022. Pat and I are so happy to be home in Nebraska, where our family and professional lives began. I have my dream job of being a part of the formation of the next generation of Creighton nursing-- nurses, through teaching and mentoring both traditional and accelerated nursing students. My nest is empty at home, but so full of all of my students. Pat has joined Radiology Consultants of the Midwest as an interventional radiologist. And is a recognized expert in his field, he has brought innovative procedures to Nebraska that had not been offered here before. He has already enhanced the lives of many of our fellow Nebraskans and represented his group, giving educational presentations to physicians in California. We are also Creighton parents. I share our family story as a testament to the greatness of Creighton and the greatness of Nebraska. Creighton excels at bringing out-of-state students to Nebraska and exposing them to all the opportunities that are waiting for them here. When every state is in a battle for talent, it is important that we try to leverage our existing strengths and build on them to improve our outcomes. When we, all of us here today, invest in Creighton nursing-- Creighton University nursing students, we are investing in the future of Nebraska. Our nursing students are collaborative scholars, reflective and compassionate practitioners, collaborative professionals and global citizens who contribute to enhancing the lives of the communities they serve. I assure you that an investment in Creighton nursing students will enhance the lives of all Nebraskans.

HANSEN: Thank you. I didn't want to cut you off, but--

ANNE HARTY: I'm sorry. I know I saw that.

HANSEN: --but I think Nebraska Tourism might give me a call and yell at me. Because you're, like-- you should make a commercial about your journey.

ANNE HARTY: Thank you. I used to work in admissions for Creighton too and recruited a lot of out-of-state students--

HANSEN: There you go.

ANNE HARTY: --a lot of them who have stayed.

HANSEN: And Jen is OK too. She's all right.

ANNE HARTY: She's a good, she's a good gal. We'll keep her.

HANSEN: All right, any questions from the committee? Senator Cavanaugh.

M. CAVANAUGH: Well, I was just going to say I feel like-- is Jen up for promotion or-- because certainly she's a great advocate for our--

ANNE HARTY: Yes.

M. CAVANAUGH: --city and our town.

ANNE HARTY: Yes.

M. CAVANAUGH: My mom is also a Creighton graduate from out of state, but she did meet somebody at Creighton who kept her here, I think. But also she's a Gallagher gal.

ANNE HARTY: Yes.

M. CAVANAUGH: I don't know if Gallagher Hall was there when you were there, but.

ANNE HARTY: Yep, my sister was an RA there.

M. CAVANAUGH: My brother did have an LR for us to sign for one of the Creighton athletic teams and people keep saying-- they're, like, oh, did you go to Creighton? I did not go to Creighton. I feel like I went to Creighton, but I didn't go to Creighton. So thank you for coming here, for staying here, for raising your family here and for sharing your story with us.

ANNE HARTY: Thank you.

M. CAVANAUGH: And for lauding our wonderful Jen Creager.

ANNE HARTY: Yes.

HANSEN: Any other questions from the committee?

HARDIN: Yes.

HANSEN: Yes, Senator Hardin.

HARDIN: From a hundred thousand feet up, can you kind of describe this degree program to me in terms of what it contains and--

ANNE HARTY: Yes.

HARDIN: --how long it takes start to finish. I see it's saying 12 months, but--

ANNE HARTY: Yep, it's 12 months. So students get-- they come to us already-- well, there's two pathways. One is that they already have a bachelor's degree, some-- a lot of them already have a master's degree too--

HARDIN: OK.

ANNE HARTY: --from somewhere else. Or it could be from Creighton. They-- maybe they didn't choose nursing out of the gates to do the traditional direct entry. So they already have a bachelor's degree. They've taken all their nursing prerequisite courses, which is essentially our freshman- and sophomore-level courses that they've taken either at Creighton or somewhere else. They get a degree in something and then they take all the other-- it-- they come to us for 12 months.

HARDIN: OK.

ANNE HARTY: So it's basically all the nursing class-- upper-level nursing classes. So it's essentially junior and senior year of what would be our traditional undergrad program in a 12-month period.

HARDIN: OK. So it's a BSN though, right?

ANNE HARTY: It's a BSN, yes. So they get a-- another bachelor's degree. And then we also have a pathway where students in, including in rural Nebraska, can get a three-- it's a three-plus-one program. So they'll start undergraduate somewhere else, like in Hastings, do three years there and then come to Creighton for one year.

HARDIN: I see.

ANNE HARTY: Um-hum.

HARDIN: Thank you.

ANNE HARTY: Yeah.

HANSEN: Any other questions from the committee? Seeing none, thank you.

ANNE HARTY: OK. Thank you.

HANSEN: We'll take the next testifier in support of LB794. Anybody else wishing to testify in support? Seeing none, is there anybody who wishes to testify in opposition? Seeing none, is there anybody who wishes to testify in a neutral capacity to LB794? Welcome.

LINDSAY SNIPES: Thank you, Chair Hansen and members of the Health and Human Services Committee. Hello, my name is Lindsay Snipes, L-i-n-d-s-a-y S-n-i-p-e-s, and I am the vice president of institutional effectiveness at Nebraska Methodist College. We are located in Omaha, Nebraska. I'm here representing Nebraska Methodist College and we are members of the Council for Independent Colleges-- Nebraska Colleges, CINC, which is an organization comprised of all 13 independent postsecondary institutions in the state. NMC is an accredited private, not-for-profit nursing and healthcare college. We are affiliated with Nebraska Methodist Health System and founded as the Methodist Hospital School of Nursing in 1891. With enrollment of about 100-- or excuse me, 1,100 students, NMC is small enough to truly care about each student and large enough to provide outstanding undergraduate/graduate certificate programs in nursing and health-- allied health. NMC's mission is to provide educational experiences for the development of individuals in order that they may positively influence the health and well-being of the community. Our mission makes us-- makes an NMC uniquely driven and prepared to address the

dire nursing shortage across the state. Nebraska Methodist College and CINC appreciate Senator Wayne for introducing LB794, the Nursing Incentives Scholarship Act, that, if passed, will quickly deliver additional nurses to Nebraska's workforce through accelerated bachelor's of science nursing programs and provide a financial source of support that is significant to students. The intent of this bill is good. However, the language could be clearer and should be broader to allow for more high-quality accelerated nursing programs to qualify under the act, help more nursing student graduates with lower debt and address the growing nursing workforce shortage. Specifically, under the-- under Section 2 (1)(a), partnership with a statewide affiliate-- clinical affiliate is unclear and may limit participation under the proposed act. NMC has many partnerships with hospitals and clinics across the state, but it is unclear what is meant by partnership with a statewide clinical affiliate. NMC has a well-established 12-month accelerated nursing program, culminating in a BSN. Our past three-year enrollment has averaged 60 students per cohort, with a 90 percent retention rate and 100 percent persistence rate at the institution. Our first-time NCLEX pass rates averaged 93 percent over the past ten years. Inclusive of all NMC's BSN programs, we are the third-largest producer of BSN graduates in the state only behind UMC and Creighton University. NMC's accelerated cohorts have also historically enrolled students from out of state and we have a capacity for growth. In closing, Nebraska has a significant shortage of nurses and LB794 is an important bill towards attracting and educating future nurses and growing Nebraska's nursing workforce. However, I would ask that the length-- ask for the language to be reviewed and for the committee to remove restrictive language to allow other health colleges like Nebraska Methodist College and its, its accelerated nursing program students to participate. Thank you for your time and attention and I'll take any questions.

HANSEN: All right, thank you. Any questions from the committee?
Senator Riepe.

RIEPE: Thank you, Chairman. My question would be this is because we've heard from the Nebraska Hospital Association and they have a very-- what they describe as a very expansive workforce development program. And I'm trying to say we have bits and pieces coming at us from-- with dollar requests, some of them fairly substantial. How do they all play together? Do you have-- does your group have a relationship or a

working-- something with the Nebraska Hospital Association? Because they have a desperate need for nurses as well.

LINDSAY SNIPES: Senator, I probably can't speak to how all the bills work together. I will say that we do have a relationship, particularly through our Methodist health system, that does trickle into the college. We have a good relationship with the Nebraska-- the, the health center and some of the bills that were introduced with the clinical affiliation-- clinical affiliate sites and, and look forward to exploring that. This in particular is geared towards that accelerated nursing degree, which accelerates nurses into our workforce with students that come in with credit-- with already having credits towards a bachelor's degree, having a bachelor's degree. And our program in particular also accepts associate degree paired-- prepared students so that they can accelerate from an associate's degree to BSN in one-- in 12 months. So it's about getting those workforce-- those nurses in the workforce quicker.

RIEPE: My guess is that they're interested in turning out nurses that can take their boards and become registered nurses. That's great. My question gets to be is do we get into double counting? You know, if they get \$15 million, does that include your \$10 million or is that your \$10 million in addition to their \$15 million or-- as-- you know, as, as a body-- legislative body, we have to try to sort that out best we can to make sure that we have as much cohesiveness and focus. I think we're all focusing on this. We understand and recognize the need. Now it's the best approach to get there at the most cost-effective way that we can possibly do that. At least that's where I come from.

LINDSAY SNIPES: Absolutely. And you know, very respectably, this particular bill, I think, again, is a good bill because it puts the financials with the student. It helps the student take care of their education, get into the workforce, live a good life in Nebraska with, with a little bit less debt and lets them take off in their career and gives them roots here in Nebraska as well.

RIEPE: May I ask one more question? I have one more question.

LINDSAY SNIPES: Sure.

RIEPE: On your accelerated program, I assume that these are individuals who already have a bachelor's degree. Can you help me out, what, what do most of them-- they don't come with a bachelor's degree in agriculture, I assume.

LINDSAY SNIPES: Actually, no, not agriculture, but we do see a variety of degrees. We do see bachelor's degrees as our most common that comes through our accelerated program. But we do have, as I mentioned, an associate's path. So you can essentially have an associate's degree, two-year degree program, come to a 12-month bachelor's accelerated program and end up with a BSN within three years, which is fairly cost effective for a student going into the healthcare careers. Biology, your health sciences tend to be most popular, but I got the chance to speak with some of our students currently. We have a few engineering, we have some psychology. We even have some that come in with some history majors from their previous bachelor's degrees. So it's all about that patient care and the BSN is a powerful degree. It's stackable as you go up in education, but there's a lot of ways you can use a bachelor's of science in nursing and that's what's really great about the degree.

RIEPE: OK. Thank you very much.

LINDSAY SNIPES: You're welcome. Thank you.

RIEPE: Thank you, Chairman.

HANSEN: Yep. Any other questions from the committee? Senator Day.

DAY: Thank you, Chairman Hansen, and thank you, Ms. Snipes, for being here today. So I just want to clarify, it sounds like-- and I think we heard this in testimony already-- that your perspective is that this bill would per-- only apply to students that are going to Creighton or could potentially only apply to students at Creighton. And you're looking for lang-- a language change that would make it more expansive so students going to other schools could utilize the program. Is that what you're--

LINDSAY SNIPES: Yes. In, in the Section 2(1)(a), there is some language that may be ambiguous as far as what that would actually mean, a partnership with a statewide clinical affiliate while in

Nebraska Methodist College has clinical affiliations to provide clinical education with hospitals and clinics throughout the state. The definition of what that particularly means may limit, if it means, say, a hospital organization that is just one organization across the state.

DAY: OK. OK. So are you looking to strike that language or, or further the definition or--

LINDSAY SNIPES: So-- yeah. Great question. Thank you for, for asking. What we are looking to do is one of two things: either define it, define a partnership with a statewide clinical affiliate as any hospital or clinic--

DAY: OK.

LINDSAY SNIPES: --across the state--

DAY: Sure.

LINDSAY SNIPES: --or strike it from the bill.

DAY: OK, perfect. Thank you. Because that's what I was trying to get to was I have nothing against Creighton. I think it's a wonderful school. I have a very bright staff member that's a Creighton alumni, but it does give me a little bit of heartburn when we have a bill asking for funds that could only apply to one school and not maybe a larger pool of students that could be going to different locations and are maybe more likely to stay in rural Nebraska, like Senator Riepe had mentioned earlier.

LINDSAY SNIPES: Absolutely and, you know, we respect Creighton's nursing program. We work well in the same city and oftentimes with many community partners together. I am also a Creighton grad, graduated from their law school many years ago. But what we're just looking for is a chance to have our students participate in the program. And I think having the bill talk, talk about having clinical affiliates within the state, having those partnerships within the state is important. That, that keeps-- we tend to look at that last piece of your nursing education, that preceptorship and going into your practice of nursing and pairing our students with clinical spots where they want to work, experiences where they're going to end up

working. And we feel like that's-- can be an important piece to it too. But clarification to say it's not just one type of clinical partnership, it can be partnerships with, you know, hospitals and clinics throughout the state.

DAY: OK. Wonderful. Thank you.

LINDSAY SNIPES: You bet.

HANSEN: Any other questions? I have a few.

LINDSAY SNIPES: Sure.

HANSEN: And I'm sorry if I missed it or if you answered it with the Senator Day's questioning. How many, how many accelerated programs are there in Nebraska?

LINDSAY SNIPES: You know, I can only-- I only know of three with Creighton, NMC and UNMC.

HANSEN: OK. All right.

LINDSAY SNIPES: Other-- our other health sciences college may have, may have some as well. Those are the three I'm most aware of.

HANSEN: OK and I'm going to touch a little bit off what she was ask-- Senator Day was asking as well. So somebody who comes to you with an associates and they still need some more training to earn their bachelors and then go to the accelerated program, do you offer both, or do you go right from an associate?

LINDSAY SNIPES: Yes, you can come in with an associate and there's a pathway to earn your bachelor's within 12 months.

HANSEN: OK. So would that-- yeah, so earning your bachelor's in the 12 months, is that part of the accelerated nursing program?

LINDSAY SNIPES: Yes.

HANSEN: So this would be used for that as well?

LINDSAY SNIPES: Yes.

HANSEN: OK. All right. That's what I was wondering because that might-- that's a difference in costing more per student. And some of this, I might ask you, but you might be the last testifier so at least I can ask it since Senator Wayne isn't here. On line 13, on page 2, "Does not live in Nebraska at the time of applying for a scholarship under the Nursing Incentives Scholarship Act." So that's who is eligible for this. My, my, my question is, like, so say somebody comes here and gets their bachelor's from out of state, they go to UNL and OK. I think when I go into nursing. They're not-- they're from out of state, but they're still going to college here, but they won't be eligible for this it sounds like.

LINDSAY SNIPES: I wouldn't be the person to answer that question for you, sir.

HANSEN: OK. That's all right. Just thought I'd throw it out there anyway. And one more thing, on Section 4(2), "the department may award up to six million dollars under the Nursing Incentive Scholarship Act for each fiscal year after fiscal year--" it goes '23-24, but I think they need to change it to '24-25. It sounds like-- almost like this will go going in-- like in perpetuity [SIC], you know, every year. They don't have, like, an end date. For each fiscal year after '24-25 so they don't have-- I sounds like there's no stop date. So we'll just keep awarding this money every year. So that's one thing I was going to say.

LINDSAY SNIPES: I can't speak to the intent of the bill there. However, if there are scholarship dollars for the intention of putting nurses in the workforce and helping those students again get their degrees in a, in a quick fashion to get them bedside or wherever they end up, we, we would be for that.

HANSEN: Yeah. As a fiscal conservative, it just gives me heartburn.

LINDSAY SNIPES: I'm sure it does, yes.

HANSEN: OK. All right. I just at least wanted to kind of throw this out there and I can always ask Senator Wayne about it too-- as well or maybe somebody behind you can answer them, so. OK, any other questions from the committee? All right, seeing none, thank you for coming to testify.

LINDSAY SNIPES: Thank you all.

HANSEN: Is there anybody else wishing to testify in the neutral capacity? All right, seeing none and not seeing Senator Wayne here, I'm assuming he's waiving closing. We did have some letters for the record. We did have four letters in support of LB794 and one letter in neutral. So with that, that will end our hearing for LB794 and we will now open it up for LB503 and welcome Senator. Aguilar. Welcome, Senator Aguilar. I don't think I've ever seen you in front of the committee yet so far so that's pretty awesome.

AGUILAR: Good afternoon, Chairman Hansen, members of the Health and Human Services Committee. My name is Ray Aguilar, R-a-y A-g-u-i-l-a-r, and I represent District 35. I'm here today to open on LB503. LB503 would adopt the Rural Nebraska Nursing Workforce Act. There's a nursing shortage in Nebraska. Nebraska will experience a shortage of more than 5,000 nurses by the year 2025. Seventy-three of Nebraska's 93 counties has less than the national average ratio of registered nurses to patients. Sixty-six counties in Nebraska have been deemed medically underserved. Nine counties in Nebraska have no registered nurses and four counties have one registered nurse. LB503 would provide both scholarship and infrastructure dollars to alleviate Nebraska's nursing workforce shortage. Creighton University sponsors a three-plus-one program with four other colleges in Nebraska. Students at Concordia University, York University, Hastings College and Wayne State University [SIC] can complete three years of study at these institutions and one year of nursing theory and clinical onsite training in Grand Island and other nearby central Nebraska communities such as Hastings to earn their bachelor of science in nursing. LB503 would expand the current program by adding a second enrollment cycle and 16 to 20 students per enrollment period for a total of 32 to 40 new nursing nurses graduating after implementation of LB503. Outside of Lincoln and Omaha, Nebraska has limited nursing BSN clinical education opportunities. The program in Grand Island offers students who want to live and work outside of Omaha and Lincoln the opportunity to have the appropriate training closer to his or her home and where he or she wants to eventually work. The scholarship program would be 40 percent of the tuition, but the nurses would receive 20 percent remission of the tuition upon each year of nursing service in Nebraska. The handout I had prepared for you includes AM386 to LB503. The amendment is the underlying part of the bill and includes new

language pertaining to the Rural Health Opportunities Program. The original contents of LB503 remain in the amendment, but we are codifying and adding dollars into the RHOP program at the state college request. There will be experts testifying behind me to answer questions about the Creighton section and the state colleges section. Thank you for your time and I will attempt to try to answer any questions you may have.

HANSEN: All right. Thank you, Senator Aguilar. Are there any questions from the committee? Seeing none, we'll see you at close?

AGUILAR: I'm probably going to waive closing. I have an Exec Session across the hall.

HANSEN: All right. Sounds good. Thank you. All right, we'll take our first testifier in support of LB503. Welcome back.

MARDELL WILSON: Thank you. Thank you again, Senator Hansen and members of the committee. I'll remind you I am Mardell Wilson, M-a-r-d-e-l-l-W-i-l-s-o-n, and I serve as provost and chief academic officer at Creighton University. I again extend my thanks to the members of the committee for the opportunity to testify on behalf of Creighton University as a proponent of LB503. I know you played-- paid very close attention prior so I won't give you a lot of the statistics about Creighton University, but will just remind a couple of things. Founded in 1878 by the Creighton family, we are one of 27 Jesuit universities and colleges in the U.S., where we have a vibrant and diverse learning community that offers its students more than an education, as we emphasize education of the whole person academically, socially and spiritually. We've cited to you several times throughout this afternoon already about the Nebraska shortage of nurses, with numbers ranging from 73 counties with less than the national average, 66 counties in Nebraska having been deemed medically underserved, nine counties in Nebraska with no registered nurses and four counties with just one. We know that the Nebraska shortage disproportionately impacts rural communities, affecting their access to quality healthcare and overall economic vibrance. This bill takes a refined effort to look at the rural population and how best to serve them. Addressing this shortage must require a comprehensive strategy, including public and private partnerships, as no one single institution type can tackle the nursing shortage alone. The

accelerated curriculum in nursing was initiated again in-- at Creighton in May of '75 and we expanded west in 1986 to Hastings and then later to Grand Island. As a one-year curriculum for individuals who hold a baccalaureate or other higher degree or a combination of a three-plus-one articulation agreement for a dual degree, the students would earn-- in that program would earn a degree from their home institution as well as a BSN from Creighton. Creighton nursing graduates are successful, boasting a 91 percent first-time NCLEX pass rate, again making them workforce ready. We are delighted to have established partnerships, three-plus-one programs with Wayne State College, Hastings College, York University and Concordia University, where students complete the bulk of their undergraduate degrees at those institutions, completing their fourth year in our accelerated program in Grand Island, learning-- earning them the dual degree. We know that these students already have an established affinity to more rural segments of our state. With this in mind, I'd like to point out that nursing graduates, again, typically working in or near the communities in which they live and study, making proximity of education a significant factor in an area's supply of nurses. Reminding you that three out of four of our Creighton accelerated nursing graduates already choose to begin their careers here in Nebraska and that includes both our programs in Omaha as well as in Grand Island. LB503 would enable program growth, an additional cohort, while allowing students who already have an appreciation obtaining an education in more rural Nebraska to not be burdened by the financial impact of a higher education, helping eliminate any possible barriers to embrace a career in nursing serving rural Nebraskans. It's my pleasure to collaborate with these, with these other outstanding institutions and I'm happy to take any questions at this time.

HANSEN: Thank you. Are there any questions from the committee? Senator Riepe.

RIEPE: Thank you, Chairman. Again, thank you for being back so quickly.

MARDELL WILSON: Thank you.

RIEPE: I'll make a statement then I want to go to a question. My concern gets to be with silos that we seem to be creating here, silos of scholarships: one for Creighton, one for rural Nebraska, one for

down the line. I think that's very-- in the summary of that, that puts us accountable or in charge of running the whole thing. I don't think that's a role for the Legislature, but-- so again, I would ask you the same question I asked on the previous bill. Has any coordination happened with the bigger plan of the Nebraska Hospital Association?

MARDELL WILSON: All I can share is I sit on the Nebraska Hospital Association workforce collaborative and that group has identified our-- the two bills that have been presented this morning-- or this afternoon already as well as additional ones. In our most recent meeting, there was no opposition. I think the, the, the goal is to tackle this nursing shortage and we're trying to do it in ways that not only allow students the greatest flexibility, but also with this particular bill, LB503, really trying to assure there's affinity with helping our more rural areas.

RIEPE: I would like to see-- personally see one master plan that covers all of the corners so that we don't have to deal with them on an individual basis. Could you answer me this too? I know that you have an expanding medical presence in Phoenix. Do you have nursing education there?

MARDELL WILSON: We do.

RIEPE: Which--where do-- do you have more students in Omaha-- nursing students in Omaha or Phoenix?

MARDELL WILSON: We have about an equal portion of nursing students in Phoenix as we do in Omaha.

RIEPE: OK. Thank you. Thank you, Chairman.

HANSEN: Thank you. Senator Day.

DAY: Thank you, Chairman Hansen. Thank you for your second testimony for today. This may have been a question that I should have asked of Senator Aguilar, but in Section 1, subsection (2), line 13, part (c) says, "Be from a rural area of Nebraska as determined by XXX" essentially. There's no definition there. Do you have any indication that the senator had a desire to-- I mean, how are we going to determine who's from a rural area and who's not or was that--

MARDELL WILSON: I am not-- I cannot--

DAY: OK.

MARDELL WILSON: --speak specifically to it. I--

DAY: I know. I apologize.

MARDELL WILSON: --apologize.

DAY: I probably should have asked the senator, but I thought maybe if you knew what was going on with that, but.

MARDELL WILSON: Thank you.

DAY: Thank you.

HANSEN: All right, thank you. If I, if I may and if-- or if you know, how many students do you think would be eligible for this?

MARDELL WILSON: Well, we currently have cohorts. What we're hoping to do is expand a cohort. We have a cohort of approximately 18 right now and we hope to expand that to two cohorts of 16. So that would add nearly double. Just because of facilities and because we're in a smaller area allowing appropriate number of clinical placement opportunities, we have to keep that in mind. So it would be actually-- in, in this particular case, we would be able to add one additional cohort.

HANSEN: OK. And this maybe-- this is a little bit of a technical question again, but since I don't think Senator Aguilar-- he took off already. On line 20 on the first page, it is the intent of the Legislature to appropriate \$300,000 in fiscal year '23-24 and \$600,000 in fiscal year '24-25 to the Board of Trustees of the Nebraska State Colleges to carry out the rural opportunities program. So it's their job to carry out the program. But then on a fiscal note, they have to hire a full-time employee at \$95,000 a year to implement the program. I'm trying to figure all that out.

MARDELL WILSON: I apologize that I don't know those details.

HANSEN: That's all right. Again, put-- thought I'd put it out there, so. All right, that's all I have. Any other questions? Senator Hardin.

HARDIN: Forgive me, I promise to pick on everyone else just like I'm about to pick on you. Is that OK?

MARDELL WILSON: That's fine.

HARDIN: Great. I tease everyone since I'm from the Scottsbluff area--

MARDELL WILSON: I was there for my son's state golf ball-- golf tournament.

HARDIN: --wonderful-- and I, I often have to remind my brethren from here in eastern Nebraska that if they're looking at a hard-copy map of the state of Nebraska, they do need to fold it out four more times to the left to see where rural Nebraska in the mode-- the most of it actually is located. All of the places that this supports are pretty much to the east side, eastern part of the state. Is there anything that would send anybody out our way, as far as you know, with this bill?

MARDELL WILSON: Specifically, our clinical placement affiliation ability to execute the program is in Grand Island. I suppose with--

HARDIN: Do you consider that western Nebraska?

MARDELL WILSON: I grew up in central Illinois on a-- in a very small, small community so I understand your comments. I do recognize what we hope in terms of these partnerships is that those students who are possibly looking at four-year institutions, this seems more of a doable for them. And then we're present for that fourth year.

HARDIN: Just like to pick on everyone equally.

MARDELL WILSON: Got it.

HARDIN: Thank you.

MARDELL WILSON: Thank you.

HANSEN: Thank you. Any other questions from the committee? All right, seeing none, thank you. We'll take our next testifier in support. Welcome.

MEREDITH SMITH: Good afternoon, Senator and members of the committee. My name is Meredith Smith, M-e-r-e-d-i-t-h S-m-i-t-h. I'm speaking on behalf of Creighton University College of Nursing as a faculty member from the central Nebraska campus located in Grand Island. I've been a nurse for 25 years and have worked as a nurse educator for the past 12 years. I've had the opportunity to work closely with students both in the clinical and the didactic setting. Creighton has had a long-standing presence in central Nebraska preparing BSN nurses in the area. Creighton's central Nebraska campus allows students the opportunity to have classroom and clinical experiences at several facilities between Grand Island, Kearney and Hastings. Creighton University has strong relationships with CHI facilities in Grand Island and Kearney, as well as Mary Lanning Healthcare in Hastings. Students also work with different health-related agencies in the community, such as the Multicultural Coalition, the Literacy Council and Goodwill Industries. Students interact with the leadership and the clients at these agencies to perform a needs assessment and implement an intervention to address social determinants of health and identified needs. This clinical opportunity introduces students to resources available in the community and allows students to develop a connection within the community, building affinity, which in turn may increase their interest in staying in the community after graduation. Nursing leadership at these facilities works to accommodate Creighton's clinical request to have an excellent clinical experience for our students. Representatives from these facilities are very welcoming to our students, which enhances their experiences. Creighton's current facilities in Grand Island accommodate one cohort of 16 to 20 nursing students per year. While expansion is desired, there would be some limitations with the current infrastructure. The funds from LB503 would allow for expansion, which would include a second classroom to fit an additional 16 to 20 students, additional space to teach health assessment and nursing skills, as well as an extra room for simulation. This increased space would benefit the students who would receive scholarship money from LB503 and provide the opportunity to increase future capacity for the number of nurses we can educate in central Nebraska. Creighton's location in Grand

Island is in a good geographical location to attract students from smaller communities. We currently have students enrolled from Central City, Aurora, Giltner, Doniphan, Lexington, Hastings and Grand Island. Grand Island's central location allows students to live in other communities and have a reasonable commute to campus. We also recruit around 25 percent of our students from out of state. Creighton's campus in central Nebraska has had many graduates choose to remain close to home after graduating. This has recently included nurses working in Geneva, Minden, York, Grand Island, Kearney and Hastings. The cost of an accelerated nursing program can be prohibitive, but the funds from LB503 would allow individuals without the available financial resources to make a nursing career a reality. Because of the large shortage of nurses in central Nebraska, there are often opportunities available for new graduates that may not be available in metropolitan Nebraska. Students in central Nebraska have been able to secure their preferred jobs in labor and delivery, the NIC unit, mental health and other inpatient settings and at the surgery centers immediately after graduation. The Grand Island campus has had great success with recruiting students from outside Nebraska in 2021, when scholarship dollars were available for the program. With there being no incentive to stay in Nebraska after graduating, many of these students returned home. If LB503 passes, students in this situation may be enticed to stay in Nebraska to receive scholarship and tuition remission. The Grand Island campus has a three-plus-one partnership with Hastings College, York University, Concordia University and Wayne State College. These partnerships allow students to attend one of the previously mentioned institutions for three years and then role in Creighton's 12-month accelerated program. At the end of four years, students obtain a bachelor's degree from their first institution and a BSN from Creighton University. The ability of these rural institutions to offer a nursing major as an option in partnership with Creighton allows them to recruit students interested in a nursing career. These other colleges and universities recruit students from both inside and out-of-state college-- or excuse me, in-state and outstate of Nebraska. Many students at these colleges prefer the smaller class size over the larger class size and the smaller community. The small nursing class size in Grand Island is often very appealing for our students from these other colleges.

HANSEN: Ms. Smith, I might have you wrap up your thoughts?

MEREDITH SMITH: Oops, sorry.

HANSEN: Your red light went off a little while ago.

MEREDITH SMITH: Sorry. We admit-- LB503 passes, this would provide incentives for students to stay-- or pursue a nursing education and encourage them to stay in Nebraska after graduating from Creighton University. I urge your support on LB503. Thank you.

HANSEN: All right, thank you for that. Are there any questions from the committee? All right-- Senator Riepe.

RIEPE: Thank you. It's my understanding that last year we did have a loan program that we funded with some ARPA funding-- funds. And my question gets to be is rather than providing benefits, should we as an organization provide low-interest loans so that while it's not a free ride, it also has an incentive, if you will, to go in that nursing direction.

MEREDITH SMITH: I don't know if I can answer to that as far as a loan program, as I'm not familiar with it.

RIEPE: OK.

MEREDITH SMITH: Or if there would be an option for that.

RIEPE: OK. I'm told that the-- that was part of last year. I assume that was last session's. Does that ring a bell? I wasn't here.

MEREDITH SMITH: Maybe some of my other proponents could answer that question.

RIEPE: Yeah. Thank you. I just thought I'd put it out there.

MEREDITH SMITH: That's OK. Thank you.

HANSEN: OK. Senator Hardin.

HARDIN: Thanks for being here. We've been educated this week about the 5,400 nurses or so that we think we're going to be short and within two years or so. How many nurses do we have coming out of Nebraska right now in terms of that we graduate across all of our-- you know?

About how, how bleak is the situation? How, how long will it take us to essentially catch up? By 2025, will that number be up to 7,000 or will we make-- will we gain on it?

MEREDITH SMITH: That I don't know if I can speak to, but I will tell you an interesting fact. I am currently in my doctorate position and one of the classes I took told-- informed us that by 2025, we would be over 5,500 positions short in the state of Nebraska. While I can't tell you how many we could-- your question again was to--

HARDIN: Is basically, are we gaining on this--

MEREDITH SMITH: I mean--

HARDIN: --or is that number just going to-- when we get to 2025, is it going to be a much bigger number yet by 2027 or 2029 or--

MEREDITH SMITH: That-- I don't know if I can tell the future for that. I'll be honest with you. Maybe my, my proponents can answer that better. But I'm a, I'm, I'm an optimist. I'm hoping that we can decrease this shortage in number. And through this LB503, I think it would definitely make it an option, certainly for students or people who already have their undergraduate degree and want to go back into nursing. I have personal testimonies I've met with over the weekend that said that if this was an option for them, they would definitely consider it, using this scholarship money to, to enable them. I mean, it's an expensive program. And so when you have 40 percent of it being paid for and then 20 percent each year for three years, it makes it very feasible. So I think the numbers speak for themselves.

HARDIN: Thank you.

MEREDITH SMITH: Yeah.

HANSEN: Senator Ballard.

BALLARD: Yeah. Thank you, Mr. Chairman. Thank you for being here.

MEREDITH SMITH: Thank you.

BALLARD: Did you say most of your students are commuters to the-- to your program?

MEREDITH SMITH: For this cohort specifically that I'm currently teaching in, they-- I would say we have one in Aurora, one that drives from Lexington, one-- two that drive from Hastings and then the rest are in Grand Island.

BALLARD: OK. Hast--

MEREDITH SMITH: So it's fairly close. Hastings, you can make the Grand Island in roughly--

BALLARD: Yeah.

MEREDITH SMITH: --20, 25 minutes.

BALLARD: Of course. So what does the program look like? So are they in class all day?

MEREDITH SMITH: No. So with the cohort that I'm currently course leading right now, they have class on Mondays and Fridays generally most of the day. Sometimes it changes. They have clinical Tuesday, Wednesday and Thursday. Clinical can mean they could be in an inpatient clinical setting or in a community setting. So they are currently enrolled with me in a mental health rotation, they're in a community rotation and they're in the OB PT rotation. So we break them into three sections and so depending upon what section they are in, that determines what clinical they will be in Tuesday, Wednesday or Thursday. However, all of them will be in class on Mondays and Fridays.

BALLARD: And then do you-- one more question, if I may. Do you find it difficult to recruit candidates for, for this cohort, especially in Grand Island?

MEREDITH SMITH: You know, I had-- in the year 2021 and even-- I'd say 2021, I, I also help with recruiting, going out Hastings College and York University and having that presence on campus and letting students see the face of Creighton seems to be very promising. Our numbers have gone up significantly so. So I think if that answers your question, it-- I don't-- I just think that the more presence we have on these other colleges that we partner with will make a big difference in getting students enrolled into our program. Because quite frankly, when I first started going to these different colleges,

they didn't know that their own college had a partnership with us, with Creighton. And so by going to these different colleges, Wayne, Concordia, Hastings and so forth, it certainly has helped with our enrollment numbers.

BALLARD: So you don't see a desire for many students to go to Omaha to go to the--

MEREDITH SMITH: In-- with my experience and I've been with Creighton for three years-- a little bit over-- we had-- our-- this cohort that I'm currently speaking to that started in August, we had around 20 students. One of those did go to Omaha to the best of my knowledge. And then one other didn't feel it was her time for her to go to school and then the rest stayed with us.

BALLARD: Perfect. Thank you for being here.

MEREDITH SMITH: Yeah. Thank you.

HANSEN: I have-- oh, Senator Riepe.

RIEPE: I'm sorry. I have one. My question is this: a couple of days ago, I kind of lose track of all of it, but we had one school that was saying-- talking about sites and they said they had to turn away some 700 students who had applied that they thought were well qualified. Now you're associated with the Creighton program.

MEREDITH SMITH: Correct.

RIEPE: Do you know if the-- Creighton has to reject students because they don't have clinical facilities?

MEREDITH SMITH: With my experience with Creighton and their clinical experiences, we've not had to reject students--

RIEPE: OK.

MEREDITH SMITH: --to do clinical experience, whether it's in an inpatient setting or a community setting.

RIEPE: OK.

MEREDITH SMITH: We work very hard to make sure that all of our students get the-- well, they have to-- the required clinical hours. And so we have not found it-- while it is a competitive world to find any nursing student with any program their clinical hours, it's challenging, but so far we have not had problems finding placements for our students.

RIEPE: Do your students-- excuse me. May I? But your students, do they do most of their clinical work at what I call Bergan Mercy?

MEREDITH SMITH: Well, since we're in Grand Island--

RIEPE: Oh, OK.

MEREDITH SMITH: --we do it at St. Francis--

RIEPE: OK.

MEREDITH SMITH: --in Grand Island. We also partner with Mary Lanning Hospital. We have other-- York Memorial Hospital. We've even been to Geneva for a preceptorship for some of our students. So we have quite a, a-- what's the word I'm looking for-- we have quite a few options for our students to go for their clinical experience.

RIEPE: Does Mary Lanning have its-- do they have a relationship with Hastings College or-- for nursing, or--

MEREDITH SMITH: Mary Lanning has a relationship with Bryan College of Health Sciences.

RIEPE: Oh, OK. And that's big.

MEREDITH SMITH: Um-hum.

RIEPE: And I think Bryan's expanding out there if I--

MEREDITH SMITH: Correct.

RIEPE: OK.

MEREDITH SMITH: But Creighton also has a relationship with Mary Lanning as well and with, as I previously mentioned, with Hastings College.

RIEPE: I do know Bryan has a 95 percent retention rate within the state of Nebraska, so for what that's worth. Thank you. Thank you, sir.

MEREDITH SMITH: I'm also a Bryan student, so.

RIEPE: Oh, OK.

HANSEN: Any other questions from the committee? All right, can I ask you one question?

MEREDITH SMITH: Thank you.

HANSEN: Can I ask you one question real quick?

MEREDITH SMITH: Yeah.

HANSEN: Not going to levy-- leave that easy.

MEREDITH SMITH: What's that?

HANSEN: Not going to let you lead-- leave that easy.

MEREDITH SMITH: You can't tell I'm sweating and I'm nervous here?

HANSEN: Well, good. I'm asking you the most difficult question I can think of.

MEREDITH SMITH: OK.

HANSEN: No, since we got you here, is there anything else you think the state could do besides giving scholarships to help facilitate the process of getting more nursing students here or accelerating them through school faster? Because some industries kind of sometimes have us look at some of the red tape or rules and regulations that the state puts on industries to see if we can help kind of speed things along, such as the application process the state might require people to do or the number of hours or something. Is there anything in your mind you think the state could do?

MEREDITH SMITH: To expedite--

HANSEN: Yeah, get more nurses here besides throwing more money at something?

MEREDITH SMITH: Well, money does always speak--

HANSEN: Yeah.

MEREDITH SMITH: --loudly, first and foremost.

HANSEN: Don't tell my taxpayer-- you know, tell taxpayers that.

MEREDITH SMITH: Nursing education is very expensive. If the state could figure out a way to help with loans to help with forgiveness-- debt forgiveness, maybe even paying for helping with-- I'm trying to think. What's the word I'm thinking for-- their cost of living, so to say, while they're in nursing school. There's, there's several different ideas out there. I just think we need to brainstorm. And you've kind of caught me off guard, so I'll be thinking about it and I'll, I'll let you know.

HANSEN: Good. Yep. Excellent. Thank you very much. Appreciate it. Any other questions? All right, seeing none, thank you.

MEREDITH SMITH: Thank you.

HANSEN: All right. We'll take our next testifier in support of LB503. Welcome.

CAROL HAMIK: Well, good afternoon. My name is Carol Hamik, C-a-r-o-l H-a-m-i-k, and I am currently in a position I was just appointed to at Mary Lanning as a nurse recruiter and clinical outreach director, where I've spent many years at the bedside being a nursing leader. I'm a proud nurse who 37 years ago started my nursing educational journey with Creighton University in the first BSN program offered in Hastings, Nebraska, that you guys heard about earlier. Early on, I was committed to attending a local school to become a nurse. Some say it's a calling to be a nurse. I'm here today to provide testimony of support of LB503 designed to address the need to improve the rural nurse workforce through offering nursing scholarships and incentives to secure nurses to work within a rural community after graduation. Had Creighton not started the rural satellite program back when I attended, I may not have achieved all the accomplishments that I have

over the last 33 years. Obtaining a BSN built my knowledge level and prepared me for leadership. It brought me success within my career, where I have worked in numerous positions of staff nurse, charge nurse manager, director over various nursing departments all within the nursing rural workforce. My initial reason for looking at attending a local college was the instructor-nurse ratio. It was lower. The professors knew me by name. They knew my talent. My family was also close, which added additional support. I was the first college graduate within my family and my parents were outstanding role models. I never looked at any other schools outside of Hastings, as my plans were to work within the area upon graduation and I wanted to learn the healthcare system as a student where I would become a nurse. Every day, I make a difference. My career revolves around support for Mary Lanning Healthcare, a rural hospital that is committed to the community. It is imperative to strengthen the rural healthcare workforce and bring focus to needs in the manner that our rural teams require. And looking at the role of nursing workforce, I can speak with authority of difficulty seeing and hiring new nurses as trends are leading nurses to urban settings. Urban settings provide specialty practices versus rural settings that provide generalized practices to keep those ill close to home. In fact, rural facilities offer telemedicine options precisely to keep patients local and connected to loved ones when dealing with health issues. We must work to attract nurses to rural communities and this assistance starts providing financial support with educational expenses. Over the last decades, I have worked in positions of hiring bedside nurses to work within a variety of nursing units and disciplines. The new generation of nurses are looking for those more specialized positions and looking to live in a community with an urban setting. But this trend can be changed by this bill. This financial assistance can expose more students to the joys of living in a smaller community like I have and will motivate future nurses to remain within the rural communities. I'm entering my 29th year of employment at Mary Lanning Healthcare in Hastings. Our hospital has been affected by the nursing shortage. Nurses are leaving the bedside, nurses are moving to other positions and staff are accepting traveling positions for higher wages, but often not required to leave the state to work. Did you know within my facility if you had two similar nurses with experience level equal, they both were full time, three 12-hour shifts a week where one is permanent staff and one is a travel agency staff. The annual pay difference is a difference of

\$120,000. This means if we recruited ten nurses to my hospital through this scholarship, offering and eliminating ten agency nurses, my organization would save more than \$1.2 million every year. This is the long-term difference this bill will make. It is important to support the rural healthcare facilities so that when a loved one is required to be hospitalized, they can be cared for in a rural setting close to home in a community-based hospital. I know we've talked a lot about the nursing shortage within Nebraska, but within the United States, by the end of the year, we're going to be 1.1 million nurses short and the shortages are always felt, it seems like, in the rural settings. Thank you and I'd love to take any questions.

HANSEN: All right, thank you. Are there any questions from the committee? Senator Ballard.

BALLARD: Thank you, Mr. Chairman. When, when trying to recruit nurses, what, what are some of the-- to attract, what are some of the talking points you use?

CAROL HAMIK: So I've developed the talking points of how to obtain your first job because when you look in the nursing profession, when you look at the wage they make-- so earlier you asked about what a nurse makes. An average nurse in the state in Nebraska starts as a new graduate between \$29 to \$34 an hour. That is a lower income. So when you look at the cost of what nursing education cost them, you need to learn how to support their educational ability so they can come-- become a nurse. So they look for what it is we have to offer for sign-on bonuses. They look for maybe relocation money. They also look for that right culture. They want to find that organization that believes in a nurse-patient ratio. They want to find that organization that has similar values to the way I led when I was a director. And that is you have to schedule them right, then you have to pay them right. Ask them not to do anything you wouldn't do yourself. And they have to request off those days that they need off, have it be their dog's birthday is the day they take off every year to their own kid's birthday. But if you can schedule nurses right, you will retain your nurses.

BALLARD: Thank you.

HANSEN: Any other questions? If I may, you touched on pay.

CAROL HAMIK: Yes.

HANSEN: How big of a difference is that? You were, you were talking of the difference between agency-- what they pay and then what a hospital pays or a facility pays. Is, is, is that a reason you consistently hear from nurses who work in hospitals about pay?

CAROL HAMIK: Um-hum. It is.

HANSEN: Yeah, I think it maybe wasn't before, but now that you have-- there's maybe a competing force--

CAROL HAMIK: It's-- yeah.

HANSEN: --such as just agencies coming along.

CAROL HAMIK: And there are so many opportunities for nurses. It's no longer-- when I got out of nursing school in 1990, I could work in a clinic, a hospital or a school. Well, now within the hospital, I can tell you when you look at just my nurse recruiter job, but you also have case managers, you have nurses behind the scenes that help with coding and billing so you can assure that your hospital is bringing all the income and revenue they possibly can.

HANSEN: OK. All right, thank you. Senator Hardin.

HARDIN: I'll ask the same question I asked earlier. Do you have a sense in terms of how many graduates we have per year in nursing that we're doing here inside the state? I'm trying to get a grasp as to how big the problem is for us to fix. I understand the number of 5,400. What I don't know is how much we're gaining.

CAROL HAMIK: You know, I, I could sure get back to you because I've been working with all the nursing schools to recruit to Mary Lanning and, you know, the average school has anywhere from 30 to 50 graduates.

HARDIN: OK.

CAROL HAMIK: This year, we're calling it the year of COVID. So what we typically have is 50 nursing students that come to us from UNMC, 50 nursing students that come from Central Community College and about 20

nursing students that come to Creighton-- from Creighton University. So when you look at those this year, UNMC and CCC are both down in the 30 ranges for nurses that will graduate. So--

HARDIN: So we'll be caught up in 50 years, is what you're suggesting?

CAROL HAMIK: Well, I sure hope so--

HARDIN: I see.

CAROL HAMIK: --you know? I have total faith in you guys and I also have faith in the nursing profession. We're also going to have to figure out how to grow some more skill sets. So maybe it's not looking at everybody having an RN at the bedside versus having an RN that takes four patients, maybe they take six or seven patients, but they have an aide that's partnered with them. Or maybe they have an LPN that's partnered with them. So just looking at different options to try to make sure we're attending to our patients' needs.

HARDIN: In the rural communities, isn't that happening already?

CAROL HAMIK: We're just as--

HARDIN: There are fewer RNs and we basically have CNAs and LPNs and a lot more of those folks as it is.

CAROL HAMIK: We've been looking at team nursing at Mary Lanning and we've started practicing where you put together an RN, LPN and aide together so that you can take a larger patient load but yet still give them the same intention-- individual attention that you were giving them before. But yes, you're correct.

HARDIN: Thanks.

HANSEN: All right, any other questions from the committee? Seeing none, thank you.

CAROL HAMIK: Yeah, thanks.

HANSEN: We'll take our next testifier in support. Welcome.

TODD STUBBENDIECK: Hello. Chair Hansen and members of the Health and Human Services Committee, my name is Todd Stubbendieck. That's T-o-d-d S-t-u-b-b-e-n-d-i-e-c-k and I'm the state director of AARP Nebraska. Let me start off by saying how intimidated I am following all these amazing nurse leaders that have come before me. But my-- I'm going to share my perspective from the needs of people 50 and older when it comes to nursing. Our nation faces pressing healthcare challenges, an aging and more diverse population, more people with more chronic conditions, rising cost and a shortage of providers. According to the American Association of Colleges of Nursing, there's a national shortage of nursing in the United States, as some people have alluded to. In fact, they indicate that nationally, by 2025, there will be a deficit of 130,000 nurses. This shortage has been worsened by the rates of retirement, considering that more than half of the nursing workforce is already over the age of 50. And while the nursing shortage certainly existed before COVID, the stress, workload requirements and demands of the pandemic have undoubtedly exacerbated the problem. This comes at a time when the aging population of the United States continues to grow and their need for healthcare grows. There's more demand for nursing services across the country to meet the needs of older adults that suffer from multiple chronic conditions. That demand is only going to continue to grow, as by 2030, one in every five Americans will be over the age of 65. Compounding the problem is the fact that nursing schools across the country are struggling to expand capacity to meet the rising demand for care. AARP Nebraska supports LB503, the Rural Nebraska Nursing Workforce Act, because we believe the nursing scholarship incentives within the bill will be an important tool to attract more young people into the field of nursing. In addition, the bill provides funding for the expansion of approved clinical and learning environments to increase the capacity to train nursing students. Nurses are at the center of a continuum of healthcare. From the moment we were born, they are with us in the hospital. They are part of our schools and many of our workplaces. Throughout our lives, they provide us care at clinics, doctor's offices and hospitals. They are with us providing us care as we age in nursing homes. They are an essential part of our lives and a healthcare system with a nursing shortage cannot deliver the quality of care that we need. AARP Nebraska believes LB503 can be a part of the innovative solutions that we need to address the nursing shortage. I thank Senator Aguilar for introducing the bill and for his support

of nursing and his commitment to protecting the health of all Nebraskans. AARP Nebraska encourages the committee to support LB03. Thank you.

HANSEN: Thank you for coming to testify. Are there any questions from the committee? Seeing none, thank you.

TODD STUBBENDIECK: Thank you.

HANSEN: We'll take our next testifier in support.

PAUL TURMAN: Chairman Hansen, members of the Health and Human Services 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. I'm here to support LB503 as proposed by Senator Aguilar as well as the amendment that he referenced earlier as well. And I'll have the opportunity to-- hopefully to answer some of the questions that have surfaced so far. The state colleges really do have a strong history of a partnership for serving workforce needs here in the state. Just recently, Wayne State College has joined a partnership with Creighton University to expand and be integrated into the accelerated nursing program that they have. Just a year ago or a little less than a year ago, I joined leadership from both of those institutions in the signing of that agreement. And what it does is it provides students the opportunity to start at Wayne, finish their first three years and eventually transition to Grand Island, which is in the service region of Wayne State. And so over time, I think we look at how is it to continue to make students access and affordability, one of the key drivers at the state colleges is working toward. And partnering with an institution like Creighton creates ongoing opportunities for those students. Questions earlier about the total number of resident students that maybe Creighton serves would be a total of about 80 percent of their nonresidents. But partnering with an institution like Wayne represents 85 percent of students that come from Nebraska who go to that institution and then transition into that program. We also have a very strong history of-- a long history of partnerships related to healthcare integration here in the state as well. Going back to 1989, Chadron State College began to do a partnership with UNMC. And to your point, Senator Hardin, if that's any farther west in Nebraska, I don't know that I want to travel much further than that in the times that I make that trip out there. They put together a partnership for both

nursing and medicine, whereby 12 students were interviewed in their senior year of high school and given slots at UNMC whereby if they completed their program at Chadron, they then would be automatically admitted into the nursing and medicine programs at UNMC once they have graduated. That program in and of itself, what has now become the Rural Health Opportunity Program, or RHOP, has been expanded now into each of our other two institutions. Wayne and Peru both have RHOP programs. And over time, that program has gone on to continue to serve a very large number of students who want to stay in rural areas of the state and want to stay close to home, can work and begin their degree programs and then ultimately transition to UNMC and then ultimately back into those rural communities. As that program has grown over time, we saw something that started with just 12 students that now has integrated into more than 200 students at any given point in the pipeline at one of our three institutions. And then having about 85 students somewhere in the pipeline at UNMC finishing their degrees started with those two and it now has expanded into 11 different programs: physical therapy, occupational therapy, dentistry, dental hygiene, the wide spectrum that UNMC provides and offers. And our goal is to continue to work with Chancellor Gold and UNMC to expand those programs. The cost, though, has been that the institutions have been asked to cover the tuition waivers that are granted to those students in addition to the slots that UNMC provides and that has grown to roughly about \$1.6 million a year for our three institutions to help meet those ongoing workforce healthcare needs that the state has. And so the amendment that Senator Aguilar has graciously integrated into the bill seeks to provide funding for the next sets of cohorts that we would enter into the program next academic year and the year after to help cover half of the cost of the tuition waivers that we currently provide. So I would ask that you would support LB503 as well as the amendment that Senator Aguilar has put in front of you. It certainly serves our capacity to continue to, to bring access and affordability to the rural areas of the state, as well as making sure that we're meeting those workforce needs in the healthcare area across the 11 programs that we serve. I'd be happy to answer any questions that the committee might have.

HANSEN: Thank you for your testimony. Are there any questions from the committee? Senator Hardin.

HARDIN: Are we in some way, shape or form expecting other students to bear the cost of expanding the healthcare workforce?

PAUL TURMAN: Senator, I think in, in its current form, what we're-- we're seeing that happen that right now, we-- tuition waivers, if you understand what those are, it's just we, we provide scholarships in lieu of not charging students tuition. And so to provide tuition waivers means that we have to spread that cost of maintaining the institution across to other students and families. And so I think in the way in which RHOP has grown and expanded from an initial cost of about \$28,000 in its first year to 1.6, every time we have a tuition increase, we have to increase that on top of what we normally would have simply because we give tuition waivers for an RHOP program. So we're looking to see can the state provide a portion of that cost so we don't have to continue to shift those expenses to students.

HARDIN: So do we have students in the west paying an inordinate amount so that we're benefiting students in the east? Is that what I'm hearing you say?

PAUL TURMAN: I would say, Senator, we have a very good history of students who finish in the RHOP program--

HARDIN: Uh-huh.

PAUL TURMAN: --who go to Omaha and then return back to their rural communities. So right now, 71 counties have students who have gone through the RHOP program. We've had 652 students who have completed that since 1989, of which 60 percent had stayed in the state of Nebraska and 85 percent of them are in rural areas of the state. So I think the program is-- it's meeting its need to serve all regions of the state, especially the places where our three institutions are.

HARDIN: Thank you.

HANSEN: Any other questions? I have one question. So a student who's in the RHOP program, financially do they cost you more money? Like, do you lose money off an RHOP student?

PAUL TURMAN: I would say, Senator, in the capacity for our institutions to be able to use those remission dollars for other students, that would be the inherent cost that we have. Right now, I

do not allow the institutions-- or it's our board policy that they can't spend more than 22 percent of their overall tuition that they collect cannot be given to remission programs. And about 20 percent of their total pool of remissions goes toward RHOP.. But overall, we bring in fantastic students that we enjoy the capacity to be able to teach and retain in the area and then feed them back into the rural communities that they come from. But the cost continues to grow at levels that are probably not sustainable for our institution without scaling back or certainly not agreeing to take on other partnerships with UNMC that we desperately need to meet the needs of the state.

HANSEN: OK. RHOP program sounds like a good program from what I understand. It sounds like you're getting people involved and students involved that maybe not would have gone into healthcare at the beginning. So when I ask that, I'm kind of curious-- so now you're getting more students, but if you're losing money off the RHOP student, it makes sense why you may want to scale it back or you-- there's only so many you can take. But that's one of the reasons why I was asking. I'm just trying to hear the logistics of, you know, how it works with you, so.

PAUL TURMAN: Yeah, that's how it works.

HANSEN: OK. Any other questions from the committee? All right, seeing none, thank you.

PAUL TURMAN: Thank you, Senator.

HANSEN: Is there anybody else wishing to testify in support of LB503? All right, is there anybody who wishes to testify in opposition to LB503? Is there anybody who wishes to testify in a neutral capacity?

COURTNEY WITTSTRUCK: Hello, Chairman Hansen and members of the HHS Committee. Again, my name is Courtney Wittstruck. That's C-o-u-r-t-n-e-y W-i-t-t-s-t-r-u-c-k and I'm the executive director of the Nebraska Community College Association. Nice to see you all again. So I'm here to testify on behalf of my member colleges in the neutral position for LB503. And my member colleges, they avidly support any and all efforts to address the nursing shortage in Nebraska. I'm testifying in the neutral position today, though, because as LB503 is drafted right now, only students in accelerated bachelor of science

nursing programs would be eligible. Community college nursing students would be excluded as it is currently written. And I heard several other folks testify here. I know Creighton Provost Wilson happened to mention that, you know, no one institution type can solve this problem. And I think it's such a big problem that makes sense so the more the merrier. The more people that can be put at-- put towards this problem, I think the sooner we get it solved. To make in the-- to make a dent in the current and projected nursing shortage, Nebraska really needs an all-hands-on-deck approach. Community colleges would welcome the opportunity to be part of the solution by having our nursing students included in this bill and we would be happy to work with Senator Aguilar and the committee on any amendments, if so desired. Thank you for your time today.

HANSEN: Thank you. Are there any questions from the committee? Seeing none, thank you very much. Anybody else wishing to testify in the neutral capacity? Welcome.

KELSI ANDERSON: Thank you. Good afternoon, Chairman Hansen and members of the Health and Human Services Committee. My name is Dr. Kelsi Anderson, spelled K-e-l-s-i A-n-d-e-r-s-o-n. I am the provost of Bryan College of Health Sciences and have served in academic leadership for over ten years. I come to you today on behalf of Bryan College of Health Sciences, the students we proudly serve and the Nebraskans that they will take care of for years to come in the future to testify on a neutral capacity for LB503. Bryan College of Health Sciences has two locations for our nursing program, one in Lincoln and one in Hastings, Nebraska. Bryan Health System has hospitals in Crete, Grand Island, Kearney, Central City and Lincoln. Workforce, especially rural workforce, is a top priority for our college and health system. We are proud of the fact that over 90 percent of Bryan College of Health Sciences nursing graduates stay in the state of Nebraska. We all know and have heard today there is a nursing workforce shortage currently in Nebraska and continuing into the future. This shortage extends to many states in our country. LB503 is a piece of alleviating workforce pressures in our state and we believe that LB503 could be made better by inserting language into the bill to ensure that graduates who are receiving educational funding through this bill work in rural Nebraska. As we read the bill now, there is nothing that keeps the scholarship recipient in rural Nebraska. We have had several conversations with Senator Aguilar's office regarding our desire to

ensure LB503 accomplishes its intent to get more nurses in rural Nebraska. To do that, we would request that the committee add language in Section 5 of the bill to require that upon graduation, students utilizing the scholarship money be required to work for three years in a county with a population of less than 100,000. With this language, graduates would be required to work for a period outside of Lancaster, Douglas or Sarpy County in places like Scottsbluff, Norfolk, North Platte or other rural Nebraska areas. Thank you for your time this afternoon. I ask that you include this additional language in LB503 before advancing it to committee. I would welcome any questions that you have at this time.

HANSEN: Thank you. Are there any questions from the committee? Senator Hardin.

HARDIN: Thank you.

KELSI ANDERSON: You're welcome.

HANSEN: That was a good question.

KELSI ANDERSON: That was great. Easy.

HANSEN: All right. All right, seeing no other questions, thank you for coming.

KELSI ANDERSON: Thank you.

HANSEN: Is there anybody else wishing to testify in the neutral capacity? Welcome back.

LINDSAY SNIPES: Thank you very much. Again, a pleasure to be up here, Chair-- Chairman Hansen and members of the Health and Human Services Committee. My name is Lindsay Snipes, L-i-n-d-s-a-y S-n-i-p-e-s. And again, my position at Nebraska Methodist College is vice president of institutional effectiveness and we are located in Omaha, Nebraska. I would-- going to kind of cut down to pieces of the bill that we feel like this is a good bill. We feel like supporting nursing students and workforce in Nebraska is important, but would like to see some of the language more broader and clearer. Two sections in particular: one on Section 3(1) on page 2, "Approved clinical and learning environment means a clinical and learning environment for the education of nurses

at a university and hospital system with multiple state locations." It is unclear to me-- may limit participation under the proposed act. For example, Nebraska Methodist College is a higher education institution, but not university in name. NMC is affiliated with a health system that has multiple hospital and clinical-- clinic locations in the state and also has many clinical partnerships for the purpose of delivering that clinical education with other hospitals and clinics across the state that are not affiliated with a university or have multiple state locations. It is unclear what is meant by limiting improved clinical and learning environments to a university and hospital system with multiple state locations. Further, the language under 3(2) on page 2 in quotes, where priority admission is offered to partnering dual-degree program with public or private postsecondary institutions offering a three-plus-one degree completion opportunity may limit participation under the proposed act if the institution with an otherwise qualified nurse-- accelerated nursing program is considered ineligible if it does not have partnerships with other postsecondary institutions offering a three-plus-one degree completion. Again, NMC has a well-established 12-month accelerated nursing program, culminating in a BSN. Our past three years of enrollment is 60 students per cohort with a 90 percent retention rate and institution-- 100 percent institutional persistence rate. Our first-time NCLEX pass rates averaged 93 percent over the past ten years. Our nursing cohorts in our accelerated programs have the capacity for growth. And in closing, again, Nebraska has a significant shortage of nurses and LB503 is an important bill towards those attracting educating future nurses and growing Nebraska's nursing workforce. However, I would ask for the language to be reviewed and for the committee to remove restrictive language to allow other health colleges like Nebraska Methodist College and accelerated nursing program students to participate. Thank you again for your time. I'll take any questions.

HANSEN: Thank you. Are there any questions from the committee? Seeing none--

LINDSAY SNIPES: Thank you so much.

HANSEN: --you're off the hook. Thank you. All right, anybody else wishing to testify in the neutral capacity? All right, seeing none, Senator Aguilar waives closing. But before we end that hearing, we did

have, for the record, three letters in support of LB503. So with that, that will end the hearing on LB503 and we will move on to LB463. You going to take over?

HARDIN: Sure. Welcome. We're called the Health and Human Services Committee.

HANSEN: All right. Thank you, Vice Chair Hardin. My name is Ben Hansen. That's B-e-n H-a-n-s-e-n and this is the HHS Committee bill or sometimes we call it a shell bill. You might be familiar with this since we introduced something very similar last year that Senator Arch did with LB328. And so this is a bill that we can use in case the need should arise that we might have to amend it or use it for some committee concern that might arise in the next year or two. So with that, that's all I have.

HARDIN: Any questions?

M. CAVANAUGH: Yes, I have questions.

HANSEN: Oh, of course.

M. CAVANAUGH: Why did you take it from two of its members to a member?

HANSEN: We wanted to cut some of the rules and regulations, the red tape, so we can make it easier for people to do their jobs--

M. CAVANAUGH: Thank you.

HANSEN: --and hopefully save the taxpayer money.

M. CAVANAUGH: Fantastic. Thank you.

HARDIN: Any other questions? Seeing none--

HANSEN: I will waive closing.

HARDIN: Wonderful. Are there any proponents of LB463? Seeing none, are there any opponents of LB463? Thank you, Senator Cavanaugh. Seeing none, any in the neutral for LB463? I guess we have waived the closing, so thank you.

M. CAVANAUGH: No letters?

HARDIN: Do we have any letters? We're closing for LB463.

HANSEN: All right. Good. And that will now open the hearing for LB714
Welcome Senator John Cavanaugh--

J. CAVANAUGH: Thank you.

HANSEN: --to HHS.

J. CAVANAUGH: Thank you, Chairman Hansen. This is my first time in the
HHS Committee.

HANSEN: Ooh.

M. CAVANAUGH: Ever?

J. CAVANAUGH: Ever, first time in HHS.

HANSEN: Well, welcome.

J. CAVANAUGH: Thank you. Good afternoon, Chairman Hansen, members of
the Health and Human Services Committee. I'm Senator John Cavanaugh,
J-o-h-n C-a-v-a-n-a-u-g-h, and I represent the 9th Legislative
District in midtown Omaha. I'm here today to introduce LB714, which
would address the problems of insufficient affordable housing through
a one-time investment in the Nebraska Affordable Housing Trust Fund,
paired with technical changes that-- to allow the funds to flow more
efficiently and spur creation of more affordable housing across
Nebraska. Actually, I should have done this at the beginning, but I
have an amendment. Let's see. That's the bill. Can I hand this to the
clerks? I'm distributing a white-copy amendment of the bill. It's
AM352. I'll speak about the amendment. The truth is that the bill
continues to be a work in progress and we need to continue to have a
discussion with the current users of the Affordable Housing Trust
Fund. I look forward to that opportunity. That being said, housing
affordability is a critically important issue in Nebraska and I'm glad
to have this opportunity to put it on this committee's agenda. LB714
is one of about 20 housing-related bills introduced this session and
so it's an important discussion for us to have. I think we all agree
that the success of our state depends on solving the housing crisis.
We're currently experiencing rapidly increasing home sales and rental
prices and issues with the quality and quantity of available housing

inventory have become a barrier to job growth, community development, talent, attraction and retention, overall quality of life of Nebraskan communities. I believe that one of the best ways to address this problem is to expand one of the most successful and longest-running affordable housing vehicles. Created in 1996, the Nebraska Affordable Housing Trust Fund helps communities create affordable housing in our state by providing grants for the development of safe, decent and affordable housing. Since its inception, the trust fund has helped communities across Nebraska build more than 6,500 affordable units. The funds impact every community in our state. The statute requires that at least 30 percent of the trust fund dollars are directed to each of Nebraska's three congressional districts. The Affordable Housing Trust Fund is funded by a portion of the proceeds from a small tax on real estate transactions. In 2022, the fund received an allocation of \$12,750,000 from these taxes. These funds are distributed to government and nonprofit organizations, entities to support the construction, acquisition or rehabilitation of affordable housing units. These eligible applicants may partner with for-profit developers, but for-profits are not currently eligible to apply directly to the trust fund grants. LB714 states legislative intent to allocate five-- \$50 million in new one-time funding from the General Fund or Cash Reserve to double the trust fund's capacity for the next biennium. LB714 also contains several policy changes to make it more flexible and reflect-- reflective of today's housing landscape. Failure to take significant steps toward solving Nebraska's housing crisis would result in the loss of people who call, call it home. Young Nebraskans looking to purchase their first homes will move to other states. Businesses won't locate or expand in our cities. Veterans, people with disabilities, older adults, essential workers, low-wage single parents and those experiencing extreme poverty will face increased severe long-term consequences. Our growth-- our grown children will be unable to return home to raise their own families. However, however, we're confident the housing bills currently being heard in the session will make considerable strides towards creating more vibrant and economically thriving communities. The Nebraska Affordable Housing Trust Fund is one of several proven statewide housing funding vehicles that we should continue to invest in. I look forward to continuing to work with stakeholders to identify the best path forward for the Nebraska Affordable Housing Trust Fund. Thank you for your time. I'd be happy to take any questions.

HANSEN: Thank you for that.

J. CAVANAUGH: I know--

HANSEN: We'll try, we'll try to make your first, your first bill in HHS as smooth as we can. Just make sure you tell your sister that.

M. CAVANAUGH: I'm usually pretty hard on him in Transportation.

HANSEN: Are there any questions from the committee? Senator Riepe.

RIEPE: Yeah, thank you. Thank you, Senator, for being here. You talked about a small tax on the real estate. Is it-- do you have any number on that or is it a percentage of the total acquisition cost or--

J. CAVANAUGH: Yeah, that's-- so my-- so this bill doesn't change that tax at all. But and this-- yeah, this is a funny committee to have a conversation about the doc stamp fee I think is what it's called. And I actually don't know what the dollar amount on that is. Maybe somebody who's going to come after me might know the answer to that question.

RIEPE: That'll probably be the-- like, Snoopy's ears go up when he gets in trouble. That'll probably be what makes the real estate people say, what?

J. CAVANAUGH: Well, we're not changing that fee. If we were changing it, I-- you'd have-- this room would probably be full.

RIEPE: Oh.

J. CAVANAUGH: But if we were-- but since we're not changing the fee, you can see the-- they're reflected in terms of the amount of interest from the real estate community.

RIEPE: OK. Thank you. Thank you, Chairman.

HANSEN: Yeah. Senator Hardin.

HARDIN: How does someone access these funds? I mean, in order to get some help to get going. How does that actually work?

J. CAVANAUGH: Well, again, somebody behind me might be better to answer that. But so right now, it's for nonprofits and government agencies, I think, can get it through a grant-based process. And so what this bill does is we're going to put some more money into the available fund and then would make it available to newer and emerging developers. So folks who are basically just starting out in the development industry to kind of spur more people to get into the industry of building houses.

HARDIN: OK. Thank you.

HANSEN: Senator Riepe.

RIEPE: And is there any way to get communities, businesses-- and I think of North Platte. Union Pacific is big, big-- biggest thing in town, to get some-- for doing affordable housing, to get them to do some match money so that we can make our dollars go twice as far maybe?

J. CAVANAUGH: You know, I think that that's certainly a good thought. And I would imagine that there are programs like that, I guess, what do you call it, the old company town sort of idea. What you're talking about is to have the company invest in it. That's-- and I, I don't know if that-- this bill would be positioned to capture that, but maybe one of the folks behind me might answer that as well.

RIEPE: I suppose some of these towns, the biggest business in town is Bud's Bar. OK, thank you.

HANSEN: Senator Machaela Cavanaugh.

M. CAVANAUGH: Thank you, Chairman Hansen. Senator John Kavanaugh, what I'm hearing from Senator Merv Riepe is an offer to help raise money from some private companies to create such a public-private partnership.

RIEPE: I've been hung off on before.

M. CAVANAUGH: I just also would like to express my disappointment that this family reunion is just the two of us when it comes to affordable housing. We could have had this whole room filled with Cavanaughs to testify in various capacities. I don't think the rest of my colleagues

today are as disappointed. They're probably tired of hearing Cavanaugh's talk today.

J. CAVANAUGH: I'm aware that this is the last hearing before the weekend.

M. CAVANAUGH: Thank you.

HANSEN: Yes, I have a-- I think a couple questions. Is there anything in here that stipulates that the-- you give priority to for-profit entities that do not work in conjunction with eligible organizations. Is there anything that says they have to be in Nebraska?

J. CAVANAUGH: You know, I think there is probably room for tightening up the definition of who's eligible. But yeah, I think you're right. It doesn't specify that they be a Nebraska-based company and it also doesn't put a top-end size limit on it, which is something I thought about after the fact as well.

HANSEN: Yep. I was going to ask that too. Also I'm trying to get the other one I had. With the definition of low-income and very low-income families that's in here, what-- where do you think most of this money would go to then?

J. CAVANAUGH: Well, I think right now, it's going to-- well, it's meant to be--

HANSEN: Which area of Nebraska?

J. CAVANAUGH: Oh, oh.

HANSEN: Sorry, I should probably say that.

J. CAVANAUGH: Well, so currently it has to be split up 30 percent by each congressional district. So, I mean, realistically, that leaves a 10 percent swing. And my guess would be the bulk of the 10 percent is going to the Second Congressional District when it does come out.

HANSEN: OK. Because I know some places just may not be eligible and so they won't spend anything.

J. CAVANAUGH: Yeah, I, I do know that some rural communities have had trouble capturing some of the-- that funds and perhaps allowing for other entities to capture it, which is what this bill does, would allow for some of those rural communities to have another mechanism to actually be able to do that.

HANSEN: OK. And one other, one other question. Why, why are we hearing this bill?

J. CAVANAUGH: That's a great question.

DAY: That's a great question, yeah.

J. CAVANAUGH: So what I was--

HANSEN: Like, the department-- DED--

J. CAVANAUGH: Yeah. Yeah, so what I--

HANSEN: --is the one that has control of this fund.

J. CAVANAUGH: --was told is that this fund, the Affordable Housing Trust Fund, was created by this committee when Don Wesely was the Chair of HHS. And so it was his idea. He brought it to his own committee and the bills referenced about this have just always gone to HHS. I-- it doesn't seem like the right subject matter for HHS, but it's-- that's why it's here is what I'm told.

HANSEN: Well, if you're hearing lasts long-- lasts less than 20 minutes, I think I'm fine with it. OK. All right, thank you. You going to be here to close?

J. CAVANAUGH: You know, I got to pop over to Appropriations and see if they've done my bill without me yet, but I'll come back if I can.

HANSEN: All right. That's all right. OK, so with that, we'll take our first testifier in support of LB714.

BRI FULL: Good morning, Chairman Hansen and members of the Health and Human Services Committee. My name is Bri Full, B-r-i F-u-l-l, and I'm here on behalf of Spark CDI, a nonprofit based in Omaha, Nebraska, that works towards holistic community development efforts in north and

south Omaha. Spark enthusiastically supports LB714, as affordable housing development and the lack thereof is one of the state's most pressing current issues. It's plain and straightforward, and straightforward. Nebraskans have difficulty finding affordable housing options in their desired places to live. If the Legislature does not take swift action to address this issue, we can bet that our economy will stagnate and that people will have no choice but to move away to better opportunities in other states. The 2022 Strategic Housing Framework, a recent report signed off by both Governor Ricketts and Governor Pillen, offers a snapshot of the state of housing in Nebraska. Key findings include 44 percent of Nebraska households making less than \$75,000 a year paying more than one-third of their income on housing. These housing-burdened families are left with less for other necessities and are less able to contribute to the economy and build personal wealth. Rising housing costs are due in part to housing inventory that has not kept pace with population growth. And new construction has continued to increase since 2009, but has yet to reach pre 2006 levels, resulting in a continuing tight supply of housing. The Nebraska Affordable Housing Trust Fund is a proven and valuable tool for helping communities create affordable housing across Nebraska. Since 1996, the trust fund has helped build more than 6,500 affordable units. As a nonprofit lender, Spark sees great value in being able to provide funding to both for-profit and nonprofit developers and support the participation of both types of developers in the affordable housing ecosystem. Because most of the affordable housing is actually built by for-profit developers, we are pleased to be able to offer low-interest loans to incentivize more of them to consider building beyond the traditional market rate approach. The ability for for-profit developers to obtain grants through the Affordable Housing Trust Fund would be another attractive incentive that would rapidly increase capacity at a time when we are in desperate need of more affordable housing statewide. We also appreciate the intent of this bill to give priority among for-profit applicants to small and emerging developers to promote entrepreneurs looking to develop affordable housing and to diversify the developer pipeline. Spark shares this value. We also strongly support its goals of increasing affordable housing in high-need neighborhoods. And as a nonprofit lender, we look forward to continuing to partner with the state to compete-- to complete more affordable housing developments. Together, we can support Nebraska's competitiveness, competitiveness,

community well-being, economic opportunity and our collective ability to enjoy the good life. Additionally, this bill is part of a master plan. Senator Riepe, I remember you talking about in the previous bills that you would like to see a master plan and this is part of that master plan for housing. There have been five bills that we have put into a package across four committees. So a lot of senators are going to be hearing about housing and how important it is this session. This whole package targets both rural and urban as to not favor one over the other because the whole state has a very high need for affordable housing. I will send a copy of the matrix or the table that has all the bill numbers and how they work in conjunction together to your email. And to answer some of your questions, I think it was Senator Riepe again. The match requirement, there is no match requirement for this program, the Nebraska Affordable Housing Trust Fund. But the other housing programs that are going to be in the package, such as the Middle Income Workforce Housing Fund and the Rural Workforce Housing Fund, they do require match-- matches to utilize the funds. And we have, you know, as a recipient of middle-income workforce housing funds, we are partnering with actually the Nebraska Hospital Association to increase workforce housing for them. So that's just one example. But businesses are always being utilized for matches. And to answer your question, Senator Hansen, there is-- if you look on page 6, it says the small and emerging business has to be located in the state. It doesn't say that a entrepreneur needs to, but the small and emerging business does have to be located in the state. And that's all I got for you and I'd be happy to answer any questions.

HANSEN: OK. Thank you for your testimony.

BRI FULL: Yep.

HANSEN: Are there any questions from the committee? OK, I'm still trying to find that, what you were talking about.

BRI FULL: Page--

HANSEN: Page 6?

BRI FULL: --6, line 13.

M. CAVANAUGH: The white copy.

BRI FULL: Subsection 4.b [SIC]. Oh, are you looking at the white copy?

HANSEN: OK, that might be why.

BRI FULL: No. I'm looking at the original bill.

HANSEN: Oh.

BRI FULL: Sorry.

HANSEN: Just want to make sure I don't miss what you're saying here,
so--

BRI FULL: Sure.

HANSEN: --line 13, Small emerging business means any person, firm--
OK, I don't see it on here.

BRI FULL: Located in the state on--

HANSEN: I must be missing something.

DAY: Between lines 14 and 15.

BRI FULL: Yes.

HANSEN: Located in the state that employs-- OK. Gotcha. There we go.
So line--

BRI FULL: Yeah. Sorry.

HANSEN: --14, 15. OK. Yeah. I think I was, I was referring to on page
5, line 22, who they're going to give first priority to. For-profit
entities that--

BRI FULL: --do not work in conjunction with eligible organizations.

HANSEN: I thought there might be a way where they could say
for-private entities that are located in Nebraska, the people who, you
know--

BRI FULL: Oh, OK. I see what you're saying.

HANSEN: That's what I was kind of referring to, yeah.

BRI FULL: I see what you're saying. OK.

HANSEN: So, so we can actually get kind of both--

BRI FULL: Sure.

HANSEN: I mean, the people who are going to do the work come from Nebraska.

BRI FULL: Sure. I, I, I'm not sure if any outside organization has actually ever applied for the Nebraska Affordable Housing Trust Fund--

HANSEN: OK.

BRI FULL: --outside of the state. And so I'm not sure that's-- yeah.

HANSEN: OK.

BRI FULL: I don't think that's ever been a thing.

HANSEN: That's good.

BRI FULL: Yeah.

HANSEN: You never know who applies if you start putting a lot more money into it.

BRI FULL: I know.

HANSEN: All of a sudden, people come from all over, so.

BRI FULL: I know.

HANSEN: All right, well good. Well, thank you for your testimony and seeing no other questions from the committee, right?

BRI FULL: All right, thank you.

HANSEN: OK. Yeah. Thank you. Is there anybody else wishing to testify in support of LB714?

EVAN CLARK: Good afternoon, Chair-- or Chairman Hansen and members of the Health and Human Services Committee. My name is Evan Clark, E-v-a-n C-l-a-r-k. I am a development associate at Hoppe Development. We are a statewide for-profit developer that focuses on workforce and affordable housing throughout the state of Nebraska. I'm here today as a proponent of this bill, specifically the \$50 million allocation and the for-profit eligibility. One of my main roles is to create and develop housing projects utilizing the Nebraska Affordable Housing Trust Fund. We previously have partnered with nonprofits for the current trust fund projects. We are, we are also in the process of partnering with additional nonprofits for funding and housing projects during this year's trust fund cycle. While these partnerships and organizations are great and very beneficial, they can be a barrier. Opening the funding directly to for-profits would create a new avenue and reduce these barriers. In most partnerships, we are the lead role responsible for developing projects, completing applications, implementing and delivering the projects and completing the reporting requirements. This can be timely, costly and difficult to complete during these partnerships. Approving this bill would open up the funding and remove the middleman and streamline the process to help spur more affordable housing in Nebraska. By directly being able to apply for funding, we can greatly leverage the funding by developing projects at scale. This can reduce costs, which will end up benefiting the tenants and homebuyers. Also, by leveraging these funds, we can create larger projects with more units, which will require less subsidy per unit and increase the efficiency of the funds. The additional \$50 million will also be very beneficial. While I don't have the exact numbers, the 2022 trust fund cycle awarded roughly 30 projects with about \$15 to \$17 million. An additional \$50 million could award anywhere from 50 to an additional 100 projects. Many communities have not been able to use this funding due to capacity issues, which is one of the reasons we partner with these organizations. The Nebraska Street-- Strategic Housing Council [SIC] states that Nebraska's competitiveness and economic future hinges on solving the housing crisis. Some of their goals are reducing the cost-burdened households by 44,000 and by 2028, developing and rehabilitating 35,000 affordable and attainable low- to middle-income

rental and home ownership units. These goals will require more funding and projects and the efficiency of the funding use. If for-profits are able to apply directly for these funds, this will be beneficial. Thank you. If you have any questions, please let me know.

HANSEN: Thank you. Are there any questions from the committee? Senator Cavanaugh.

M. CAVANAUGH: I just wanted to say that even though she's not here today, your state senator says to tell you hello.

EVAN CLARK: I was disappointed that--

M. CAVANAUGH: Senator Walz.

EVAN CLARK: --Senator Walz wasn't here.

HANSEN: Any other questions from committee? Senator Ballard.

BALLARD: Thank you, Mr. Chairman. And you may not know the answer to this, but on the fiscal note it says that the \$50 million will be distributed approximately 10 percent, 27.5 percent, 40 percent, and 22.5 percent. Do you know why that is? Is it-- why isn't it just 25., 25, 25? I mean, you may not know it and someone may be behind you.

EVAN CLARK: Do you know where it is in the bill?

BALLARD: It's actually on the fiscal note from the department. And if you don't know, that is completely OK.

EVAN CLARK: I do not.

BALLARD: That is OK. Thank you for being here.

HANSEN: All right, any other questions? All right--

EVAN CLARK: I did want to address one of your questions.

HANSEN: Sure.

EVAN CLARK: I think it was you that had it. The, the congressional districts, typically, the Third Congressional District is usually the most competitive district. So any funding that's left over, the

discretionary funds usually goes to that district. So it's very competitive in the Third Congressional District. A lot of communities that are applying for the funding so they're often the ones that are left out. So another reason why the additional funding would be beneficial.

HANSEN: OK.

HARDIN: And we have 85 counties.

EVAN CLARK: Yeah.

HANSEN: All right, thank you for your testimony.

EVAN CLARK: Thank you.

HANSEN: We'll take the next testifier in support of LB714. Welcome.

CAROL BODEEN: Good afternoon, Chairperson Hansen and members of the committee. My name is Carol Bodeen, C-a-r-o-l B-o-d-e-e-n. I'm the director of policy and outreach for the Nebraska Housing Developers Association and I'm here today to testify in support of LB714. The Nebraska Housing Developers Association is an organization with over 70 members from across the state. Our mission is to champion affordable housing. It's our goal that Nebraskans of every income have the cornerstone foundation of a healthy and affordable home. Our members include both nonprofit and for-profit developers and organizations. And I love the Nebraska Housing Trust Fund so I am excited to, to be able to talk about it. Our organization supports the appropriation of \$50 million to the Nebraska Affordable Housing Trust Fund to be used to develop housing for low- and moderate-income families throughout the state. The Nebraska Housing Trust Fund has supported development of safe and affordable housing and it's resulting in new jobs and millions of dollars of community investment across Nebraska. When I say that our goal as an organization is that every Nebraska can have the cornerstone foundation of a healthy and affordable home, I feel that the Nebraska Housing-- Nebraska Affordable Housing Trust Fund is the cornerstone foundation of affordable housing development in Nebraska. Our organization was formed at the time that the Nebraska Affordable Housing Trust Fund came along. We have advocated for the trust fund throughout the years

and have seen the accomplishments of this fund. Grants from this trust fund can be used in many ways to facilitate affordable housing: new construction, rehabilitation, weatherization, accessibility, down payment assistance, demolition of vacant and condemned buildings, homebuyer education and assistance to nonprofit affordable housing developers. Amounts awarded typically result in overall development investment of over three and a half times the granted amount and that doesn't count the impact on jobs, small businesses and the building supply stores in these communities. These types of investments make a difference in communities, in neighborhoods and in the lives of individuals. When I worked as a nonprofit affordable housing developer in North Platte and made use of the trust fund dollars, I saw firsthand the work that could be done. I saw the increase in property taxes generated by the projects that we were involved in and I also met the people that benefited and saw the appreciation they had for the opportunities that these projects had provided. The only downside was that we couldn't do more and this additional funding on top of the normal annual allocation from the doc stamp could allow organizations to do more to make a larger impact. With all that said, in speaking on behalf of our members, we do have reservations regarding some of the proposed amendments to the Nebraska Affordable Housing Act. It's my understanding that an amendment has been proposed that will address concerns that we had related to income guidelines and length of application periods. Our membership is diverse and while there are some that support allowing for-profit entities to be eligible for these funds, there are also many that oppose that change. Reasons for opposing include unanticipated tax consequences to a for-profit enter-- entity in receiving grant funds. Tax liabilities could result in state funds being used to pay federal taxes. And the Nebraska Affordable Housing Trust Fund has a 26-year history of success, helping develop and spur development of affordable housing by granting funds to nonprofit organizations and government entities. This success involves for-profit organizations who are actively involved in this development activity, as they work in conjunction with the eligible nonprofit recipient. These nonprofits are the heart and soul. And over time, I think there is concern that it may undermine their sustainability in that if going forward, they had to get to a point where they competed against for-profits, it could be more difficult for the nonprofits. And as I said, our membership includes for-profits and nonprofits and so we have a mix. The bottom line is that we need

to continue investing in housing. And I know you keep hearing this and we are simply still behind the need and the demand that was created off the route-- after the recession of 2009. And this need is especially high for those families of low and moderate income. I ask that you support this additional funding for the Nebraska Affordable Housing Trust Fund and I'm happy to answer any questions.

HANSEN: All right, thank you.

CAROL BODEEN: And I probably could answer the question regarding-- Senator Riepe had a question on the doc stamp that funds the, the normal allocation to the trust fund. It is \$2.25 of every-- of each real estate transfer. And of that amount, 50 cents is retained by the register of deeds for than applicable county, 25 cents goes to the Department Economic Development Site and Building Fund, 95 cents goes to this Nebraska Affordable Housing Trust Fund and then 25 cents goes to the Homeless Shelter Assistance Trust Fund and 30 cents goes to Behavioral Health Services Fund.

RIEPE: Thank you.

CAROL BODEEN: And how does someone access the funds, I believe was also asked. Yeah. And as it was, I think mentioned a little bit in some of the other testimony, it is a competitive grant process. And for the normal allocation each year, there is a competitive process that occurs usually in the spring. And so the, the application opens up and then throughout the state, you have that opportunity to apply, so. And based on-- also related to the matching, it's not required that there be matching funds, but there are some scoring points that go towards your application if you do have some matching so that is tied in there.

HANSEN: All right, any questions from the community-- or from the committee? I have a couple.

CAROL BODEEN: Sure.

HANSEN: You listed off what a lot of this money can be used for.

CAROL BODEEN: Yeah.

HANSEN: Did you say for helping pay for loans?

CAROL BODEEN: Loans? No.

HANSEN: You said down payments on loans.

CAROL BODEEN: Oh, yes. So there's a couple of ways that that's used. One, you can actually-- an, an organization can apply to provide down payment assistance to homebuyers. Often, it has been, like, to a first-time home buyer or to a low-income homebuyer. And what that does is that kind of helps them-- it gives them a grant for some funds to make that purchase on the home when they don't have 20 percent to put down. And then a lien-- normally, then, a lien is placed on the property and it's forgivable over a period of time. And so they have to live in that property for a certain number of years in order to not have to pay that money back. That's one of the ways that--

HANSEN: So if they default, the money comes back to the state or does the bank keep it?

CAROL BODEEN: No, it doesn't go to the-- it doesn't go to the bank. It goes to basically a credit to the home buyer. So it's funds that--

HANSEN: Which goes to the bank, right--

CAROL BODEEN: Well, it funds on--

HANSEN: --that's providing the loan?

CAROL BODEEN: I guess. It's funds on, on behalf of, like, say, the nonprofit organization would grant those funds as a, a credit in the, the purchase of the property.

HANSEN: So if they default--

CAROL BODEEN: So--

HANSEN: --where does that money--

CAROL BODEEN: If they default--

HANSEN: They leave or they just-- they can't pay it or they go bankrupt.

CAROL BODEEN: If they have, if they have proceeds from the sale of the-- like, say they sell the house before they-- before the affordability period. Whatever has not been forgiven on that amount comes back to the nonprofit who granted those funds to them.

HANSEN: OK. And they have to use that again, the money came back to them, for the same purpose?

CAROL BODEEN: Yes. Yes, it would go back to the nonprofit to use in their program income to facilitate other affordable housing programs.

HANSEN: Per the guidelines of this.

CAROL BODEEN: Per the guidelines, yes.

HANSEN: I don't know if it's just putting it in their pocket and using it for something else. That's not the purpose of this.

CAROL BODEEN: Right, right.

HANSEN: And so-- and, and-- so if they go bankrupt-- and you said there's a lien on the house, right?

CAROL BODEEN: Right.

HANSEN: So if they go bankrupt and they sell the house, it's the same thing?

CAROL BODEEN: Yes.

HANSEN: That money goes back to the non--

CAROL BODEEN: It's a lien-- yes, so if, if there are-- now, we wouldn't take, we wouldn't take money. Like, we wouldn't encumber them. Like, say they went bank-- they couldn't make their payment and house had to be sold and it didn't sell for enough that that money could be paid back, then per the guidelines that have been in place in previous programs-- now that-- you know, that can change from year to year, but previously that would not then be-- like, we wouldn't-- as a nonprofit, we wouldn't say that they have to pay us back if they didn't have any money to pay us back with.

HANSEN: The bank has first rights?

CAROL BODEEN: Oh, yes. We-- yeah, the nonprofit would have the, the subordinate lien.

HANSEN: OK. So it's not guaranteed we get our money back or the nonprofit would get their money back.

CAROL BODEEN: Right, right.

HANSEN: OK.

CAROL BODEEN: Right. But what we're trying to do in that program is to help people get into-- help someone get into a home when they may not have a large savings to, to be able to have that large down payment. So we can give them-- we could give them a grant that would help them in making that purchase.

HANSEN: OK. All right. OK.

CAROL BODEEN: And then another way that that could be used-- like our organization we did, we would do construction projects and we would sell the property to the, the home buyer. And then we would provide some down payment assistance to them as part of that proper-- as part of that program. So that would be part of the grant funds to help that person be able to get into a home.

HANSEN: OK.

CAROL BODEEN: But once again, it would have an affordability period. It's not free money. They would have to stay in the home for a certain number of time. And, and the last time that I worked with this program, it was ten years--

HANSEN: OK.

CAROL BODEEN: --so

HANSEN: So-- OK, so they're-- if they leave it after five years--

CAROL BODEEN: Then whatever has not been forgiven then would come back to the, would come back to the nonprofit.

HANSEN: The nonprofit, not to the state.

CAROL BODEEN: Right.

HANSEN: Not back to the General-- OK.

CAROL BODEEN: Right, right.

HANSEN: I'm surprised. I thought-- I would think it would come back to the state, the people who allocated the money instead of going back to the nonprofit.

CAROL BODEEN: Because-- I think it's because the, the funds have been-- they've been originally granted to the nonprofit to use for affordable housing development.

HANSEN: OK.

CAROL BODEEN: And so then the nonprofit would then have to continue to use that money toward, you know, toward additional programs that would be helping low- to moderate-income homebuyers.

HANSEN: OK. I appreciate you answering my questions because we don't really get a whole lot of affordable housing bills--

CAROL BODEEN: Exactly.

HANSEN: --in HHS.

CAROL BODEEN: Well, and that's one of the reasons that, that we were happy and Bri was happy that this was able to come before this committee because it's good-- affordable housing is not a simple-- I-- when I started, I had worked in banking. I had worked in economic development for chamber of commerce and all that. It still took me a good year or two when I started working for the Affordable Housing Development Organization in North Platte to really get a handle on affordable housing development. And there's, there's a lot of pieces that go into it, so.

HANSEN: I was, I was under the illusion that this extra appropriation of funds, this program, was more to address the housing shortage--

CAROL BODEEN: Yes.

HANSEN: --in Nebraska.

CAROL BODEEN: Yes.

HANSEN: Which means building more homes--

CAROL BODEEN: Yes.

HANSEN: --not putting more people into homes.

CAROL BODEEN: Right.

HANSEN: So, you know what I mean? It's, like-- that's why I'm confused and I'm, like, why would we help people get a loan and that doesn't address the housing shortage?

CAROL BODEEN: Well, and it's, it's possible. And, and that's where all I have to base off is how the trust fund is-- how the, the traditional amounts that are allocated to the trust fund each year, how those are used and allocated. So I don't know if there would be a different allocation plan for this one-time infusion into the trust fund.

HANSEN: OK.

CAROL BODEEN: So I don't have privy to that information.

HANSEN: And that's just fine. And do you know if-- last question, promise.

CAROL BODEEN: That's OK.

HANSEN: Because I'm, I'm always kind of curious to know if we're use-- we're putting money towards a program, how well it's working.

CAROL BODEEN: Um-hum.

HANSEN: Are there, like, any studies or any statistics or data that show since this program has been taken over, that we have actually-- it's done what it's supposed to do? Do you know if there's anything out there?

CAROL BODEEN: Yes, yes and we can get that information for you, absolutely.

HANSEN: I'd be curious.

CAROL BODEEN: Yeah.

HANSEN: So just more from a--

CAROL BODEEN: Yeah.

HANSEN: --I hate to say investment standpoint, but.

CAROL BODEEN: Yeah. Yeah. No, glad to. I'm-- like I said, I'm, I'm always excited to talk about the trust fund and affordable housing, so.

HANSEN: I could tell right off the bat. You were all excited about it, so.

CAROL BODEEN: I know. I had a lot of fun doing it when I actually, when I actually was doing it and getting to build houses and help people to get into them. You know, it's the-- you really feel like you're making a difference when you're helping people either fix up their home when they can't afford to or when you're helping them get into a first-time home that, that, you know, they thought they might not never have an opportunity to do--

HANSEN: Sure.

CAROL BODEEN: --so.

HANSEN: OK.

CAROL BODEEN: Yep.

HANSEN: Any-- oops. Just make sure, any other questions from the committee? All right, saying none, thank you for coming. Appreciate it.

CAROL BODEEN: OK. Thank you and we'll get some statistics.

HANSEN: Thank you. Appreciate that. We'll take the next testifier in support. Welcome back.

TODD STUBBENDIECK: Good to be back. Chair Hansen and members of the Health and Human Services Committee, my name is Todd Stubbendieck, T-o-d-d S-t-u-b-b-e-n-d-i-e-c-k, and I'm the director of AARP Nebraska. So why does AARP Nebraska care about housing? What we know, that as people age, what they want most of all is to be able to stay in their homes and communities for as long as possible. In fact, according to AARP Nebraska's 2022 Vital Voices survey, 84 percent of Nebraskans age 45 and older said staying in their homes as they get older is extremely or very important to do-- to them. To do this, they need a range of housing options that accommodate their needs as they age. This is why AARP strongly supports the creation of diverse, affordable housing to meet the needs of our changing demographics. By 2031, one in every five Americans will be over the age of 65 and will face a shortage of appropriate housing to meet their needs, including homes that are structurally and mechanically safe and accommodate individuals with disabilities. The other important point to make here is if older Nebraskans have diverse housing options that meet their needs as they age, they're more likely to sell to single-family homes where they raised their children, which will in turn create more housing options for working families and new residents. AARP Nebraska supports LB714 because it will take a number of steps to address our state's affordable housing needs, including allowing for-profit developers to access new funding under the act and allowing for multiple application periods to ensure appropriated funds are spent. I'd like to take this opportunity to thank Senator John Cavanaugh for introducing LB714 and for his commitment to supporting affordable housing. Happy to answer any questions.

HANSEN: Thank you. Are there any questions from the committee? Thank you.

TODD STUBBENDIECK: Thank you.

HANSEN: We'll take the next testifier in support of LB714. All right, seeing none, is there anybody who wishes to testify in opposition to LB714? And seeing none, is there anybody who wishes to testify in neutral to LB714?

WAYNE MORTENSEN: Good afternoon--

HANSEN: Welcome.

WAYNE MORTENSEN: --Chair Hansen, distinguished members of the Health and Human Services Committee. My name is Wayne Mortensen. It's W-a-y-n-e M-o-r-t-e-n-s-e-n and I am here today as the chief executive officer of NeighborWorks Lincoln. NeighborWorks has been a prolific developer of for-sale affordable housing since its founding in 1986 and is a high-performing grantee of the housing trust fund, which is the subject of today's hearing. We are fortunate to be a regular grantee and leverage approximately \$1.5 million in these funds every year to support the construction of at least eight new homes and fund a down payment rehab assistance loan program, which I'm happy to answer any questions that you have on. Combined, our efforts with trust fund dollars help 30 low- and middle-income Lincoln families achieve their dream of homeownership each year. The trust fund plays a critical role in the continuum of subsidized housing and production across Nebraska. And it's really critical because it's our money, it's not pass-through federal money; prioritized on our goals, not the rules or compliance regulations of agencies outside of the state; distributed to our organizations, Nebraska nonprofits committed long term to the array of needs across the state's diverse communities. Our experience with the trust fund compels us to advocate fiercely for expanded resources that can transform oppor-- make life-changing transformations to Nebraskans of all backgrounds and to promote caution on any fundamental changes to the program, whereas LB714 does both of those. And that's why we're here as neutral testifiers. We-- I'd be clear that we're highly supportive of monies allocated from the General Fund into the, into the trust fund, as those directly translate into homeownership and rental opportunities for Nebraskans everywhere. We're also supportive of the idea of doing secondary application periods and opportunities to get the funds into communities when and where possible. Affordable housing is not limited to a particular season and neither should funding, funding be. And that's where our support starts to change a little bit into concern with the legislation. The bill, on page 5, eliminates increased home ownership as a prioritized selection criteria. And NeighborWorks is a strong advocate for quality rental housing, but believes also that the first-time home ownership should remain a prior-- a primary emphasis of the fund itself, as that has been one of its calling cards over its

history. The question of for-profit developer eligibility is a really complicated one because the program works in part because of the motives and track record of its grantees over the years, which have all been nonprofits with track record in the communities they live, expanding affordable housing and increased stability in the communities they serve. Today, when a private developer identifies a project that could benefit from trust fund support, they partner with one of these agencies to achieve their kind of now collectively shared vision for the project. This allows the partners to leverage the funds tax free while ensuring that an experienced nonprofit is administering those resources and doing the necessary work of notifying the community about the opportunity that's coming. To revise the trust fund grantmaking to prioritize for-profits not working in conjunction with eligible organizations would compromise this dynamic, while also creating a potential tax liability for those for-profit groups. For instance, every \$1 million going forward of grant money distributed to a for-profit developer would then come back to the state in \$150,000 to \$200,000 in taxes because it has to be declared as revenue to that developer. And so we're using state money to fund state taxes in that situation, not to mention that there are other programs such as the low-income housing tax credit program that already benefits developers of those-- of that scale and of those business models. The final concern that we have is that the appearance of several small and emerging businesses as first-time grantees with limited experience in affordable housing would further stress the managerial function of the Nebraska Department of Economic Development staff, a place that has already been kind of wrecked with the perfect storm of workforce turnover. All of their new ARPA responsibilities that we're grateful to have been appropriated from the last legislative cycle and the evolving requirements from the pass-through funders that keep changing the rules for their money. To be sure, Nebraska's housing needs surpass its current development capacity and so the importance of recruiting and cultivating new housing developers across the state is of critical importance. The Department of Economic Development would also be a perfect venue for this initiative because it would ideally leverage expertise from both the housing and the business development portfolios at DED to create financial tools and technical assistance specifically useful to small and emerging developers in both the for-profit and not-for-profit spaces. And we would be eager at NeighborWorks to join forces with the DED and our housing partners

across the state to create such a program. We just don't believe that program should be the trust fund for the, for the time being. We appreciate Senator Cavanaugh's commitment to affordable housing and are really excited about the opportunity to be in dialogue with the Health and Human Services Committee about the critical importance of affordable housing across Nebraska. Happy to answer any questions that you have.

HANSEN: Thank you. Are there any questions from the committee? Seeing none--

WAYNE MORTENSEN: So just to really quickly respond, we-- of those \$1.5 million we get every year, one-third of that is for a down payment assistance program that helps working-class families afford entry-level housing. Those grants range from \$25,000 to \$35,000. They cover their closing costs, they cover their down payment and then they fund a \$12,000 to \$15,000 rehabilitation scope to get those homes up to maintenance-free condition. So it's not necessarily creating new housing, but it is preserving existing affordable housing within the market. And so as a, as a-- just a general funding priority, it's critically important because otherwise our deficits begin to skyrocket even further.

HANSEN: I got a question.

WAYNE MORTENSEN: Yeah.

HANSEN: So you're-- NeighborWorks Lincoln builds homes?

WAYNE MORTENSEN: Yes.

HANSEN: That-- for-- that are eligible? Like, are they-- they, they had to be built. They're for sale within a certain price range?

WAYNE MORTENSEN: Um-hum.

HANSEN: What is that price range?

WAYNE MORTENSEN: So the-- we have three different lines of business on our real estate side. We build homes that are sold then to families to 80 percent of the area median income. So that price point has to be at about \$180,000. The rest is subsidized from help with the trust fund

and other programs. We do have a workforce rehab program where we get-- do basically gut rehabs of homes. Those have to be sold between \$125,000 and \$275,000. And then our DPA program is whatever the homebuyer can afford, plus that down payment assistance loan I just referenced.

HANSEN: OK. So you're saying a-- building a new home, it has to be \$180,000.

WAYNE MORTENSEN: That's what we can sell it for.

HANSEN: OK. OK. I'm trying to think the difference between a nonprofit and a for-profit and how cheap they can build a home--

WAYNE MORTENSEN: There's no--

HANSEN: --what the difference is or if there is a difference at all.

WAYNE MORTENSEN: There's no difference between what we can build a home for versus what-- Hoppe could build a home for.

HANSEN: Yeah, I would agree. And so it makes sense, you know-- because I know a lot of times, for-profit businesses don't build homes like this because--

WAYNE MORTENSEN: Yeah.

HANSEN: --they're labor intense-- not labor intensive, but it's just the profit margin isn't there as much, so.

WAYNE MORTENSEN: Yeah. A lot of private developers don't do for-sale housing because they're committed long term to these programs. So a ten-year affordability period, for instance, they're on the hook to make sure that that particular house is affordable for ten years, which is not part of their kind of follow-over business model.

HANSEN: Sure. Makes sense. All right, thank you.

WAYNE MORTENSEN: Thank you, committee members.

HANSEN: Seeing no other questions, thanks for testifying. Anybody else wishing to testify in a neutral capacity? All right and not seeing

Senator Cavanaugh in the room, we will waive his closing. And for the record, we did have four letters in support of LB714. So that will end the hearing on LB714 and end our hearings for today.