

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee January 24, 2023

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

SANDERS: Good afternoon. Senator Rita Sanders, District 45, the Bellevue-Offutt community.

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LINEHAN: Good afternoon. Senator Lou Ann Linehan from Waterloo and Elkhorn, District 39.

ALBRECHT: Hi. Joni Albrecht from District 17: Wayne Thurston and a portion of the Dakota and Dixon, I'm sorry.

WALZ: Hi. Lynne Walz. I represent Legislative District 15, which is all of Dodge County and also Valley now.

BRIESE: Good afternoon. I'm Tom Briese, represent District 41.

CONRAD: Good afternoon. Danielle Conrad, north Lincoln's Fightin' 46th.

MURMAN: And our pages are Trent and Payton. Please remember that senators may come and go during our hearing, as they may have bills to introduce in other committees. Refrain from applause or other indications of support or opposition. For our audience, the microphones in the room are not for amplification, but for recording purposes only. Lastly, we use electronic devices to distribute information. Therefore, you may see committee members references information on their electronic devices. Be assured that your presence here today and your testimony are important to us and are critical to our state government. And with that, we'll open the hearing on LB298. Welcome, Senator Linehan.

LINEHAN: Thank you. Good afternoon, Chairperson Murman and members of the Education Committee. I am Lou Ann Linehan, L-o-u A-n-n L-i-n-e-h-a-n, and I am from Legislative District 39, Elkhorn and Waterloo. Today I am introducing LB298. LB298 will bolster existing law by requiring every school district to report information relating to dyslexia to the State Department of Education. The United States Code defines a specific learning disability as quote, a disorder in one or more of the basic psychological processes involved in understanding or in using language, whether it be spoken or written, which disorder may manifests itself in the imperfect ability to listen, think, speak, write, spell or do mathematical calculations. This code definition includes dyslexia. According to the National Center for Learning Disabilities, one in five children have a learning or/and attention issues. As of 2021, 49.5 million children were enrolled in public K-12 education across the nation. Using our one in five figure, that would mean that 9.9 million children have some sort of specific learning disability. Our current laws and policies in Nebraska require the reporting of specific learning disabilities. This is better to equip our teachers with the tools necessary to help these

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children with their learning. However, I am concerned this is not being done, particularly with children with dyslexia. Nebraska parents have been reporting to me that their children are not receiving the specific tools they need to address dyslexia. These parents, who know what is best for their children, are seeing that their children are not performing to their full potential. Instead, they are being told that there's nothing wrong or that the child has no learning disability. And what many of us have been told with children with disability, don't worry, they'll catch up. LB298 will require a school district to report the number of students tested for dyslexia, the number of students exhibit, exhibiting system-- symptoms, excuse me, and the number of students diagnosed with dyslexia who, as a result of receiving the care they need, have improved their reading levels or are reading at the level they should be. The State Board of Education will be allowed to adopt and implement rules and regulations to enforce this law. I also want to bring your attention to a letter you've just received from the Deputy Commissioner, Deborah Frison, regarding the state department is a proponent of LB298. With that, thank you and I'm happy to take any questions.

MURMAN: Thank you, Senator Linehan. Does anyone have any questions as of now? OK, thank you. Are there any testifiers for-- proponents for LB298? Good afternoon.

HEATHER SCHMIDT: Good afternoon. Thank you for listening to us today. This bill is very important to many families in Nebraska.

MURMAN: Oh, could you please state your name and spell?

HEATHER SCHMIDT: Oh, I'm sorry. Heather Schmidt. Do I need to give my address or just name?

MURMAN: And spell it out, please.

HEATHER SCHMIDT: H-e-a-t-h-e-r, Schmidt, S-c-h-m-i-d-t.

MURMAN: Thank you.

HEATHER SCHMIDT: This bill is really important to so many families in Nebraska, including ours. Our oldest daughter, who is now 15, has dyslexia. We've been chasing this since she was in first grade where we were first told that Nebraska doesn't do dyslexia. We used to, but we don't anymore. OK. She's now in 10th grade. She's great. She's an A student. She's in diff classes. She's part of band. She's on the swim team. Last year, she was on student council. We still run into problems with the lack of awareness at times from teachers about what

exactly dyslexia is and how it manifests itself in her schoolwork, her interpretation of her schoolwork, or certain things she may-- how she may answer certain things. There's been some misunderstandings over time because of this that have led to some, you know, some hurt feelings. And if she wasn't so amazing, I'm sure it would have been a confidence blow at times. I sent a handout around to you that has the NAEP scores, which is the progress on each state upon itself. That's about where we have for data on reading, where we were. I started with year '15 because that's about when we started to get our daughter accommodations to the most current year of '22. We're at the bottom in this and I don't know why. I know there's lots of reasons we've heard as to why this isn't happening, but it's just not happening. I think carving the dyslexia data out of reading and especially the specific learning disability piece would be very important to be able to figure out exactly what may be working, what may not be working. Are some districts more successful than others? Does some of this tie into maybe some behaviors we're seeing manifest in the middle school, in the high school? Because it has been shown that when kids can't read, well, they don't feel like they can learn and they may misbehave. So I think it's, it's critical we do start to identify that as its own separate category and pull it out of specific learning disabilities. Specific learning disabilities will also cover things like ADHD and other learning differences that may require medication. Dyslexia doesn't require medication. Medication doesn't help it. It requires a very systematic, early, early intervention on how to learn to read and that's where we're missing the boat here. By the time we get these kids identified, we've missed the window of being able to actually have magic happen in their brain to where the neuroplasticity synapses-- I don't know. Smarter people than me about these studies-- can actually make it so where they don't have to have this hurdle be as strong as it is when they get to high school, junior high, high school, college. So it is really critical that we start now. These NAEP scores don't-- we don't find out till fourth grade how-- where we are in reading. By the time most kids are in fourth grade, we're looking at accommodations because the ability to intervene to actually make change for them that can help them their whole lives, that window is shut.

MURMAN: Thank you, Ms. Schmidt. Sorry, the time's up.

HEATHER SCHMIDT: Sorry.

MURMAN: We, we've limited testimony a little more than we did yesterday because I think we're going to have quite a few testifiers,

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but I'll give you just, you know, another 20 seconds or so if you have something to add.

HEATHER SCHMIDT: No, I-- that's fine. I am open for questions if anybody has any.

MURMAN: OK. Yeah, any other questions? Senator Albrecht.

ALBRECHT: Thank you, thank you, Chair. I appreciate you being here and telling your story. It's always tough to, to do that. But, like, you've been dealing with this for a while. Who actually in the school would identify that your daughter would have had-- would have been diagnosed with dyslexia or did you go to your doctor?

HEATHER SCHMIDT: Nobody.

ALBRECHT: And here's my other question: do you feel like if it's, if it's the reading teacher or just the kindergarten, first, second-grade teacher up to third grade, are they instructed, even when they go to become a teacher or take, you know, courses later on-- how do-- how would, how would they-- and who does it and, and how would they be able to identify them? Or do you have to take them to your doctor to, to find this out?

HEATHER SCHMIDT: It took us years to get a diagnosis because nobody did that. The doctors thought the teachers did it and the teachers or the school would say it's a medical condition, we don't do medical. And the doctors would say they don't do it because it doesn't require a medicinal treatment. It's an educational treatment. So that was fun. No. I don't--

ALBRECHT: And when you talk to the-- your, your daughter's teachers, did you ask, do I have to go to the administration? Do I go to the counselor? I mean, how, how-- I mean, are we missing the boat? I don't know. This is my first year on Education. I'd just like to learn how--

HEATHER SCHMIDT: Are we missing the boat? Is that--

ALBRECHT: Well, obviously we are.

HEATHER SCHMIDT: Yeah.

ALBRECHT: But why aren't we recognizing that? So that, that's not going to be a question I'm going to dig into, but I just wondered-- you said that she was in junior high before you found out.

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HEATHER SCHMIDT: No, she was-- in first grade, I suspected. That's when we started asking the questions. First answer was, we don't do that in Nebraska. We used to; we don't anymore. OK, that's weird. Because it's medical? OK, we'll go to the doctor. Nope, educational fix; schools do that. Back and forth for a while. I don't know if it's-- our teachers go to college to learn how to teach. To say that they're not learning the right way in college, I don't think is fair.

ALBRECHT: Well, not that they're not learning it.

HEATHER SCHMIDT: I think that--

ALBRECHT: They just don't offer it. Maybe it's just not something that's--

HEATHER SCHMIDT: No. Well, I mean, I think that's professional development. I mean, they come out of college-- some of our teachers have been out for a really long time and a lot of educational practices have changed. They get development, they get professional development, they get coaching. They get a ton of support when it's something really new. And they learn-- I mean, they learn-- they learned how to learn. I think they can learn how to help anybody learn. They need support. They need help. Mississippi's former chief of education, Carey Wright, I believe, is her name, hired mentors that she funneled through the Department of Education that she sent out to the most neediest schools to help the children who really needed to learn to read the most, who needed the most help. They were in the classrooms. They were working with the students. That's their-- was their one job. They were trained how to do this. They were then also able to mentor or coach or-- with the classroom teachers. That helped all those kids. Their reading scores are-- have gone up. I mean, Mississippi is almost the standard for literacy, but Mississippi is now, like--

ALBRECHT: We want in Nebraska to be-- so. But OK--

HEATHER SCHMIDT: So if-- it, it can be done. We just-- but this-- starting with this bill, it's important because we, we don't know what we're even going to try to do, find, fix. I don't know. So we've got to fit-- these-- the data has to be carved out of specific learning disabilities. It's got to be examined on its own. There's tons of science to back up how the brain learns to read, why it doesn't learn to read, when it learns to read. And it cannot be another hey, teachers, do this too. It has to be done the right way. It has to be done on its own. It has to be done with a system set up through the

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Department of Education that gives all of the schools and the buildings and the teachers the support they need. And it will be successful, but we just have to back up our teachers or we're not going to get any-- we're going to be doing this again in-- she's, I think-- Norah and I came down here when she was in fifth grade. This was her first work of advocacy for dyslexia.

ALBRECHT: Well, I appreciate you coming out for your daughter.

MURMAN: Any other questions? Excuse me.

ALBRECHT: Sorry.

MURMAN: Senator Conrad.

CONRAD: Thank you so much, Chairman Murman, and just to dovetail off my friend Senator Albrecht's questioning, I'm hearing your personal experiences as a mom who is really frustrated in trying to get services for her kid. And that really resonates with me. So I don't want to oversimplify--

HEATHER SCHMIDT: Yeah, that's fine.

CONRAD: --your testimony, but you are identifying a problem with your kid and you're getting frustrated because the schools are pointing to the medical community. The medical community is pointing to the schools. And you're kind of throwing up your hands saying, somebody's got to help us work through this so that our kid can learn at their best and highest potential kind of thing. And you're seeing Senator Linehan's legislation as one piece of the puzzle in, in providing better information and accountability so that these systems can work together to support kids in need. Is that fair or is that a--

HEATHER SCHMIDT: Yes--

CONRAD: --overgeneral--

HEATHER SCHMIDT: --I think that's fair. We hear over and over again data, something, data and best practices.

CONRAD: Yeah.

HEATHER SCHMIDT: Well, I-- how do we know what those even are if we don't even know what, what we're, what we're-- where we're starting?

CONRAD: Right.

HEATHER SCHMIDT: The soft data is 25 percent, so, like, one in five students-- children are born with dyslexia. Then there's the other piece of that puzzle that some of it is through developmental things that happen in early childhood or don't happen, I don't know. But that's not really a metric you can operate off of. We really have to find out where we are so we know where we need to fix problems. And I think that's why this bill is-- it gives-- it's ground zero. It's-- it gives the foundation. We can build beautiful schools. We can throw all kinds of wonderful things at it. But if we can't figure out how to do the best we can to get early literacy as strong as it can, we may as well not pour footings for that house. It's going to float away. We-- this is-- this has to be done and dyslexia has to be carved out from specific learning disabilities. Before Nebraska did dyslexia, you could get a special education plan for a specific learning disability with a diagnosis of dyslexia that could be used to help determine that-- a specific learning disability. Now, it's a little better. It has sort of its own category. It has a handbook of really good advice and smart things from really smart people for administrators and teachers. But we're still not there.

CONRAD: OK.

HEATHER SCHMIDT: We're not really close. So we've got to figure-- I think this, this gives a starting point. We have to have a starting point.

CONRAD: I appreciate that. Thank you.

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

HEATHER SCHMIDT: All right, thank you.

MURMAN: Any other proponents?

NORAH SCHMIDT: Hi, my--

MURMAN: Good afternoon.

NORAH SCHMIDT: --my name is Norah Schmidt, N-o-r-a-h S-c-h-m-i-d-t. My mom just-- was just up here. I think this would be really helpful. It was in fifth grade when I learned to read.

CONRAD: Take your time.

MURMAN: Yeah, just take your time. We're all here to listen.

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NORAH SCHMIDT: In fifth grade is when I fully learn how to read, how to read a book a first-grader would learn to read. I still struggle really strongly with writing and reading, but it's also really hard when people don't know what it is. Because they put you in a room where everyone in-- is advanced and feels like if they're advancing, they're learning and they know what they're doing. And I would just be too embarrassed to say anything because I didn't know how to spell or to read. We would have weekly spelling tests. I would get over half of them wrong. I would study really, really hard. And when I first got my IEP, they would pull me out of class, out of our personal reading time to go and time read me to see what I can do. They said that I was improving a lot on it, but I was just faking it because I understood what was going on and I was guessing throughout it all. So I think that this would really help a lot and I wish I had the opportunity to have that when I first found out I had it. Thank you and I'm open to questions.

MURMAN: Well, thank you very much. Does anyone have any questions for Norah?

CONRAD: I just wanted to say thank you so much for coming down. It takes a lot of courage for people to testify at legislative hearings about any issue, but particularly one that's so close to their heart and their lived experience. And we all think you did a really, really good job. So thanks for being here.

MURMAN: Any other questions?

ALBRECHT: Good job.

MURMAN: Well, thank you very much. You did great. Any other testifiers, pro-- proponents for LB298? Good afternoon.

ELIZABETH DAVIDS: Good afternoon. Excuse me. It's cold up there. Elizabeth Davids, E-l-i-z-a-b-e-t-h D-a-v-i-d-s, from the 46th District. I always feel like I'm on the Hunger Games, actually, when I say that. So from senate District 46 and my mom's heart just jumped out of my chest. So it's kind of going to tell a story, but it's going to get back to the point. This weekend, I worked at the Lincoln Women's Expo and the booth next to me was the police department. And I am as curious as a cat so I asked a ton of questions and I asked our police officer, who will remain unnamed, what are the demographics of the people in Lincoln who tend to commit the most crime? Because I just want to understand Lincoln's demographics and our current rising crime. And he came back to me with an answer the next day. He said,

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I've been chewing on that all evening, and here's the answer: it's education. The more education a child has, the more hope they have, the less they commit crime. And with five children of my own, I can tell you that if a child is struggling, they will fake it or they will be behavioral so that they can get out of having to admit they can't read, they don't understand the math problem, they don't know what's going on. And I have had multiple friends who have had dyslexic children who have had to spend thousands of dollars buying the Barton curriculum method and going over that with their own children. And their kids are smart. They're so smart. They can take things apart and put them back together, but reading is the stumbling block. And so it just feels like with our state proficiency scores less than 50 percent for reading across the state, it's, it's time. It's time to look at the research, to look at the science and to have things on record so we can help kids that have that very specific, very, very doable-- it's very doable. It's very helpful for these children to get help with the resources that we know now, so.

MURMAN: Thank you. Any questions for Ms. Davis [SIC]? If not, thank you very much. Any other proponents for LB298? Any opponents for LB298? Any testifiers in the neutral position? I think you're welcome to close, Senator Linehan. And while Senator Linehan is getting in place, there are two proponents, zero opponents and zero neutral for the bill.

LINEHAN: First, I want to thank Heather and Norah for being here. It's really tough. And we just need to do this and we need to do more and we do need to help the teachers. And there is-- we're making progress, but I could sit here and tell the same story about many kids and we just need to Exec on this and send it to the floor. Thank you.

MURMAN: Thank you, Senator Linehan. Does anyone have any questions for Senator Linehan?

WAYNE: Oh, I-- no, you're fine. You can walk away. I actually don't have a question, but I just wanted to make sure I had a bill that I can remember so that everybody understands who-- on this committee, I represent Omaha Public Schools' security. So when there's working issue-- working condition issues, I will speak on them, but I will talk to my union to see what kind of-- not my union, the one I represent-- on the impact it would have on any bill in education. And that's-- I don't read all the bills ahead of time. I try to, but if there's something that comes up and I have to file a disclosure afterwards, that's the reason. I'm in Judiciary Chair. So I have a lot of bills that I'm trying to read. But so you know, full disclosure,

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that's who I represent on Omaha Public Schools. So any working condition impact could ultimately impact them, which is one of my clients, so. Not on this bill, but I just needed to be able to point to a record where I disclosed it so here you go.

LINEHAN: Thank you.

MURMAN: Thank you, Senator Wayne. Any other questions? Senator Walz.

WALZ: Quick question. Thank you, Chairman Murman. First of all, thank you for bringing this bill. I'm a proponent of this bill. I just wanted to-- and maybe we can have the discussion later. But one of the things that the first testifier talked about was she went to the teachers, she went to the doctors, wasn't getting an answer. So it kind of makes me wonder if we're missing an initial step. Like who-- whose responsibility would it be to diagnose? Is it a medical condition? So those are just some things that I think that, you know, are worthy of a conversation as well.

LINEHAN: Yes and I agree. And there's-- here's what I believe to be true. Not sure if it is true, but from my own lived experience, we moved from a school system that I didn't think was addressing the issue to a school system ahead from its time, what I was told and what I experienced was-- had a very great special education program. So that's what I knew to do. I mentioned dyslexia. They never repeated the word back to me so I didn't quite understand they didn't buy it. They helped him. He's, he's great. He's doing fine. They helped him, but they put him in special ed. That's not what they need. They're smart. It's-- how do I-- be very careful here. These are-- here is the definition and anybody can see it. You've got a very bright kid who can solve problems, who, as a parent said, could take things apart and put them back together again. Who you give five instruction-- steps to-- I'm talking about little kids and they go do them all without having to be told again what to do. But you put them in front of a book and they melt down. They can't decode. They need extra help. It's like phonics on steroids. You're not-- the whole reading program is a disaster for these children, a disaster. They're never going to just pick up a book and just get it. And it doesn't mean their parents didn't read to them or didn't love them or weren't trying to do all these things. And probably what instigated this bill today is this year, Senator Albrecht and I went to an event, which wasn't about dyslexia, but there was two parents there of a little boy who they knew in kindergarten had an issue. This is a well-funded school district. Not until the fourth grade, after many frustrations, did they take him to a specialist who gave him a diagnosis of dyslexia. So

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the school finally said OK and they put him in special ed. We just had to convince people it's real. That's, I think, half the problem. And then you don't-- it's not a special ed thing. It is a very specific learning disability where you need to do very specific things. And the worst thing that can happen, like to Norah, is somehow you let that kid go all through school thinking they're not smart.

WALZ: Right. Yes, I understand that.

LINEHAN: OK.

WALZ: I was just trying to go back to the first step. Like, how do we diagnose it?

LINEHAN: Well, we need to get the data and then we need to just be stronger. And I'm thrilled the Department of Education is on board. And we just need, we need to be strong with our colleges, with parents, and we need to stop pretending this isn't a thing. It is a real thing and we need to address it.

WALZ: Yeah, I would agree with that.

LINEHAN: Thank you.

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

LINEHAN: Thank you.

MURMAN: That'll close the hearing on LB298--

WALZ: Oh, I'm next.

MURMAN: --and we will open the hearing for LB285, Senator Walz. Good afternoon, Senator Walz.

WALZ: Good afternoon. I was focused in on Senator Linehan's bills that I wasn't ready for this. But good afternoon, Chairman Murman and members of the Education Committee. My name is Lynne Walz, L-y-n-n-e W-a-l-z, and I represent District 15, which is Dodge County and Valley. Today I'm introducing LB285, the School Community Eligibility Provision Maximization Act, which would automatically opt in high, high-poverty schools in districts into the community eligibility provision, or CEP. As we're all aware, the future of our economic prosperity in our state is built upon the health and success of our children. Research shows that hunger during childhood can derail

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proper development, leaving lifelong and negative consequences for cognitive skills, physical and mental health, behavior and academic performance. According to No Kid Hungry, over 18 percent of children in Nebraska live in food-insecure homes, meaning they don't have enough food for every family member to meet nutritional needs. We all know the future of our state depends on kids who have the opportunity to live healthy and successful lives. I've passed out two handouts from the-- from Nebraska Appleseed. The first handout is a one-pager explaining what the bill does. The second is a list of schools and districts that are currently participating in the CEP program and what districts could be opted in. The back of the handout gives definitions and the amount of students who will become eligible at each level. I've also handed out an amendment, which I'll explain later. LB285 measures schools with a high identified student percentage, which are students that have already opted into free meals because they are on Medicaid, SNAP, TANF, homeless, etc. If a school has an identified student percentage greater than or equal to 50 percent, they will be reimbursed at 80, 90 or 100 percent. One of the handouts has a more in-depth example showing this percentage. Schools have been slow to implement this program because there's been a concern regarding the administrative budget or-- excuse me, administrative burden outweighing the benefits. Additionally, there has been some confusion on how may the-- how this may affect schools' TEEOSA funding. Because of this concern, there is an opt-out option in the bill. Additionally, the Department of Education has found a way to avoid affecting the TEEOSA formula. I think it's important to note that in 2021, Omaha Public Schools opted into the entire-- opted in the entire district with an inadvertent effect on the district's TEEOSA funding. I would also like to add that the reimbursement to schools is coming from the federal government. In 2010, Congress created the CEP option. The reason this was created in the first place is to help schools and school districts ease the paperwork burdens of assessing and tracking family income in schools serving very high concentrations of low-income children. Oftentimes high, high-poverty schools were spending more time identifying the few children who don't qualify for a free or reduced meal. Additionally, I handed out an amendment that would include nonprofit, nonprofit, private schools into this. Through comm-- through conversations that I've had with the Catholic Conference, they requested to be included in this bill. It was not my intention at all to leave nonpublic schools out of it. It was just an oversight so this amendment puts them into the bill. One more comment on this bill: in 2021, this committee unanimously voted for the committee amendment to LB117. That committee amendment is similar-- is a similar version of this bill. We just dropped the identified student

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percentage from 62.5 percent to 50 percent so more schools qualify. Our goal is to ensure that children across the state are eating each day and oftentimes school is really where those kids get their meals. Removing financial barriers, especially in both rural and urban low-income areas, will help us make sure that some of our, some of our most vulnerable children are getting their nutritional needs met. Although LB285 will not provide cost-free meals for every Nebraska child, it targets the highest-poverty school districts. I would be happy to answer any questions that you may have. I should also add that Nebraska Appleseed's expert on CEP, Eric, is here to help answer any questions regarding this program. Thank you.

MURMAN: Thank you, Senator Walz. Does anyone have any questions at this time? Senator Conrad.

CONRAD: Thank you so much, Senator Walz. I think I'm cosponsor of this legislation, and I think I sent a request to anybody who had bills in relation to childhood nutrition and expanding family supports in that regard before the body this year. Because I think they're such important and critical issues for human rights, human dignity, and ensuring that, that all people have the ability to, to learn at their highest potential and grow at their highest potential. But I, I know that, for example, I just wanted to, to note a couple of things. And I know you spent time as a classroom teacher and I was hoping maybe you could just share a little bit of those experiences. But, you know, I know when my mom was a teacher, she always kept snacks and breakfast in her desk for kids who, for whatever reason, couldn't get that at home, to help them and help them learn through the day. I know talking to preschool teachers in my district very recently that they can see the impacts on learning, attention, on energy for the families that they're serving. You know, just kind of dependent upon where the week or the month is with how the, the food support programs kind of intersect with their lives. And then, you know, just in these most recent, like, snow days that we experienced at LPS and otherwise, you know, I heard feedback from, from parents in our school district who said I didn't budget for meals for these days. And now that we have a snow day, we're glad everybody's safe, but, like, it really throws a family who's kind of living on the edge into a tailspin and that people might not be thinking about that. So can you just share a little bit about your experience as a classroom teacher with, like, how access to nutrition impacts energy, attention, focus, ability to learn, any of those kind of objectives?

WALZ: Yeah, a lot like your mom. As a teacher, I had quite a bit of food items in my desk for kids and I definitely noticed a difference

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in their energy, first of all. And then as the day went on, you know, I could tell that they were not able to concentrate on what I was trying to teach them because they were hungry. So I can identify with that for sure.

CONRAD: Thanks.

WALZ: Um-hum.

MURMAN: Any other questions for Senator Walz? Senator Linehan.

LINEHAN: You said this program is fully funded by the federal government.

MURMAN: Yeah, it--

LINEHAN: I-- there's no fiscal note so I assume--

MURMAN: Yeah, I think it is. Let me just go back and look, but I think it is Senator Linehan.

LINEHAN: OK. Somebody's shaking no, so we'll see. It's probably-- you know, maybe it isn't.

MURMAN: Any other questions at this time? Maybe we'll--

WALZ: Yeah.

MURMAN: --get more testifiers that--

LINEHAN: OK.

MURMAN: --may know the answer.

LINEHAN: All right. Thank you.

MURMAN: Thank you.

WALZ: Yeah, you're welcome.

MURMAN: Proponents for LB285. Good afternoon.

ANAHI SALAZAR: Good afternoon. Thank you, Chairperson Murman and members of the Education Committee. My name is Anahi Salazar, A-n-a-h-i S-a-l-a-z-a-r, and today I am representing Voices for Children in Nebraska in support of LB285. Breakfast and lunch are essential to every child's development and well-being. Expanding

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access to nutritious and healthy meals is what every child in Nebraska deserves. The Community Eligibility Provision [SIC] Maximization Act would benefit students, families and educators, requiring, requiring highly eligible schools and districts in Nebraska to participate in a program allowing for free meals for all. Students can better concentrate on their academics. Families would not have to worry about the financial burden that breakfast and lunch can add up to in a year and educators would reap the benefits of classrooms full of students ready to focus on learning. Research shows that when students have access to free breakfast at school, this helps improve their concentration and academic performance and behavior. Breakfast offered first thing in the morning also helps improve student attendance, reassuring families and students with food they can count on. Eating breakfast at school is also associated, associated with better attendance rates, fewer missed days and better test scores. Achieving student success in the classroom is directly correlated with students having their basic needs met, one of which is healthy and nutritious meals. The community eligibility provision-- provision allows schools in neighborhoods with high poverty rates to offer free meals to all students, regardless of formal application for free and reduced lunches. When schools are able to offer no-cost meals without the barrier of this additional paperwork, stigma around needing assistance decreases. No student has to go hungry because his form or her form wasn't returned in yet. This creates a school culture where all students can participate in meals without hesitation. A student who is hungry cannot learn. It is also targeted specifically to those schools and districts with the greatest need, making it a fiscally responsible option to ensure that every child in Nebraska goes to school with a full stomach, ready to learn and grow. Voices for Children of Nebraska supports LB285 because it would ensure that being hungry is not a barrier to learning. Thank you, Senator Walz, for bringing this important issue forward and we respectfully urge the committee to advance LB285. On a personal note, as a former educator, I was in one of those OPS schools that adopted the CEP program and saw firsthand the benefits of the programs. Students and families were able to come into school not worrying about breakfast or lunch. It increased performance in a lot of my students. And so we support LB285. I'm available to answer any questions.

MURMAN: Thank you, Ms. Salazar. Are there any questions? If not, thank you for your testimony.

ANAHI SALAZAR: Thank you.

MURMAN: Any other proponents for LB285? Good afternoon.

SIERRA EDMISTEN: Chairperson Murman and members of the committee, my name is Sierra Edmisten, S-i-e-r-r-a E-d-m-i-s-t-e-n. I sit here today to talk to you about my experience with free and reduced lunches and in support of LB285, a bill that could impact me and my kids' lives for the better. Free and reduced lunches have been a blessing for our family. However, it has caused some issues. We have dealt with stigmas such as others knowing that we are on free and reduced lunches and being told that they could not have special items because they are on free or reduced lunches. We have been looked down on by certain school professionals when they have said to reach out if you need a sack lunch for the field trip if you are on free and reduced lunch. Once we did, the way school professionals would talk to us and treat us changed. For example, we were, we were no longer asked to volunteer to bring in special items such as cupcakes. We were questioned. We were questioned why we were at school events that cost money, such as the school carnival. Ultimately, we were spoken to differently and treated as less than-- thank you-- and looked as if we couldn't afford to be there. Another incident included a special item that was offered at school lunch being taken away from my autistic son, who didn't realize that this item was not included in free and reduced lunch item. Taking away this item triggered a meltdown to the point where I had to leave work and pick him up from school, causing me to lose hours and more money. At the time, he was in first grade and didn't understand what had happened. That night, it was tough to explain to him how different people make different amounts of money and that we made less than others. He sees his friend getting these items because his friends' parents made more money than we did. This was a difficult, uncomfortable, and frankly, not a subject I thought I would ever have to explain to my autistic first-grader. With free and reduced lunches, we can have lunch and breakfast for our children, but we question every day if the stigma and the issues that followed the program is worth it. With the whole schoolwide free and reduced lunch and it wasn't a poor versus wealthy issue, then maybe the stigma wouldn't be there surrounding everyone. Someone needs to survive. My children are switching to Lincoln Elementary School in Hastings school year, and this bill would affect Lincoln. One of the many reasons we are moving schools is due to issues like this. My children shouldn't have to worry about their food when there are so many other things that they need to worry about, such as transitioning to a new school, grades, friends, sports and everything else children are going through these days. I thank you for your time and listening to me on LB2-- LB285. If you have any questions, please ask.

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MURMAN: Thank you. Ms. Edmisten. Do we have any questions for, for her? Thank you very much for your testimony. Good afternoon.

ERIC SAVAIANO: Good afternoon. My name is Eric Savaiano. I'm with Nebraska Appleseed. Eric, E-r-i-c, Savaiano, S-a-v-a-i-a-n-o. I'm the economic justice program manager for food nutrition access at Nebraska Appleseed. We're a nonprofit law and policy organization that fights for justice and opportunity for all Nebraskans. And I appreciate Senator Walz introducing me as the expert on this. I'll do my best to answer some questions. In general, CEP has been available to schools since 2014 and we have been slow to adopt it across the state. It does take a district to opt into the program and we consistently rank 50th nationally among states on eligible versus participating schools. Omaha Public Schools adopting CEP last year-- or two years ago-- and Lincoln adopting in eight of their schools this year has significantly improved that, but there are still gaps in our state. With LB285 and the 50 percent of identified students participating in the program, this bill would result in over 12,800 students additionally gaining access to these no-cost breakfasts and lunches at school. You've heard about the benefits of CEP so I won't repeat myself or ourselves, but I will share that-- a bit about the reimbursements in answer to your question, Senator Linehan. Depending on the identified students in that school, a district would be-- could be required to make up some of the difference in reimbursement compared to what they were getting before. In my testimony, I believe this first bullet in the addendum does describe how CEP provides reimbursement to schools. It does get fairly complicated fairly quickly, but for each -- at 50 percent, which is the lowest rate at which schools would be required to participate, at 50 percent, 80 percent of the meals served in those schools would receive the free rate reimbursement, which was \$2-- \$4.22 for lunches and \$2.26 for breakfast last year. The remaining 20 percent of the meals would be reimbursed at the paid rate. So when, when districts serve meals, they would receive a different rate for free, reduced or paid. And the paid rate is \$0.77 for lunch at this point and approximately 50 percent for breakfast this school year. So in general, we do see school districts around the state operating at ISPs, identified students, of 50 percent or less. I believe that the average of schools that are participating in the community eligibility provision at this moment, the average rate is 56 percent, but there are 46 schools, I believe, that participate at levels below 50 percent identified students. Again, it can get kind of wonky quickly. I'd be happy to answer any questions you have.

MURMAN: Thank you, Mr. Savaiano. Is there any questions for him? Senator Briese.

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BRIESE: Thank you, Chairman Murman, and thanks for your testimony here today. As I read the fiscal note prepared by Bryce Wilson, Department of Education, if I'm reading that correctly, the school would be responsible for making up the difference between the paid and free reimbursement rates, approximately \$1.76 for breakfast and \$3.41 for lunch. So that's the amount the school would have to make up. Is that your understanding of this? Am I reading that right?

ERIC SAVAIANO: Yeah. Well, for CEP, those paid and free rates of reimbursement would be combined and that would be the school's revenue for the school-- for the meal program under CEP. Anything above that that costs-- any, any costs associated with serving the meals beyond that reimbursement, you're not allowed to collect that funding from school-- like, parents. And sometimes school districts do have to fill in the gaps with school funding on the education side.

BRIESE: So you combine those two for a child that's doing both, it would be about \$5 a day the school would have to make up.

ERIC SAVAIANO: So I think it's a bit more complicated. I hate to-- I'm sorry to say that, but at the rate that we're asking-- at the rate that which Senator Walz bill is putting forward, at least 80 percent of the meals would be reimbursed completely. And then there's a potential for additional costs to be incurred for the program. I will say when universal meals-- when, when everyone receives free meals, participation goes way up. And districts work on a economy of scale and so oftentimes, districts can make up for any potential losses in paid or, or reduced rate reimbursements that came from parents before with the increase in participation.

BRIESE: I'm certainly not questioning the, the benefits of this program we're talking about here, the bill. But if I read that correctly, that's \$5 a day per child times 185 days and we're talking \$900 a student per year, perhaps, that the district would have to make up, unless I'm reading that wrong, but.

ERIC SAVAIANO: I think in general with CEP, the districts-- you have to look at the whole school and not an individual student because each meal is reimbursed based on the program limits. I can't imagine a situation where every dist-- every school would have to put in \$5 per day per student for every student. There might be a small percentage that would have to put some funding into. Every district is different though.

BRIESE: OK.

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ERIC SAVAIANO: And so it's, it's a bit subjective.

BRIESE: OK. Thank you.

ERIC SAVAIANO: Thanks for the question.

MURMAN: Any other-- Senator Linehan.

LINEHAN: Obviously, we're going to have to-- if they're at 80 percent free and reduced lunch, then is it-- then is there any reimbursement required from the school or does the federal-- isn't there-- isn't it a step program, like, the higher free and reduced lunch, the more the federal government-- is there any point where the federal government just pays for everything?

ERIC SAVAIANO: It depends on the, the pricing that the district uses for their meals. But at 62.5 percent, the bill that passed out of committee unanimously last year, all meals would be reimbursed at the free rate, which is the highest rate you can get. And most likely-- yeah-- and yes, there would be schools that would receive all their meal funding from, from the federal government.

LINEHAN: So is there a way to figure out which schools in Nebraska, if this was implemented, would be able to get 100 percent of their free-- their breakfasts and lunches without cost to those schools?

ERIC SAVAIANO: There is.

LINEHAN: That would be very helpful for the committee to have.

ERIC SAVAIANO: I can direct you to the handout one more time and you can look at the entire list of schools, at least based on proxy data. That means the Department of Education provides this every year. It's an estimate. It's likely a bit higher if you perform the calculation at the district level. But you can look at the proxy identified student numbers and 62.5 percent is that magic number where schools would be reimbursed at that full 100 percent.

LINEHAN: Thank you. That's very helpful.

ERIC SAVAIANO: I'd be happy to break it down with, with a list, also a bit easier.

LINEHAN: But the-- there's no magic program that we can go and punch into the computer that pops up and tells us which school district would-- that school district, what the numbers would be.

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ERIC SAVAIANO: You could use an Excel function, but otherwise, no.

LINEHAN: OK. Thank you.

ERIC SAVAIANO: Any other questions for Mr. Savaiano? Yeah, Senator Conrad.

CONRAD: Thank you, Chair Murman. Hi, Eric. Good to see you again, Mr. Savaiano. I know there's a host of different proposals before the Legislature this year to try and address this same issue in terms of student nutrition and, and learning. Do you have a sense from the bills that you've reviewed thus far about how those bills work together or perhaps the priority in terms of consideration? I know they each kind of take a slightly different track-- approach to, to try and address the same issue. But could you just help to connect some of those dots for our thinking about some of those other measures and how it relates to this measure?

ERIC SAVAIANO: Yeah, for sure. There are two universal free meal proposals--

CONRAD: Right.

ERIC SAVAIANO: --that's before the Legislature this year, LB99 and LB627. Those meal programs would provide free meals for every student, no matter income, no matter CEP eligibility, period, and, and give free meals to all. Similar to last year's LB117 that this committee passed out, amended to just CEP last year, similar to that bill, we expect it to cost a lot. I think that the fiscal note was \$50 million of state general funds for that. This CEP bill was a piece of that and is a piece of that, each of those bills right now, and this is a mechanism to increase federal funding to support universal free meals. CEP, as proposed under LB285, would, would be only in the schools that are eligible, highly eligible, low-income schools, and would not provide free meals for any districts that have identified students under 50 percent. So this is a piece of those larger bills and it costs the state nothing. It may incur some costs at the district level.

CONRAD: Right. So if this were to move without the other ones, you still estimate it could help maybe 12,000 kids--

ERIC SAVAIANO: It would.

CONRAD: --secure better access to nutrition?

ERIC SAVAIANO: Correct.

CONRAD: OK. That's really, really helpful to it. You know, the other piece in it may be beyond your expertise or it may be directly related thereto, but one thing that I'm really concerned about is these disturbing trends, and particularly in Nebraska, where you see the criminalization of private debt. And you see those lines blur and blur and blur and exacerbate and the pain and heartache and headache that that can cause for families. And so sometimes people think, like, oh, it's-- you know, it's no big deal if somebody is running a lunch debt or breakfast debt or something like that. But-- and I've mentioned this to our superintendent in Lincoln I think every time I've met with them recently, the LPS student handbook still provides for an option for that debt to be turned over to collections. Now, I don't think it happens that often. But again, when you have a family that's already struggling, then they're turned over to collections and then what that could mean for potential, you know, entanglement or involvement even in the criminal justice system, perhaps down the road. Like, it seems farfetched, but it's actually not in practice. And I don't know if you have any responses or ideas that you want to share about that regard, but I, I'm very concerned about the criminalization of poverty. And I think that this is a piece of that puzzle.

ERIC SAVAIANO: Well, I appreciate the question. We did do work with a senator to do an interim study on unpaid meal debt, specifically--

CONRAD: Yes, I remember that.

ERIC SAVAIANO: --in Nebraska pre-pandemic, and learned that districts have policies on the books that describe refusing meals to students, providing alternative meals like cheese sandwiches, and also even things as much as turning-- calling the Child Protective Services on the parents who have unpaid meal debt because they can't afford the funding to, to put into the meals. That's an example of entanglement I know. It is a challenge when districts-- especially after the pandemic, unpaid meal debt has gone way up across the nation. Grocery prices and, and inflation for sure have contributed to that. So this would be one way to eliminate unpaid meal debt altogether. It would free up a lot of administrator time and support a lot of families who need it.

CONRAD: Right, right, right. No, that's really helpful. Thank you.

ERIC SAVAIANO: Thank you.

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

ERIC SAVAIANO: Thank you.

MURMAN: Any other proponents for LB285?

JOSEPHINE LITWINOWICZ: I have some relevant information. My name is Josephine Litwinowicz, J-o-s-e-p-h-i-n-e L-i-t-w-i-n-o-w-i-c-z, and my time is almost over. Well, good afternoon, Chairman Murman and members of the committee. Well, a couple of years, two or three years back, I, I let Mr. Goddard know from Appleseed about-- that the energy that's used or the concentration of development within a child's body in regions changes over time. And, and when children-- young, you know, children, they're forming their brain. And so the problem is, is that it's a particularly vulnerable time. And if we wish to talk about, you know, the effects of dyslexia, which is serious, and then this is a silent thing, but I think it might affect a lot of reasons why we have low scores. There's peer-reviewed articles on the matter. And let's see-- and so, you know, there's no free lunches. What you get is what you put in. And so, you know, there, there are chess grandmasters that burn 5,000 calories a day and they're not running on a treadmill at the same time. So your energy, your brain uses a lot of energy. And if you're trying to think at a high level, you're going to use more energy. I mean-- and thermodynamics, you know? You've got to have-- it's the ultimate no free lunches. You have to actually put the molecules up there. You have to have the energy to do it. And it's just if you don't have it, you don't have it. And can I have a little bit more? And so it's really important, I think. I'm not bringing any other technical, you know, any financial data. You guys, I hate numbers. I'm not-- never looking at them again. I was an engineer, but anyway. And there's another thing, you know, if we, if we-- we're going to grind this machine into the ground because, you know, the more that we, the more that we don't have students that can function, the less we can compete and, and, and the more problems we're going to have with poverty-related problems and so on. And that begets more, you know, lower rates in school, which begets a sinking further, you know? So anyway, that's-- and I'm just-- I get mad because I don't want small government communism. You know, there's certain-- I'm a fiscal-- I think the thing that's uniquely redeeming about conservatism is fiscal responsibility. It's the only-- I'm an independent. It's the only thing the Democrats don't have. And that's, you know-- and so you need both voices. And so-- an I'm an independent like a-- but anyway, we're going to grind the machine to the ground and we need to pay for it because the Politburo, the Politburo, you

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know that Governor and his minions-- close, you know-- I'm really getting nervous about this, you know, elbow-swinging, lockstepping and in good cheer working-- you know, rolling up our sleeves and working harder for, for, you know, without-- it's the same thing as, as-- you know, and so there are certain things, you know, we have to do. And it might be a good idea to give the foster kids their money because they need to use that nest egg, you know, to go somewhere too. I'm done. I don't want to--

MURMAN: Thank you very much.

JOSEPHINE LITWINOWICZ: Yeah.

MURMAN: Anybody have any questions?

JOSEPHINE LITWINOWICZ: I don't have any answers on this.

MURMAN: Well, thank you very much.

JOSEPHINE LITWINOWICZ: Yeah.

MURMAN: Any other testifiers-- proponents for LB285? Any opponents for LB285? Anyone wish to testify in the neutral position? Senator Walz, you're welcome to close. And while she's coming up, we had six proponents, one opponent and no neutral position comments.

WALZ: Thank you, Chairman Murman. And I just want to say thank you to the testifiers who came to talk to the act. They did a great job explaining the program. I am open to amendments and working with the committee, even with, you know, a combination of the bills, just to make sure that whatever policy we put out, it is the most beneficial for the most kids and just giving them the ability to learn. Some of the toughest times, I will say, as a teacher were the times in school right before vacation; summer vacation, Christmas vacation, spring break because those were the times that the kids knew that they probably weren't going to get the meals and that they would be hungry. So from a personal perspective, this is a very important issue. We just want to make sure that we can just provide adequate food for kids so they have energy and that they have, you know, the ability to focus and learn. And honestly, I think that this also increases attendance because sometimes when this is the only place where you get your food, you're going to make sure you get there. So I appreciate everybody's listening today. And again, thank you to the testifiers who came. If you have any other questions--

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MURMAN: Thank you very much. Any, any questions for Senator Walz? Yes, Senator Conrad.

CONRAD: More of a comment, but I'd maybe like to hear your response too, Senator Walz. And that was a, I think, a very passionate opening and closing. But, you know, one thing that has always struck me in regards to our food and nutrition policy, particularly in a state like Nebraska, is how exciting it is to build alliances sometimes across the state and across the political spectrum. You know, we take pride in being a big part of feeding the world, right, with our incredible agricultural community here in Nebraska. And figuring out, you know, how we can leverage that, you know, ingenuity, that talent, that ability with these systems in our food and nutrition programs to do better by our own residents. I just-- I think there's really thrilling opportunities there. And I just wanted to kind of highlight and lift that up as an intersectional opportunity for this committee to consider.

WALZ: Yeah, I think one of my favorite bills was the farm-to-table bill--

CONRAD: Yeah.

WALZ: --that Senator Brandt introduced last year. And you're right, I mean, we have a wealth of professionals and, and farmers and people who feed the world and we should be able to collaborate more than what we do and make sure that our kids here in Nebraska are fed.

CONRAD: Yeah.

WALZ: So thank you.

MURMAN: Yes, Senator Albrecht.

ALBRECHT: Thanks for bringing this bill. So just help me wrap my head around it. So you're bringing this bill to, to let schools know that you would like for all of them to participate? Or would this just be based on the 50 percent level or lower?

WALZ: This just gives more opportunity for more skills-- schools to participate in the program.

ALBRECHT: OK because I didn't hear anyone from the school system come up and say, Hey, we just can't afford to do this. So has that ever been an issue with any of them, Senator? Because I know during COVID, I mean, they were-- in my district, they were giving-- the parents

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could come at breakfast and at lunch and pick up food for the family and they took it home.

WALZ: Yeah.

ALBRECHT: So-- and there's a program already in the schools that they should be able to do this. So are you saying-- just suggesting to them to capitalize on what the federal government has to offer and then whatever--

WALZ: I am suggesting that they capitalize--

ALBRECHT: --difference--

WALZ: --on it, right.

ALBRECHT: --is.

WALZ: This is not a requirement.

ALBRECHT: OK. So it's--

WALZ: But it's a just a--

ALBRECHT: --a local control kind of thing. You can decide if your school-- I only see one or two of mine in here, so. And I do know that they do have probably more poverty in certain areas than others. So this is not for everyone to consider doing. This is--

WALZ: Right.

ALBRECHT: --just for the 50 percent or less.

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

WALZ: Thank you.

MURMAN: Well, that will close the hearing on LB285 and we will open the hearing for LB299, Senator Linehan. Welcome.

LINEHAN: Thank you. Good afternoon, Chairperson Murman and members of the Education Committee. I am Lou Ann Linehan, L-o-u A-n-n L-i-n-e-h-a-n. I'm from Legislative District 39, Elkhorn and Waterloo. Today I am introducing LB299. Currently, school districts that want to conduct a new building project are required to ask their voters to approve a bond issue for a specific dollar amount. If the request is not approved by the qualified electorate of the school district, some

districts have looked for alternative funding methods for their projects. Two alternative methods are to raise funds through their special building fund, or to enter in a cooperative agreement with another public subdivision-- not public, political, I'm sorry-- political subdivisions and public. School districts are aware that a levy increase is not popular with voters so some have opted to create joint interlocal agencies between the public schools and an educational service unit. However, when joint entities are created and issue bonds to fund projects, those bonds do not require a vote of people. In other words, government entities can use a workaround that ignores a vote of their constituents. For example, in 2016, Beatrice Public Schools tried to build a consolidated elementary school by using bonds to pay for the project. When put to a vote of people, the bond issue failed. In fact, this bond voting issue failed more than once. Consequently, Beatrice Public Schools and ESU 5 entered into an agreement to create an interlocal agency to issue bonds for the project. This is a loophole in our system of financial accountability in public spending. LB299 would not say you couldn't establish a joint entity such as a school district and an ESU, but it would say you have to hold an election before issuing any bonds to build a project. An affirmative vote of the majority of qualified electorate would be required to pass the bond issue. These provisions become effective on or after the effective date of LB299. If the vote for a bond issue is defeated, then it shall not be resubmitted for a period of six months from the date of prior election. LB199 [SIC] contains an emergency clause. Once the Governor signed this bill into law, these provisions would apply to any joint entity created to use an alternative method of financing a building project. This bill would bring more transparency and accountability to the way our schools would fund their building projects. People have a right to voice their opinion when they're incurring debt. Thank you.

MURMAN: Thank you very much. Any questions for Senator Linehan? OK. If not, thank you, and we're open for proponents for LB299. Hello.

BUD SYNHORST: Good afternoon. Bud Synhorst, B-u-d S-y-n-h-o-r-s-t, president and CEO of the Lincoln Independent Business Association. LIBA represents over 1,000 businesses, primarily located here in Lincoln and Lancaster County. And a significant part of our mission is to communicate the concerns of the business community to elected and appointed officials at all levels of government. Our organization was founded on the principles to give small business a voice with our local government, a mission we still serve today. And today I'm here to testify in support of LB299, Introduced by Senator Linehan. LIBA has a long-standing issue with joint public agencies forming in order

to issue bonds where in the past, JPAs have issued bonds or these joint entities where taxpayers have no say in the issuance of these bonds. Limiting this ability for school districts in ESUs from joining with another government entity to form an additional entity, would be able to issue such bonds without a vote of the people is good policy and it's good for our citizens to have a say in their government. LIBA has a long-standing history supporting the right of the people to have a vote for the issuance of these bonds. We believe this change to the statute will give a stronger voice to the people when these types of entities are formed involving school districts or any ESU. Requiring a vote further gives the citizens a voice in how they will be taxed. LIBA may be so bold as to offer a slight recommendation to Senator Linehan's bill on line 25 and replace "may be" with "shall be" regarding the statewide primary and general elections. While this may seem like a small change, it has a great impact on the vote of people for the issuance of these bonds. When asking the taxpayer to approve bonds, we would submit that this is better to have it with a vote taking place with the highest voter turnout possibilities, which is what this bill calls for by holding these bonds in a primary or general election in even numbered years. Over time, we've watched as entities submitting bond issues to the voters have used all mail-in elections in their political subdivision with a very weak turnout. We believe that a higher turnout allows a bigger say of the voters. Based on the context of the bill, the Lincoln Independent Business Association is a-- is supportive of LB299. We appreciate Senator Linehan bringing forward this bill and encourage the committee to advance this bill to General File and be passed on the floor and signed into law by Governor Pillen. Thank you.

MURMAN: Thank you, Mr. Synhorst. Any questions for Mr. Synhorst?

BUD SYNHORST: Thank you very much.

MURMAN: If not, thank you. Any other proponents for LB299? Hello.

JESSICA SHELBURN: Good afternoon, Chairman Murman, members of the Education Committee. My name is Jessica Shelburn, J-e-s-s-i-c-a S-h-e-l-b-u-r-n, and I'm the state director of Americans for Prosperity here in Nebraska. Our goal is to work with anyone to advance policies that respect the dignity of every student, foster an array of approaches, and are open to the free flow of ideas and innovation, while being mindful of the taxpayer who's footing the bill. For years, schools have sought bond issues for new buildings. That is nothing new. That generally does not happen overnight. You don't wake up one morning and say, Oh, we need to build a new school.

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This is something that can be planned for and it should go before the electorate. Going around the electorate to establish bond issues by creating these joint entities is circumventing our electorate who is footing the bill for this and it is not appropriate and it is not correct. We need and we advocate for trust and accountability in government. And that's what we feel LB299 is doing and we thank Senator Linehan for bringing it forward.

MURMAN: Thank you very much. Any questions for Ms. Shelburn? Senator Conrad.

CONRAD: Thank you. Hi, Jessica. Good to see you. Just to make sure I-- again, not to oversimplify the, the measure before us, but your position-- and perhaps Mr. Synhorst's as well-- is that the joint public agency really shouldn't be able to do what the individual entities of government couldn't do otherwise. Is that a fair assessment of, of-- or maybe I could ask Senator Linehan in her closing, but is that kind of-- that's kind of my understanding of the approach.

JESSICA SHELBURN: It's a fair assessment.

CONRAD: OK.

JESSICA SHELBURN: I mean, what we have seen traditionally is schools will take a bond issue--

CONRAD: Right.

JESSICA SHELBURN: --and it'll be voted up or down.

CONRAD: Yeah.

JESSICA SHELBURN: And oftentimes, if it is voted down, then pretty soon you see a joint agency created to circumvent the vote of the people, which is disrespectful to the electorate who actually turned out to vote. Now, what I will say is as I've been watching bond issues a lot more and in the last probably ten years, there's usually very few-- that if the school district is not-- if they haven't made the case--

CONRAD: Right.

JESSICA SHELBURN: --it will be voted down. But if there is an actual case and a need for that bond issue, the electorate usually supports

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it. And so to circumvent that process I just think is disrespectful to the electorate.

CONRAD: Yeah, I appreciate that. Thank you.

JESSICA SHELURN: Um-hum.

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

JESSICA SHELURN: Thank you.

MURMAN: Any other proponents for LB299? Any opponents for LB299? Good afternoon.

JASON ALEXANDER: Good afternoon. Good afternoon, Chair Murman and Education Committee members. Thank you for all the work you do on your committee and in our Legislature. We do greatly appreciate. And it's very interesting to sit here this afternoon and listen to all the bills that I wish I could sit here all afternoon and listen to the bills. I'm-- my name is Jason Alexander, J-a-s-o-n A-l-e-x-a-n-d-e-r, and I'm the superintendent of Beatrice Public Schools since 2018. I'm here today in opposition to LB299 on behalf of Beatrice Public Schools and other schools in the state. Many of you have heard the story of Beatrice, but a brief backstory for those of you that are new. The district was cited for 28 life safety violations from the State Fire Marshal in 2017, prior to my arrival. Twenty-four of those violations have been corrected, but four violations specifically related to the PK-5 schools that we have, there's four of them, are-- have not been corrected due to the scope and cost of the projects. Last spring, the health inspector came into our elementary and wrote violations for our 1955 gymnasiums that are currently being used as kitchens. We affectionately refer to them as "kitchasiums." They wanted us to insert sinks in P.E. equipment storage locker rooms that were built in 1955. Not possible. Thus, we have a very clear and compelling duty to take action and address these issues and did not have the means available to do so. This was not a want to; it's a have to. Since 1991, the community of Beatrice has failed five of six bond issues for a high school and elementary school. Post bond issue surveys indicated by the taxpayers they didn't want their taxes to go up. So the facts are this: We are operating in Beatrice under the \$1.05 levy limit statutes that are set before us by the, by the state. This means we respected the taxpayers' wishes to remain within our levying limits and not apply an additional bond issue tax. We listened to our bond issue-- our, our taxpayers. This bill is an overreach of government,

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government authority. The vocal minority, with legislative interference, should not upstage the elected officials' decision making that were put into place and elected on by the, by the people of that community. We like to make state, state comparisons in our state. Nebraska ranks 49th in the nation in state funding to public schools. We can do better and they provide no funding for infrastructure improvements in our state. We like to compare ourselves to South Dakota. South Dakota does provide limited tax capital outlay certificates. I'll let you look up what that means. Fundamental shifts in legislation around schools have been excessive when it comes to how we finance projects all the way from the QCPUF being reduced from \$0.06 outside the levy to now \$0.03. LB132 passed in 2015, requiring joint public agencies to hold an election before a tax levy can be pledged before issuing bonds, was clearly aimed at stopping property taxes being levied for bonds. Now LB299. There's unintended consequences with this bill. One example is the interlocal entities formed between cities and school districts to satisfy the additional sales tax provision in Section 77-27,142 for a city to increase its local sales option tax above 1.5 percent would be eliminated. Many schools and cities, especially in our urban areas, rely upon that to build recreational facilities for the community and the use of the schools. So there's an unintended consequence with this bill. LB299 would require an interlocal entity formulated for such purposes to hold an election before issuing bonds, even when the local option sales tax is the repayment source approved by the city's voters, not any tax revenue to the district. There are possible amendment, amendments to this LB299 and I'd be glad to work with Senator Linehan and any of the Education Committee members to talk about those amendments as well. Thank you for your time.

MURMAN: Thank you, Mr. Alexander. Does anyone have any questions for Mr. Alexander? Senator Briese.

BRIESE: Thank you, thank you, Chairman Murman, and thanks for your testimony here today. Appreciate it. You indicated that five of six bond issues-- attempted bond votes have failed since 1991. When was the last one?

JASON ALEXANDER: I believe in 2016.

BRIESE: 2016. And the Fire Marshal found these problems in 2017, correct?

JASON ALEXANDER: Correct.

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BRIESE: You haven't tried a bond issue since then?

JASON ALEXANDER: No.

BRIESE: OK. And you do believe that there are circumstances where the public should vote on the approval of bonds?

JASON ALEXANDER: I believe if--

BRIESE: Or should there never be a public vote on bonds?

JASON ALEXANDER: No, I don't think there should never be a public vote on bonds. I think it depends on the circumstances of each individual community--

BRIESE: OK.

JASON ALEXANDER: --which is why I think it's important that we respect the local control of that community because they know what's best for their community, especially the elected officials.

BRIESE: But you haven't attempted a public vote on a bond since 2017 to rectify this situation?

JASON ALEXANDER: No, I was not there. I arrived in Beatrice in 2018.

BRIESE: OK. Very good, thank you.

MURMAN: Senator Conrad.

CONRAD: Thank you so much for that concrete example and sharing some of the, the broader context on thinking on the measure as well. But let me just ask you this. So if you're a property taxpayer and you're kind of going through your tax statement there and you say, OK, this amount is going to the city, this amount is going to county, this amount is going to the community college, this amount is going to the schools. And then you start to see these, these other entities and you're, like, wait a minute, I never voted on a JPA for X, Y or Z kind of thing. And I don't know who's on that and I don't know why they're taxing me or how do I have any say in that kind of activity. I mean, just asking you to think-- you know, kind of walk in the shoes of the taxpayers who are looking at it from that perspective and kind of where, where is their accountability? Where is their kind of levers to pull if they disagree with the decision making or the taxing decisions of those JPAs? Is, is your opinion is that it's through the city council and the school board or whoever firms those up or-- help, help

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me just take a step back and think a little bit more conceptually about that kind of from the taxpayer angle.

JASON ALEXANDER: Sure and I appreciate that, that question, Senator Conrad. I would tell you that as a taxpayer, which I am--

CONRAD: Of course.

JASON ALEXANDER: --like all of you--

CONRAD: Yes, yes.

JASON ALEXANDER: --and everybody else in the room--

CONRAD: Yes.

JASON ALEXANDER: --in the state of Nebraska, I fully recognize that. I fully recognize that. And I think most of my colleagues would agree that property taxes are too high in the state of Nebraska. I also believe that we have proposed remedies to that as early as last year to help with that. In regards to this specific situation, I would tell you that I also believe that's why we have elected officials is when the property taxpayer or any, any person who doesn't want-- who, who thinks that the property taxes are too high, they have the opportunity to vote on those people that are in that seat and make-- that could make that decision. In this particular situation, there are a lot of dynamics that go into play in the local community of Beatrice that I think are important to understand the background of which in three minutes, you can't really do.

CONRAD: Sure. Yes, yes, I understand that.

JASON ALEXANDER: So the other thing that I would offer up to that, Senator Conrad, is that in this process, there were eight community meetings held to explain this process to the voters. There were community meetings held at the rotary, at the Kiwanis, at the retirement homes, at the local restaurant gathering spot, at multiple opportunities for community members to become engaged. I believe you'll hear from one of the people here today who did come to those meetings and did listen to the presentation and is in full support of why we did what we did. So there were multiple opportunities for those questions to be asked and for people to become involved in the discussion.

CONRAD: OK, thank you. I appreciate that response. Thanks.

JASON ALEXANDER: Sure.

MURMAN: Any other questions? Senator Walz.

WALZ: Thank you, Chairman. First of all, thanks for coming. I, I am glad that you came to refresh the story because I couldn't quite remember it. But I have a couple of questions. The first one is, is this different from how other expenses qualify under this \$1.05 statutory requirement utilizing the building fund? Is that-- is it different from that or--

JASON ALEXANDER: Great question. Our expenditures basically are capped by what the NDE certifies our budget afforded to be at the start of every year. So after that, how we expend those, those funds is a local decision as long as we stay within the statutory parameters of the \$1.05 levy lid cap, which also includes the 14-cent building fund levy. And so essentially, the-- this expenditure of building a building is just like any other expenditure that we have. Is it bigger than any other expenditure we have? Yes, but is it necessary? I think, as I pointed out with the life safety code violations, the inequity of ADA compliance, the inefficiency of those four buildings built in 1955 made it a very justifiable reason to do what we did. And it falls completely within the parameters of the expenditures that we are allowed to make as a school district, a local school district.

WALZ: OK. And then you talked about going out to the community. You had eight different meetings, Kiwanis and so forth. Were there any other options that your board discussed, you know, from those meetings or anything else that you could consider prior to doing this?

JASON ALEXANDER: We did talk about the, the option of running another school bond issue. And not being there before, I didn't understand all the dynamics behind that so it was important for me to get a grasp of what the history and the story was. The one bond issue that passed approximately 23 years ago or 24 years ago now happened when a tornado tore through the high school and the city of-- or the community of Beatrice, basically. They had tried multiple bond issues before that for a new high school and that tornado tore part of the building off. So, in essence, that is what prompted the bond issue to pass prior to that. We did talk about that. But based on the amount of divisiveness in the community prior to that, that time period and leading up to and including the last bond issues that Senator Briese asked me about, those were very divisive type scenarios. And the board of education looked at themselves and said, we'd rather not go down that path at this point. There are other schools that may be in, in, in different

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parts of the state of Nebraska don't experience that type of situation when they go to pass a bond referendum and probably maybe some of the more wealthy districts in the state of Nebraska. Beatrice is not one of those. And so it was important-- in looking at the entire scope of the picture of what the board was looking at doing, it was important for them not to create a more divert-- divisive situation in the community.

WALZ: Yeah. OK. And then I have one more question that I wrote down while you were speaking. So you're currently operating within the \$1.05. Would you have reduced the \$1.05 levy lid limit if you had not done this project?

JASON ALEXANDER: That's a, that's another good question and we've been asked that before. And I think what I would attribute my answer to is something my grandpa used to tell me. I'm originally from Wyoming and I grew up on a farm out in Wyoming, which I currently own, and it was owned by my grandfather, homesteaded there. And his response when it came to making purchases on the farm was don't put lipstick on a pig. And one of the things that he always had to do was look at where the cost benefit analysis was. And for us, operating on the \$1.05 meant simply adjusting about \$0.03 from the general fund to the building fund. And essentially, we had a choice. We could either continue to levy the \$1.05 under the statutory levy limits and put lipstick on a pig and renovate four old buildings that would not be nearly as efficient either in personnel or energy or other means than it would be to build a new building. So again, there's multiple reasons for why this decision was made the way it was that applies specifically to the local community and the people that were in that. And it doesn't go without notice that there are people that didn't necessarily agree with it. I totally understand that. But I think that's probably the people you heard for-- from by the nature of the definition of a complaint, correct? Complain. But did we take time to seek out those people that when I walk into the pharmacy, they say great job or I walk into the grocery store, they said, thank you. This has needed to be done for years in Beatrice and we just couldn't get it done? Did we seek out those opinions? And the answer to that question in my esteem, in my opinion, would probably be no because they don't be-- typically be the ones to call. Two years before, when we did reduce our levy, did we get a phone call thanking us for reducing our levy? No, we did not. And we-- so in answer to your question, Senator Walz, we made a decision that's a local decision and we would have had to continue to levy that \$1.05 to either put lipstick on a pig and renovate four old buildings that would essentially have not been-- would not not have been as safe and secure is the one we're building, would not have been

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as equitable with ADA compliance as the one we're building or is efficient. So the decision was made to do what we did on the basis of that-- those three key premises.

WALZ: Yeah. All right.

MURMAN: Any other questions for Mr. Alexander? Did you have a--

WALZ: I'm done.

MURMAN: OK. Any others?

ALBRECHT: I'd like to ask a few--

MURMAN: Yes, Senator Albrecht.

ALBRECHT: OK, so you're saying-- what year did you come, 2016?

JASON ALEXANDER: 2018.

ALBRECHT: 2018.

JASON ALEXANDER: This will be--

ALBRECHT: So the year before you came, the Fire Marshal came in. Had he been there before? Did he say he was going to shut the school down if you didn't perform these 20 life safety violations?

JASON ALEXANDER: I don't know what he said. I just have the Fire Marshal's report.

ALBRECHT: OK. My question is a lot of these old schools in 93 other counties are sometimes grandfathered in because people just don't have the money to fix them.

JASON ALEXANDER: Um-hum.

ALBRECHT: But what was, what was it like when you went out-- went-- and maybe it wasn't in your time because this was before. Was it a 60-40 vote? Was it a 70-30? What, what were the numbers in your town when the people said no?

JASON ALEXANDER: Some of these bond issues pertain to the high school. The two particular bond issues that pertain to the PK-5 elementary school, the first one I'm going to guess was 55-45, something like that. The second one failed miserably, 65-35.

ALBRECHT: So--

JASON ALEXANDER: I don't remember exactly, Senator Albrecht.

ALBRECHT: And, you know, I sit on Revenue too and I've heard a similar story to this in Lancaster County with their event center. You don't just get to build it anyway. I mean, I think that's the worst thing that you could do to a taxpayer. And I'm not going to, I'm not going to argue or not even argue it. Just-- I just want to state that the taxpayer, especially in today's climate, when you see these astronomical valuations, whether it be residential or farming or whatever it is, if you're a farmer in that area, it's the city that's going to decide your fate. We had, we had a, a jail up in our district. Three-hundred people decided the fate of everyone in that county. And this is tough. This is a-- this is hard to swallow when these things happen. And if there was a tornado, did they have insurance on it back in the day? Surely, they, they rebuilt it with some insurance funds. I hope you guys were covered.

JASON ALEXANDER: You know, I-- to be honest with you, I'm sure there was insurance at that time. I just don't know the specific details about how much or I don't think that it would cover the cost of the entire rebuild.

ALBRECHT: Absolutely, probably not. But again, a lot of our schools are aging throughout our whole state. Did you have a building fund when you showed up there? How much was in it, if you had one?

JASON ALEXANDER: We did have a building fund and I believe there was about \$0.08 being levied in at that time. So over the course of the year-- the five years that it was there, in discussion with the board, we set a plan in place to be able to shift some of that money from our general fund to our building fund. So basically, it was a plan that, under the \$1.05 levy lid, we set in place to reallocate our funds to be able to use them without adding an additional bond levy to the taxpayer, which probably in estimate would be an additional 14 to 20 cents. Now, I know there are lots of schools that did pass bond issues last year that because of the price of product, their bond issue didn't cover the cost of that particular-- the cost of their, of their projects. So they had to find a different means to do that. And I don't know what all they did, but.

ALBRECHT: And what was the number of the bonding? What was the total when you, when you went out and took care of all this? What's the--

JASON ALEXANDER: For us?

ALBRECHT: Yeah.

JASON ALEXANDER: \$35 million operating loan from a bank.

ALBRECHT: Thank you.

MURMAN: Thank you. Any other questions for Mr. Alexander? If not, thank you very much for your testimony.

JASON ALEXANDER: Thank you.

MURMAN: Any other opponents to LB299? Hello.

ERIN CHADWICK: Good afternoon, Chair Murman and members of the committee. My name is Erin Chadwick, E-r-i-n C-h-a-d-w-i-c-k, and I'm here today in opposition of LB299 as a small business owner, an employer, a homeschooling parent, an economic developer, a former BPS school board member, and as a concerned citizen of Beatrice, Nebraska. Why do I care? When I moved to Beatrice in 2013, I remember a prominent leader in the community asking me why I cared so much about our youth and who later told me that their opinions don't matter. I was floored, but determined from that moment to utilize any position I had to ensure that our youth were never looked over so long as I had a say in the matter. Take a drive around Beatrice and you'll see another expansion in progress at our local hospital, an incredible new home for Beatrice Fire and Rescue, reinvestment and new construction on our community college campus, restored historic downtown buildings and then Beatrice Public School buildings. It doesn't take much of a drive to see what the community thinks of its youth when some of its worst buildings are those belonging to its public schools. Our elementary buildings have reached the end of their useful life and are unsafe environments for our children. Beatrice Public Schools has worked to maintain these buildings, but it's difficult to piece together parts for obsolete systems and astronomically expensive to replace them. Knowing that these buildings will continue to decay, BPS tried and failed on numerous occasions to partner with the community to update its facilities through bond issues. In a community like Beatrice, whose farmers shoulder the bulk of the area's property taxes, where people have a choice in where to educate their children and where we share workforce and taxation issues like the rest of the country, it's crucial that districts across the state have multiple tools available to provide for the basic life, safety and environmental needs of students and staff. Equally, if not more important, is that

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communities retain local control, as those who know what's best for Beatrice live there. Not here at the State Capitol, not in Omaha, not anywhere else. When it comes to property taxes, an issue largely out of local control, the state is failing us. This legislative body has failed to provide true tax relief for Nebraskans and has failed to fully fund schools through its TEEOSA formula. Unfortunately, until these two things are resolved, districts throughout Nebraska like Beatrice are going to find it very difficult to pass any bond issue. If Beatrice hadn't utilized the interlocal agency tools that stands today, they'd be-- still be faced with the difficult task of passing, passing a bond issue for tens of millions to bring four elementary buildings up to code and make them conducive for learning in 2023 and beyond. The members of the Beatrice Board of Education are qualified and trusted liaisons between the school and community whose most important mission is to do what's best for the children, our future of Beatrice. These local leaders are accountable for their actions and have the people to answer to. In a community like mine, that means something. They know that, they know that if they fail in their roles, their community can use their voices in public forum and on ballots come November. LB299 erodes at the very fiber of local control and does not address what districts need from the state: property tax relief and properly funded schools. Thank you for allowing me the opportunity to submit this testimony today in opposition to LB299.

MURMAN: Thank you. Does anyone have any questions from Ms. Chadwick? If not, thank you very much.

ERIN CHADWICK: Thank you.

MURMAN: Any other opponents for LB299?

DORIS MARTIN: Good afternoon. I'm Doris Martin. I believe in public education and in local control of public schools. I am speaking in opposition to LB299. I spent 35 years in a high school journalism classroom, ten years at SCC working with high school students in a career academy setting, and I'm currently the executive director of the Beatrice Educational Foundation. In addition, I recently began my fourth term on the District 15 school board. I first want to address the concern that because a district builds a school without a bond issue, they have done this without the voters' approval. I was elected by voters in District 15 to represent them. I take this seriously and with each vote, I think about the best interest of students and the best interest of taxpayers. I was representing the voters when I voted to proceed with the construction of a new elementary school. This was done after much research, both by me individually and through

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presentations at public board meetings. I hear all the time about the need to be mindful of property taxes so I am confused why, when a group of elected officials vote to build a new school without raising property taxes, there is still opposition. I voted to proceed with construction on a new school prior to being reelected in November of 2022 so this tells me that not everyone was unhappy with this decision. I do know that in my school district, we have a group that seems to pride itself on voting no on bond issues and continues to bring up topics that have been decided decades earlier. I also know what a difference a new school built to meet today's needs can make in the education of a child. I was fortunate to move from a building built during the 1950s, the same time frame as our current elementary buildings, and into a new high school in 1999. I might note that this came after two failed bond issues and a tornado. Many believe that without a tornado doing damage to the then-current middle school, it would have failed a third time. My new classroom allowed my students the opportunity to learn skills necessary in the 21st century. They were able to leave my classroom prepared for success. I want the same for today's students. I also want to do this with respect for taxpayers' dollars. I believe this construction model allows for both. It appears that state senators that have gone on record to say they are in favor of local control are all in favor of local control and decisions being made by locally elected officials until they aren't. I don't understand this. It appears to me that when the squeaky wheel makes noise, the assumption is made that everyone is opposed to a decision like we made at Beatrice. By nature, you hear from the 15 to 10 percent of the-- from the 5 to 10 percent of the people who complain, but are not hearing from those that have no complaints. This bill would take control away from school boards to do what is right for students. I think we can all agree we want to do what is right for students and for the community that supports them. This bill will do neither.

MURMAN: Thank you. Any questions for Ms. Martin? If not, thank you very much for your testimony.

DORIS MARTIN: Thank you.

MURMAN: Any other opponents to LB299?

DAVID FROSCHER: Sorry. I think I brought in just enough copies for me to use mine. And I'm apparently one of those taxpayer-- payers that people keep talking about.

MURMAN: Good afternoon.

DAVID FROSCHUISER: Good afternoon. Chair Murman and Education Committee members, thank you for this time. My name is David Froscheiser. Last name, F-r-o-s-c-h-e-i-s-e-r, and I'm a local business owner in Beatrice, Nebraska. But more importantly, I'm a father of three daughters, ages eight, five and five, and I'm here in opposition of LB9-- LB299. Not on behalf of all schools in the state. Sorry, that's a typo, but mainly for the children who will go to and live in Beatrice indefinitely. Though my wife was born and raised in Beatrice, I was born right here in Lincoln. When we finally moved to Beatrice about six years ago, my oldest was two. So like many who don't have children in their local public school systems, my knowledge of their situation was very limited-- negligible, excuse me. When my oldest finally started her pre-K experience, I was very concerned at my cursory, cursory review of the facilities at this location. Without exaggeration, I was so concerned that I began, began conversations with my wife about removing her and sending her to a private school in the community, especially after I learned of the specific conditions which were presented, some of which were presented here today. I asked to, I asked to present last so that you would have heard from prior testimony about some of the specific conditions present at these schools and the community's general lack of response to the need. You have also heard some of the stories surrounding our extraordinary new firehouse. And to be fair, I wasn't entirely sure it was necessary even to be built. But then I started to understand and acquire more as to why and it became clear to me that the need was present. I reference these two prior testimonies to say this: Mr. Alexander did a wonderful job in his effort to educate the people of Beatrice as to why a new elementary school was absolutely needed in the best interests of the children. And why, from a fiduciary perspective, it was in the community's best interest financially. Despite all of these efforts of the administration, the staff and the interested public, I would estimate-- and I changed it because I grossly overestimated it. I wrote down 60 on your sheets. It was maybe 60 to 80 of the entire community attended one of these meetings. I attended three of them personally and my wife attended a couple that I could not. It was a horrifying realization and reminder that communities can have majorities that simply do not care about the implications for the next generation or for the continuance of a healthy and vibrant community, even if it's the very one they live in. Does that scenario and its potential terrible outcomes not concern members of this committee? And I believe that's why we need to continue to have options present for the local membership and the local authority. What the Unicameral is proposing would eliminate unnecessarily the autonomy of local authority to make appropriate decisions with respect to the health,

well-being and education of the children who are ultimately in their care. It is the duty of the local school boards to behave in a manner that is best interest of the child while operating within the limitations of budget-- and budgetary confines, which in the specific case of BPS, was accomplished. Let's make this discussion a bit more analogous to the progression within educational decisions through COVID. An apolitical progression of facts is that eventually the federal government recognized that it could not unilaterally make decisions regarding school closures for every state. The next iteration of this recognition happened at the state level, where our state realized that these decisions needed to be handled at the local level because they were the best positioned to act in the best interest of children and staff. But the theme of this progression is that those who are in the best position to make the best decisions are those at the property authority at the local level and not-- and in all deference to the Senator from Elkhorn, if we took our elementary schools and placed them in Elkhorn, they would be demolished by the end of the week and then you would have a bond issuance in-- and, and approval of, of new elementary schools. And I know that this, this is a-- and what I'm driving at is that this is a community-by-community issue. We didn't have an option.

MURMAN: Thank you, Mr. Froscheiser.

DAVID FROSCHEISER: Thank you.

MURMAN: Anybody have any questions for Mr. Froscheiser?

DAVID FROSCHEISER: Yeah.

MURMAN: Senator Conrad.

CONRAD: Thank you so much, Chair, and thank you so much for being here. I really appreciate--

DAVID FROSCHEISER: Thank you, Senator.

CONRAD: --you sharing your, your experience from your community and your family. You know, and one thing that I'm thinking about perhaps that's broader than even the measure that Senator Linehan has brought forward, which I definitely appreciate and understand that there is a lot of merit to this idea from a taxpayer and transparency and accountability perspective. But I'm struck by my friend Senator Albrecht's comments and some of the comments that people from Beatrice have brought forward here today. I mean, it sounds like there's a serious issue with ensuring that we have adequate school facilities in

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our state to, to meet the needs of our kids and our teachers and help them prepare to be the, the next generations of Nebraskans in the workforce. And, you know, I'm, I'm just trying to connect the dots here to think through-- you know, we have these really significant challenges just in providing basic facilities for a lot of our schools, it sounds like. And maybe schools have had to get creative about how to go about financing those. You know, what, what does that say to us as state policymakers? How can we really respect, of course, local control and decision-making for each community to get it right? But, like, is there, is there a broader issue here perhaps that we need to be thoughtful about from a state perspective? If we have our schools maybe not crumbling, but in disrepair or not up to where they should be, that, that's troubling to me as a state policymaker. So I'm, I'm just kind of thinking through it from both angles there.

DAVID FROSCHER: Well, I think, I think that's right. And, and honestly, as a relatively fiscal conservative from that perspective, you know, I do want, I do want, you know, accountability--

CONRAD: Yeah.

DAVID FROSCHER: --and, and transparency to the, to the taxpayer-- taxpayer. And I think perhaps there's some sort of, there's some sort of area to come together where-- like, for instance, specific to Beatrice, because that's the only one that I can speak to--

CONRAD: Sure

DAVID FROSCHER: --but I'm sure there's other rural communities that it would be similarly situated. The sheer cost of, of repairing and bringing them up to code and, and all of those things, including ADA compliance--

CONRAD: Right.

DAVID FROSCHER: --simply becomes fiscal, fiscally impossible or equivalent to just building a new school. And that, I think, is where we found ourselves facing as a, as a community. But at some point, there is a disconnect between the community and sometimes the needs of the community where from a, from a true vote perspective, there, there needs to be some sort of help, maybe from the state. But when they-- when the facilities become so dilapidated and you put it to community vote over-- and I know it hasn't been done in a while, but I can tell you, living there for even the six years and then my family, it was never going to pass. It just was not. And I'm-- I don't mean to be

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flippant when I say that, but it would, it would not. There needs to be a compromise somewhere to where the facilities need to be redone, but maybe it doesn't all fall on the local taxpayer. But then where does it go? It's got to come into it.

CONRAD: Right.

DAVID FROSCHSEISER: But, you know, I grew up-- I mean, I went to Rousseau, Irving, Southeast. So I grew up in a district that had great facilities. So, you know, you look at that difference between-- and there's a lot of them. I mean, there's food and everything else. But when you look at that difference between what my girls go to from a facility standpoint where you can't get the, you can't get the urine smell out of the bathrooms and there's exposed electrical and go on and on and on. This is not where I want my girls to be. And that's why we literally considered somewhere else to go. And if you want your community to thrive-- survive, survive literally and thrive, you have to have the facilities where people will want to send their school to. There's just-- there's no other way around it because that's their, that's their motive. And that's why I'm shaking. That's their most important thing, right, is your children. And so when you see that, you don't want to even be a part of that community if that's where your kids are going to be going for the next ten years.

CONRAD: Yeah. I appreciate that. Thanks for your response.

MURMAN: Any other questions for Mr. Froscheiser? Senator Wayne.

WAYNE: I served on a school board at a time. But isn't, isn't that the point of the bond is to make sure that everybody's voice is heard? Why, why do just a selected few do that?

DAVID FROSCHSEISER: Because sometimes--

WAYNE: But why do--

DAVID FROSCHSEISER: --the majority is not right. Because you have a, you have a, you have a disparity, disparity between the alignment of the majority as far as what they want their money to go to and the needs of the community sometimes. And without options--

WAYNE: Then that goes against, that goes against local control. The local majority is saying X and--

DAVID FROSCHSEISER: But we want-- we elect our school board members.

WAYNE: I understand.

DAVID FROSCHER: There's a measure of control.

WAYNE: Not necessarily on a bond. I mean, the point is you ran a bond-- somebody, not you, but they ran a-- they didn't run a bond because they knew they would lose. So they figured out a different way to do it, right? I guess that's the reality. Isn't that what's wrong with all the things that we do is try to figure out a way to have the people vote? Coming from a perspective, historical perspective, where the majority has never treated me or my people right, but isn't that the truth? I mean, this is the slippery slope of when we start going down the-- and I ran-- we ran a bond. We ran a bond and a-- two bonds. I mean-- but when I was on the board, we ran a bond and that was our fear. Our initial need was \$1.3 billion, I think. We thought there's no way in hell that's going to pass. So we reduced it to \$400 million and broken up over two or three bonds. I mean, my concern is, is that there's no opportunity for people to speak until afterwards because your election isn't-- you can't change a school board until afterwards. So what if the voters would have said afterwards, we're going to gut our whole school board and do something different because we didn't like the bond, but yet the community is still already hooked on this joint project because they never got a voice?

DAVID FROSCHER: I think--

WAYNE: Sounds like you should run for a school board. I mean--

DAVID FROSCHER: I actually thought about it. Not this, not this time. I think, you know, I think what makes the school scenario somewhat different is we're talking about critical infrastructure, right? We're talking about facilities that, that-- what are you waiting for? If we-- OK, so we don't, we, we don't pass a bond measure. What happens? We have a fire where somebody might get injured. Somebody gets-- we get food poisoning because our, our, our food takes at least two and a half to three hours to get to the students and so you've got airborne bacteria growing on the--

WAYNE: I'm not disagreeing with you on that. I'm just saying--

DAVID FROSCHER: But a 65-year-old farmer in Beatrice, Nebraska, he doesn't-- he may not care about that from a, from a bond perspective-- you know, from a bond perspective, because he doesn't-- he or she may not live in that reality or take the time to learn how bad those schools were, right? Maybe if he or she stepped in foot-- stepped

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their foot inside these buildings and saw how bad they are-- and this could be in any community, not just specific to Beatrice. And I'm not saying that, that this, this-- maybe there's a middle ground between the proposal and, and still allowing some, some way that when the public of a-- when the general public of a community with absolutely dilapidated facilities continues to vote it down, that they-- there's still a measure. We're talking about kids, man. I mean this is--

WAYNE: No, I appreciate it.

DAVID FROSCHER: --specific to my--

WAYNE: I'm, I'm struggling with this issue because at the end of the day--

DAVID FROSCHER: It's tough.

WAYNE: --at the end of the day, our legal counsel, who happens to be back there, would have told us, like, there's a, there's a voting process. We're not, we're not taking a chance on this. And so that's just what I remember at OPS. Like, we're going to go out and-- so that's where I-- I understand the concern. I understand we had serious needs, but I think maybe we'll find a balance. I don't know. I'm gonna go back to Judiciary probably.

MURMAN: Any other questions? I've, I've actually got one.

DAVID FROSCHER: Sure.

MURMAN: It's along the same lines as Senator Wayne had. Do you feel the disparity between the people that are-- paid for the-- to support the school and even bond issues has anything to do with maybe some of the disagreements about whether or not a bond issue should pass? For instance, the unfairness that property taxpayers that have to fund large of--

DAVID FROSCHER: Wholeheartedly. I think-- I mean, my personal property taxes just went up 30, 30 or 35 percent this last year and I don't know where the money went. I mean, I haven't-- I, I mean, I want to investigate it further, but, you know, you get a notice in the mail and you're, like, your property taxes went from here to here. And I thought they were already high. So, so I, I, I totally can relate to, to the, to the tax relief, the property-- what I feel is the tax relief that would be necessary from a personal property perspective. But that's why operating within-- if, if there are, if there are-- the ability to work within the confines of, of statutory limitations from

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a fiscal and financial perspective to where you can accomplish like what we did, I think, I think those avenues need to be-- allowed to be at least pursued. And, and, you know, the-- I mean, that team did an incredible job in, in educating the people who showed up to the impact of what they were doing. Those who didn't, which were most, you know, missed out on an opportunity not only to understand [INAUDIBLE] of the who, what, why, when and where and how it would affect them, but also mainly the why. You know, when you hear-- yep.

MURMAN: Thank you very much.

DAVID FROSCHER: Thank you.

MURMAN: Any other questions? OK, thank you. Any other opponents to LB299? Anyone wishing to testify in the neutral position? Good afternoon.

DAN SCHNOES: Good afternoon. Good afternoon, Chairman Murman and the members of the Education Committee. It's been somewhat refreshing to listen to you talk about issues that are dealing with the needs of kids out there and that's what we do. My name is Dan Schnoes, D-a-n S-c-h-n-o-e-s. I'm currently the administrator of Educational Service Unit 3, located in La Vista, Nebraska. I also currently serve as the president of the ESU Coordinating Council. I've been an administrator at ESU for the past nine years, and I'd like to submit my testimony today in a neutral position for LB299. As most of you know, the mission of ESUs is to serve and support our schools. That means their students, our students, and all the people in Nebraska. We're kind of one of the hidden gems of Nebraska, at least we feel, in that we do a lot of work behind the scenes. We work for the expectation of efficiency and we try to be an asset to our school districts. We try to be good stewards of the taxpayers' dollars and we try to help provide to our school districts what is needed and what is necessary. A lot of times, we fill the gaps that they can't do alone. And we also have used our economy of size to keep our costs down and we're asked to innovate and lead wherever possible. And we've been called on many times over the past five years to help with many challenges across the state of Nebraska. However, what we would like to talk about today is that there are times when entering interlocal agreements are very beneficial to ESUs and/or school districts. And on the back page that I handed out, I put in two examples and I'd like to just briefly cover those. Up in northeast Nebraska, we have a network consortium. It's an interlocal agreement. And this partnership started in 2000 and it was there to start improving the bandwidth and the Internet for a number of their member schools. And since its inception, multiple projects,

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services and contact issues have taken place. And as you can imagine today, they're focusing on a lot on cybersecurity. And this interlocal agency has saved thousands of dollars because we've been able to do all this work together. Now, what's the size of this area? ESUs 1, 2, 7, 8 and 17, which covers most of northeast Nebraska. It's a great example of how this is working for over 20 years. In central Nebraska, we had ESU 10 and the, and the Grand Island Public Schools went together and they found an old Shopko building and they got donations from around the community. They did an interlocal agreement for an early childhood center. That is there working today and being quite successful for those young people. Again, another example of an interlocal that works. If LB299 were to pass as stated and ESUs were able to continue to use in interlocal agreements for programs that are efficient, effective and save money, I believe LB299 would not change the work that we do every day with our-- through our ESUs and with our school districts. Thanks for allowing me to testify today and I'll answer any questions the best I can.

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

ALBRECHT: I have a question.

MURMAN: Yes, Senator Albrecht.

ALBRECHT: So while I appreciate all the work that you do with the schools, do any schools get the ESUs'-- their, their building fund monies to hold on to and perhaps consider building something later?

DAN SCHNOES: They do not.

ALBRECHT: Never?

DAN SCHNOES: No. Those are all part of their own general fund and their building funds and they all have to stay in their own public entity. And we're not allowed to share our funds with them for building projects such as that that we would get for property tax. Nor are they allowed to share those. However, we have had some ESUs and some school districts go together and for one example, I believe it was in ESU 7, they decided they wanted to build a level three behavior school. And so several school districts and the service unit got together, put their funds in the same pool so they could purchase the building and operate the funds to be able to do that. And so they are able to do it, but they don't share the dollars back and forth. It goes into that group purchase. But all of that was set ahead of time and that was not a bonding issue. That was just simply they put it

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through their general funds, through the ESU and through the school districts. Good question.

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

DAN SCHNOES: Thank you.

MURMAN: Any other testifiers in a neutral position for LB299? If not, Senator Linehan, if you would like to close. And while she's coming up, we have two comments in proponents, zero opponents and zero neutral. Welcome back.

LINEHAN: Thank you. And I want to thank all the testifiers. And I know this seems very personal at Beatrice and for that, I'm sorry. I, I actually didn't grow up in Elkhorn, Nebraska. I grew up 17 miles down Highway 136 in Lewiston and Crab Orchard, where our schools were down in-- I don't know, I was a little kid. I remember being horrified that-- I woke up many mornings wishing the school would burn and then it actually did. And then you feel horrible. So we rebuilt it. Like, we all went to church and school-- and we all went to schools and churches and the shop and it was a miserable year and a half. And they rebuilt that school as a temporary building that's still standing there and they still have the school. So I, I'm very familiar with the Beatrice and Beatrice has been through-- Gage County has been through some horrific times in the last 10, 12 years. We had the Beatrice Six. We've helped them here in the Legislature. I think the first year Senator Dorn was here, we approved-- we may have even overridden a governor's veto to approve a sales tax. And I think there was an appropriation. Here's the disconnect that I'm concerned about. If we don't speak up here, this is going to become the normal. What I understood-- and maybe I didn't understand something in Dr. Alexander's testimony. They have a \$1.05 general fund levy. They're at that. They put \$0.14 in a building fund. That's what your maximum building fund is, \$0.14. And that's how they managed to fund the elementary school. But here's what they could have done instead-- and I don't know if they tried this. I don't know. I wasn't there. They could have lowered their general fund levy by \$0.14 to \$0.91 and then said, we're going to pass a bond, but your property taxes are going to stay at \$1.05. I don't know if that was part of their sales pitch. I'm assuming that the sales pitch was we're going to have a bond on top of the general fund. Senator Wayne spoke to this. Omaha-- when he got on the school board with Senator Vargas, they had many, many, many issues. People hadn't been keeping up the buildings. They knew that if they took a \$1 billion bond to the public, that would fail so they

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split it up over three years. And they think now they've even done another one and every bond has passed. You have to get buy-in from your community. When you don't get buy-in from your community, you're going to have lingering hard feelings. I-- Beatrice is over. I'm looking into the future. We have a whole bunch-- I've sent poor Ryan to find Jack to find another story that I should have brought today. A school-- might have been in your district, Senator Murman. I'm not sure. But it's somewhere between, like, two or three big-- bigger schools with \$1.05 levies, their levy is, like, \$0.86. Put \$0.14 of it in building fund and built a new gym without a vote of the people. Because this kind of stuff-- we got two things to get control of, the building fund and these interlocal agreements, or we're going to have people building things they shouldn't be building without a vote of people. And I'm happy to work with school districts, anybody to figure out a better way to do it. I just think when you avoid-- overlook a 65-35 vote against something and you do it anyway, you're heading in a very bad direction. A couple of other things that were said that I want to just push back on because I'm hearing it a lot. And this isn't peculiar to this hearing, but to this committee. Our state rates 49th in state support for education. It's a misleading number. That had-- first of all, it doesn't doesn't include the \$548 million and growing, I think, Senator Briese-- if I'm right there-- \$548 million in income tax credit for property tax paid for schools. And as Senator Briese and Senator Albrecht know and Senator Walz knows that were here, that \$548 million went into the property tax credit fund because we could not get an agreement from the public schools to take the money in return for lower property taxes. In our TEEOSA budget, unless I'm wrong, there is a new building fund. Now, if you're Beatrice and not equalized, it doesn't do you any good. We now have proposals in front of us that are going to help address some of the discrepancies, especially-- Beatrice is one of the schools along with Waverly, Syracuse, Norris. I'm forgetting some, but the STANCE schools. Oh, how can I forget? Lakeview, Seward. They have been getting abused by the TEEOSA formula. They're 50 miles within Lincoln or Omaha, where people can drive to get a job. And the schools are growing-- many of them-- the schools are growing and they're up against the \$1.05 and they got a lot of ag land and the TEEOSA formula is not treating them right. We're going to start working on that this year. So I think there's a, a disconnect in that this is not about Beatrice. Beatrice is done. But I do think we need to look down the road and make sure that we don't continue to have things built that the voters have not approved. I just think it's a bad idea.

MURMAN: Thank you, Senator Linehan. Does anyone have any questions?

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WALZ: I do.

MURMAN: Senator Walz.

WALZ: No.

LINEHAN: Did I forget Fremont?

WALZ: I'm just-- and I hope I'm not opening up a can of worms.

LINEHAN: Then don't. Yeah?

WALZ: I-- you know, something that Senator Conrad said about just the number of buildings that are in disarray across the state and, you know, it is completely up to the local communities to either repair those or build new buildings. And so my question-- I just want to know your thoughts on this.

LINEHAN: OK. I'll try.

WALZ: I mean, do you think that there's merit in having the state help with some of those expenses?

LINEHAN: Well, that would be-- you're right. That is a can of worms.

WALZ: I know.

LINEHAN: Because are you going to help-- and my people at home will be-- mostly Schust-- Dennis Schuster will be mad about Lewiston. Are you going to help Lewiston rebuild or should they really be there anymore? And are you going to help-- I don't know. I'm sticking with my own hometown because they can be mad at me. But there's lots of schools across the state. I'll go-- they know they're not going to be there forever, so they haven't invested in them. They have let them kind of fall apart. Now, this isn't Beatrice. I'm talking about whatever little town. We all know them. They don't want to give up their school because then the grocery store goes away. In some cases, the only thing left there is the school and they still want to give up the school because the levy is lower. So we-- if you go down that road, you're going to have-- you're going to run into kind of-- well, you're running into mergers, you're running into people not wanting to build a new school because they've got to give the upkeep. So I-- but I'm not saying we shouldn't look at it. I'm just saying it is a can of worms. You are right.

WALZ: OK. Thank you.

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MURMAN: Any other questions for Senator Linehan? Senator Briese.

BRIESE: Just a comment more than a question. Thank you, Chairman Murman. I could turn it into a question, but back in 2018, we had LB1000. And that was a bill to require a public vote before issuance of bonds under the Public Facilities Construction and Finance Act, something like that. It passed on consent calendar.

LINEHAN: So it's already the law?

BRIESE: No, no, no. This is something different.

LINEHAN: OK.

BRIESE: It's from a different provision, but the same principle; require a public vote prior to the issuance of bonds under the Public Facilities Construction and Finance Act. Again, different, different provision in law, but we passed on a consent calendar.

LINEHAN: And I do think part of getting a bond passed is working with the people as to what's doable. I think what Beatrice ran into-- and I do have great empathy for them. They ran into a swarm of problems. You've got debt. You have-- like, it's-- people are in a very bad mood because you-- and I think the state did the right thing in helping with the lawsuit because it was-- anyway, we don't need to go down there. But I understand why times could have been very tough in Beatrice.

MURMAN: Any other questions for Senator Linehan? If not, thank you very much, Senator Linehan. And that will close the hearing on LB299 and the hearings for today.

LINEHAN: Thank you very much.