

Transcript Prepared by Clerk of the Legislature Transcribers Office
Education Committee February 2, 2026
Rough Draft

MURMAN: Welcome to the Education Committee. I'm Senator Dave Murman from Glenvil, Nebraska. I represent the 38th District, eight counties along the southern border of the state, and I serve as Chair of this committee. The public hearing is your opportunity to be part of the legislative process and to express your opinion on the proposed legislation before us. The committee will take up agenda items in the order posted. If you wish to testify on the mic today, please fill out a green testifier sheet. The forms can be found at the entrances to the hearing room. Be sure to print clearly and provide all requested information. If you will testify on more than one agenda item, you will need a new green testifier sheet each time you come forward to speak on the mic. When it's your turn to come forward, please give the testifier sheet and any handouts you might have to the page as you are seated. If you have handouts, we request that you provide 12 copies for distribution. If you do not have 12 copies, please alert the page when you come forward. At the microphone, please begin by stating your name and spelling both your first and last names to ensure we get an accurate record. Observers, if you do wish to testify but would like to indicate your position on an agenda item, there are yellow sign-in sheets in notebooks at the entrances. The sign-in sheets will be included in the official hearing record. We will begin with the introducer giving an opening statement at the mic, followed by proponents, opponents, and those wanting to speak in a neutral capacity. The introducer will then have an opportunity to give a closing statement, if they wish. We will be using a three-minute light system for all testifiers. When you begin your testimony, the light on the table will be green. When the yellow light comes on, you'll have one minute to wrap up your thoughts. And the red light indicates that you have reached the end of your time limit. Questions from the committee may follow off the clock. A few final items to facilitate today's hearing. Please mute your cell phones or any other electronic devices. Verbal outbursts or applause are not permitted. Such behavior may be cause for you to be asked to leave the hearing room. Know that committee members may need to come and go during the afternoon for other hearings. I will now ask the committee members with us today to introduce themselves starting at my far right.

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

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CONRAD: Hi, I'm Danielle Conrad. I represent north Lincoln.

HUGHES: Jana Hughes, District 24, which is Seward, York, Polk, and a little bit of Butler County.

G. MEYER: Glen Meyer, I represent Dakota, Thurston, Wayne and the southern part of Dixon County.

LONOWSKI: Good afternoon. I'm Dan Lonowski, I represent District 33, which is Adams County, Kearney County and rural Phelps County.

JUAREZ: Welcome everyone. Senator Margo Juarez, south Omaha, District 5.

MURMAN: To my immediate right is the committee's legal counsel, Don Jarrell. And to my far right is committee clerk, Connie Thomas. The pages who serve on our committee today are-- I'll let them stand up and introduce themselves.

ELIAS REIMAN: Elias, UNL, studying psychology and the pre-law track.

GRACE HARPER: Hi, I'm Grace Harper. I am from Loveland, Colorado, and I'm a junior studying political science at UNL.

MURMAN: We appreciate your help today. With that, we'll begin today's hearing with LB1038, Senator Hughes.

HUGHES: Thank you, Chairman Murman. I am like nervous sitting here. This is like, this is my "one big beautiful bill." So this is, we've been working on it a long time.

CONRAD: Perhaps rephrase.

HUGHES: What's that? What'd you say?

CONRAD: Perhaps rephrase.

HUGHES: Oh yeah, I probably should take that back. Let me--

CONRAD: Let's restart.

HUGHES: Yeah, OK, let's start over. Let's just, let like clean the slate. OK.

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CONRAD: I'm just trying to help break the ice.

HUGHES: Don't say ice, Senator Conrad. Chairman Murman, members of the Education Committee. I am Jana Hughes, J-a-n-a H-u-g-h-e-s, and as I stated before, I serve District 24. I am here to introduce LB1038. I greatly appreciate having the opportunity to introduce to LB1038 today, and I thank Chairman Murman for his willingness to schedule this bill for hearing as early as he could. It would have been sooner had it not been referenced to revenue initially. So again, thank you, Mr. Chairman. Before I get into the nuts and bolts of LB1038, I want to provide some context of where we are at and how we arrived at this point. The Tax Equity Educational Opportunity Scholarship Act, we're going to call that TEEOSA from here on out, was passed by this Legislature in 1990. TEEOSA replaced its predecessor, the School Foundation and Equalization Act, which was being challenged in court for not providing adequate funding and providing it in an inequitable manner between school districts. The School Foundation and Equalization Act provided a set amount of state funding per student, and then when appropriations allowed, equalization aid to schools. This lawsuit, known as the Gould case, motivated the Legislature to repeal and replace it. TEEOSA has been our formula ever since, as this committee is well aware. TEEOSA calculates the equalization aid provided to school districts by a formula. This formula is needs minus resources equals equalization. There are numerous components within both the needs and resources side of the formula, and these are the numerous levers that can be pulled to send out more equalization aid to our schools. For those listening in at home, I must note that all public school districts in the state receive state aid. This state aid comes in numerous forms, whether it be special education reimbursement, foundation aid, or other forms. Not every school currently receives equalization aid. In fact, only about 50 currently do. When TEEOSA was enacted, it was the intent of the Legislature back in 1990 to send out more equalization aid to reduce the amount of property tax levied. To pay for this, the Legislature approved a 1% increase in the state sales tax rate and a 17.5 effective percent increase in the state income tax rate, raising it to 3.7%. The Legislature in 1990 expected that both the sales tax rate and income tax rate be continually adjusted, in order for the state to continue equalization aid at a level to offset property taxes. The Legislature also intended for TEEOSA to provide 45% level of state support for public schools. As you can guess, this didn't hold up. As a more

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recent example, during the past two decades, the Legislature has, due to budget pressures, done exactly the opposite. It has pulled the levers in TEEOSA to reduce state support by increasing the maximum levy and the local effort rate, which is the assumed levy rate within the TEEOSA to establish the resources side of the formula for each school district. In short, it was easier to balance the state budget by letting more burden of funding schools fall upon local property owners. While this occur, we've also seen the Legislature do a lot, frankly, to provide relief to property owners. We've approved the Property Tax Credit Act Tier 1 and the School District Property Tax credit Act Tier 2. These two tax credits now account for more than \$1.2 billion in annual General Fund appropriations. They are both authorized to increase each year going forward. And we have also shifted more than \$300 million from property taxes to the state General Fund by assuming responsibility for the operating expenses of our community colleges. We also have sent out \$1,500 per student annually to each school district in foundation aid. None of these significant investments are designed to actually reduce property taxes. Both are an apology. Property tax credits are an apology on behalf of the Legislature to our property owners for the state not adet-- adequately funding TEEOSA. Foundation aid is an apology to our public schools for the same failure. When outside groups, whether it be the Tax Foundation, the Platte Institute, or other policy groups look at all this, despite this massive investment in taxpayer dollars, we still show up fourth or fifth-highest in this-- highest state in terms of property tax. We aren't getting credit for our credits. This is a significant part of our political problem with property taxes. We learned in our school finance reform commission meetings this past fall that the total of all state dollars flowing to our public schools account for 51% of current school funding. But according to policy groups out there, it doesn't really count because they're not reducing the amount of taxes that are asked for. If you look back at historic transcripts from bill hearings and floor debate in the Legislature, and if you go online and look at public comments from state lawmakers, you'll see repeated comments that the real issues is that schools are overspending. This is a game. Pull back state funding, balance the budget on the backs of property owners, and then blame the schools. Politically, for us in the Legislature, it's the easy button. Meanwhile, we find ourselves in a budget shortfall and the vultures are circling on these property tax credits. The current funds we have to provide property tax relief after the fact are at risk of being

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frozen. We've already seen this with the Governor's budget proposal to freeze special education reimbursement. Property tax credits could be repurposed for other priorities, to sustain income tax rate reduction, to prevent the removal of sales tax exemptions, to fund our roads and economic development, or to make up for any cuts that we experience federally as Medicaid costs are shifted to the state. We looked at all our current resources both outside and inside TEEOSA and asked ourselves, how could these be better utilized? How could we take these resources, be-- how could they be protected that actually yields property tax relief? And ultimately, what are the controllables that we as a Legislature can control? What are the things we can do to alleviate property tax? This is the goal of LB1038: repurpose the property tax credits, repurpose the foundation aid and other things within TEEOSA to buy down the maximum amount that school districts can levy against while also making some other adjustments inside the formula to increase equalization aid to schools, bring our school district levies closer together, and better protect the significant investment in property tax relief that we've sent out the door. So what does LB1038 do? In order to maximize the amount of equalization aid to school districts, we have to both adjust the maximum levy rate and the valuations inside TEEOSA. I'll start with the maximum levy rate. The maximum levy rate is the ultimate hard cap on school districts' property tax. This is the maximum rate at which the school districts can levy against property valuations. Currently, the maximum levy rate is set at \$1.05 per \$100 of taxable valuation. Again, this caps the rate at which school districts can generate property tax revenue for their general fund or operating expenses. And I'm just gonna, on a side note here, we are not touching anything with bond, bond levies. Those are voted in by the district, they're standalone, this is just general fund levies. Keep in mind that we also have a cap on the growth in what school districts can tax year to year, this is called tax authority, and what school district can increase spending year to the year from their general fund, and this is called budget authority. School district general fund levies currently range from a low of 32 cents to a high of \$1.05. Under LB1038, school district levies would be between 30 and 50 at the top. In TEEOSA, the maximum levy is tied to what is called the LER, which is the local effort rate. The LER by statute is 5 cents less than the maximum levy. The LER is used to calculate the local potential contribution on the resources side of the TEEOSA formula. The current maximum levy of \$1.05-- it is \$1.05 making the LER today \$1. This is the LER that is

being used and multiplied by 96% of taxable valuation of commercial and residential property, and by 72% of the taxable evaluation of agricultural land within TEEOSA. The product of this calculation is called the yield from local effort rate, which is the predominant proportion of the school district's calculated formula resources. By reducing the max levy and lowering the LER, re-- we reduce the resources side of the TEEOSA calculation. So when a state is looking at a district, that amount of resources available to that district to tax upon is lower because we've dropped that LER, local effort rate, down to the 45. The second thing required to provide more equalization aid in conjunction with lowering the maximum levy rate is to adjust valuations within TEEOSA. This is the valuation change in LB-- LB1038 and it does not impact valuations upon that the levies are put against. These are adjustments within TEEOSA to again reduce the yield from that LER and provide more equalization aid. I've received some pushback on these adjustments, and we did not arbitrarily pick these numbers. I'll explain how we arrived at dropping agricultural property from 72% down to 42% and residential and commercial from 96% to 86%. According to the property tax administrator, Sarah Scott, since 2000, property valuation increase-- has increased by class. Agricultural property valuations are up 421%, residential is up 277%, and commercial property is up 231%. Residential, meanwhile, has seen a 19.3% increase in housing units since 2000. During the same time period we've seen a significant decrease in the number of equalized schools and we are now down to 50. We went back and looked at the time period when we had way far more equalized school districts before valuations took off, and we looked at the 10-year period between 1997 and 2007. This is our reference period. We looked at the average valuations for ag land during that time and commercial and residential properties, and doing the math to get us back to the same ratio required a 10% drop in commercial and residential valuations and a 30% drop and add valuations. Again, this is only in TEEOSA, so that when the state looks at a district, it will take that ag land valuation, it will drop it-- it will be worth 42% and the commercial and residential will drop to 86%. Then it shows that district has less means to pay for their school. That's part of that funnel to get more state funding. When we were developing LB1038, we did modeling of what equalization aid would look like if we only dropped the maximum levy and left valuations within TEEOSA alone. The results didn't yield a significant increase in equalization aid. You have to drop the maximum levy and the valuations within TEEOSA both. This is a math problem.

It's two variables, and you have the tax rate, or maximum levy rate, multiplied by the valuations within TEEOSA. And to have the maximum impact, you have to pull both those levers. Again, I just wanna mention that ag-- that how ag works. So we have lost over the last 25 years, 2 million acres of ag land. And so that, I mean, it, it makes sense that ag valuations are going up higher than residential and commercial. I mean, it's kind of supply and demand, right? You're losing more and more ground as residential and commercial expand. And so I think that trajectory is also not gonna stop. I feel like we're still in that same-- those are going in the same direction. So I've had people say, well, if this bill would go through, what stops us from getting 20 years from now being in the same, you know, place we're at now? And that's where now we've got the commission that can keep looking at those valuations and suggest-- suggesting to the Legislature, you know, levers that can be moved to keep that ratio the same. OK. As a result of, of pulling both those levers in our model, we can have 242 out of our 245 school districts that will receive equalization aid, a big jump from our 50 today. LB1038 also creates a base levy adjustment. This calculation adjusts the amount of equalization aid a school district receives if that amount of aid would drive their general fund levy rate below 30. So why would we do this? We heard multiple times during our most recent special session, which is another word we should not say, when Governor Pilleen proposed dropping the general fund levy rates down to 15 cents in LB1, that that was too low. It would incent-- it could incentivize the passage of school bonds for unnecessary projects. There were concerns that it would effectively remove local control. So the idea of not going below 30 cents really came out of that testimony. And fully, I believe that local folks, we should have some skin in the game for our local schools. So that in a sense is how we kinda came up with that 30 cents. The other benefit of requiring-- oh, I said that. The result of the maximum levy decrease and the base levy adjustment is that all 245 school districts in Nebraska would now have a general fund levy between 30 and 50 cents. Currently, this general fund levy range is 32 to \$1.05. So why is this important? Why, why do we want that range closer together? Farmers who operate in multiple school districts can better manage their land when they aren't having to pay two, three, four times the amount in property taxes on land that is identical, save for the fact that it falls in another school district. It's very difficult to account for costs on a per-acre basis when you face wildly different property tax rates. And this, this is something I've

heard-- my district runs the gamut high, high levies, middle levies, low levies. And I have multiple farmers that have ground, a gravel road. They're identical, side by side, and one piece of ground is taxed double the other. I mean you have to sell your corn, you know, a dollar more a bushel just to cover that, that disparity cost. So there's just some huge disparities in the same counties even because of the different school district. The same situation can apply to residential property in rural or metro areas. A home in the Omaha Public School District across the street from an identical resident in the Elkhorn Public School District would go from a 20 cent levy rate difference to less than 1 cent leery rate district with some of the modeling we've looked at. So this is significant. It has ramifications for home sales, home prices, mortgage rates, and more. Reducing the disparity in levy rates reduces unintended consequences that happen from school boundary to school boundary to school boundary. Reducing the range of school district levy rates also overcomes an unnecessary barrier that prevents school districts from talking about sharing resources, especially when many of them continue to face workforce issues and rising costs for good and services. As I previous-- previously mentioned, there are several school districts that will not be equalized. And we created the 30% basic funding to ensure that these school districts receive 30% of their local systems basic funding from the state. This would impact those school districts whose formula resources far outweigh their formula needs. The 30% percent basic funding will be an alt-- alternative form of equalization aid. In addition to repurposing the two tax credits, the tier one, tier two, and foundation aid, we've also repurposed several things within TEEOSA to drive out the maximum amount of equalization aid. First, we've utilized the allocated income tax. The allocated income tax is on the resources side of TEEOSA. This was originally included when TEEOSA was created in 1990. The legislator at the-- Legislature at the time had proposed allocating 20% of the income tax paid by that school district to fund the school district. However, that did not remain the case for long. The allocated income tax for each school district is and has been calculated at 2.23% of the income taxes paid for that school district for many years. Repurposing these funds makes sense since the intention to utilize 20% of income tax revenue was not realized as originally intended when TEEOSA was created. Every dollar of resource we have to drive down the maximum levy rate and provide equalization aid helps us to lock in resources for longer-term stability. We also use the fines that are, are currently provided,

only provided to 11 school districts. This would be the community achievement plan aid. This was amended into TEEOSA in 2016 on the resources side of the formula, in part to encourage the 11 school districts of the learning community, school districts that are in Douglas and Sarpy County, to have a common levy. The common levy did not last, but this special aid continues. As the aid goes to only a few schools, and the majority of it goes to one school district. The third change is that LB1038 eliminates the system averaging adjustment. This was created and added to the TEEOSA as an amendment to another bill in 2008. At the time, the Legislature was trying to reduce-- to balance the budget in the midst of the Great Recession. LB988 reduced state aid to schools by more than \$100 million over two years. The averaging adjustment was one of several carrots. The community plan aid was one of the others added to LB988 to secure its package-- passage. I've proposed eliminating this adjustment from the TEEOSA before, and each time I've proposed it, I've heard that the averaging adjustment is a reward or compensation to our low-cost-per-student school districts. If you are the lowest-cost district, but you need this special payment, then I would contend that you aren't the lowest-cost school district. The averaging adjustment includes all schools with more than 900 students in this calculation, and this does not make sense. To compare the cost per student of Columbus' Lakeview School District with 971 students to Omaha Public Schools with its 50 plus-- 50,000-plus students, of course OPS will have a lower cost per student. It's an economy of scale issue more than it is one of better management of financial resources. This adjustment locks up tens of millions of dollars annually that could be more equitably distributed across our state. In addition to providing us with more resources to buy down the maximum levy and equalize more school districts, removing these three things does another important thing: it makes TEEOSA simpler. We're removing a couple things that were kind of added in over the year-- I cannot tell you, if I had, I had a dollar for every time I've heard how complex TEEOSA was, we could fund TEEOSA. So I'm just-- this is just one way to kind of simplify this formula that we need because we've got to look at many different things for needs of our students. LB1038 also takes the special building fund outside the maximum levy cap. Because the number of schools that would be close to that 50 cent, we felt it would be appropriate to move that building fund on the outside. LB1038 also reduces the amount that can be levied in that special building fund currently, which is at 14 cents. LB1038 drops it to 10. The intention

here is to allow school districts to address their building needs without being so restrictive that many would have to resort to a passage of school bonds for the routine upkeep of their facilities: roofing, electrical panels, things like that. So that's kind of the thinking there. LB1038 also contains section 26, that retains the ability of school districts to levy property taxes equal to the amount they would have received through equalization aid if the Legislature fails to send them the money. So it is kind of the, the piece in there that, that says, because I hear that all the time, I don't-- schools don't trust us and we don't trust them. So this is kind of the thing that says OK, if, if the state doesn't fulfill our obligation, then you are gonna be able to levy this on your property tax. We don't want them to have to, but that, you know, gives them security in if we fail what we're supposed to do. LB1038 uses existing resources already allocated toward property tax relief and or school funding to buy down the maximum levy, reduce the disparity between school district levies, and increase the number of equalized school districts. To undo this, and here's the part that I'm-- this is another piece that is very important to me-- to undo this, if this bill would pass, this Legis-- let's say 3 years from now, this body can't, we can't pay our TEEOSA bill, right? The TEEOSA calculation is too much, we don't have the money. This body would have to vote to raise the-- if, if we don't come up with other funding sources, would have raise the maximum levy and LER and, by making that vote, say we cannot cover it and we are shifting it to you property tax owners. So, in effect, our vote in this body would be to undo that and would be a direct vote to raise property taxes if, if that were the case years from now. So we have an opportunity here to control the money that we've given for property tax and use it in what my opinion is a better way. We're repurposing that money, being more targeted and accomplishing things that we haven't seen. I mean, we've done tremendous relief for property tax, but this is a way to, to get it more targeted and get true, true relief, get credit for our credits, all that. So there are finite ways that we as a legislator try to impact property taxes. We have capped schools three ways, we've provided tax credits, foundation aid. But those don't directly impact property tax asking. So we have the ability here with LB1038 to directly increase state funding to our public schools in place of property taxes. We can stop being kicked in the face for being the fourth-highest property tax state in the nation. I swear to God, if I hear that one more time, I'm going to explode. We have the ability to look forward and look at our state

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revenue and decide how we're going to invest in our state with our infrastructure economic development and start tackling other issues that will sustain our state going here and beyond. If we move forward with a better policy on how our state funds our public schools and now we can start talking about what's outcome for students. Are they prepared for the workforce? Do we have as much dual credit? Those things are the conversations I would love to hear about, especially in this Education Committee, versus just constantly, I feel like we just are dealing with property tax so much. We cannot, I like the-- we cannot blame school districts for overspending when we are not controlling what we can control here in the Legislature. We are already spending north of a billion dollars annually for our property tax apology when we could prevent a significant portion of them from being taxed on the property owners in the first place by buying down the levies. So whew, how long did that take? That was a long time. OK, I'm done. So if I would like to have any questions, please.

MURMAN: Thank you, Senator Hughes. You did have a long open there. And I appreciate [INAUDIBLE] a lot to cover there.

HUGHES: I know. I'm so sorry. It's, it's a lot.

MURMAN: Would you mind giving every member of the committee your open, because you've got a lot of good history there.

HUGHES: Oh yeah, I will. That's a good idea. Yes, I can do that.

MURMAN: Thank you.

HUGHES: Yep.

MURMAN: Kind of toward the end of your testimony, almost at the end there--

HUGHES: Before you fell asleep. I'm just kidding.

MURMAN: --you talked about how schools could make sure they got, the schools got adequate funding.

HUGHES: Yes.

MURMAN: Again, how, how [INAUDIBLE]?

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HUGHES: Yeah, so in-- so in section 26-- OK, did we hand out the breakdown by section? OK, you got the one-pager, and then what's on the second page of that? It's the breakdown, it's the index with the bill. OK. So in section 26, basically it's a protection for the schools so that if this body, again, paint it out, four years from now, the TEEOSA spits out a number and the, the state is like, we don't have the money for it. And I would prefer the state would like let's find the money somewhere, but if they couldn't and the state says, well, we're gonna bump up your levy, then the schools can-- whatever they would have gotten from that equalization aid, they can turn around and put it on their taxpayers, even if it's above their budget authority, all that. It's a, it's a protection for the schools that if we don't fulfill what we're supposed to pay, that they can turnaround and get it locally. Does that make sense?

MURMAN: If the schools don't-- or if the state does not fulfill it's--

HUGHES: If the state does not fulfill our obligation, correct. Yeah.

MURMAN: The schools could get more funding from property taxes.

HUGHES: Correct. Yes.

MURMAN: OK.

HUGHES: We don't like that, but, you know--

MURMAN: No.

HUGHES: --you've got to.

MURMAN: You talked about the disparities between how valuations have increased between ag land and--

HUGHES: Oh, mm-hmm.

MURMAN: --residential, commercial and how that has thrown the, the tax askings off between those different kinds of--

HUGHES: Well, it's-- that's really driven as ag went up so significantly, like I was-- the 400, you know, over the last 25 years, 421%. I mean, everything's grown, but ag valuations have grown even faster and higher. And, and I, I'll throw this out, just because I know it off the top of my head, we heard about it in our commission

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meeting. Last year, we got this from Sarah, the property tax administrator, ag valuations for the state went up 15% for the state of Nebraska, residential went up 7, and commercial went up 5. So that just proves kind of that same trajec-- that same trajectory we're painting out, that ag is just increasing higher and higher and higher. And so what happened, Senator Murman, is over the last 20, 25 years, especially districts that had higher ag, like a lot of ag ground, and kind of from our neck of-- not our neck of the woods, so that resources side of the-- the state looked at it and was like, oh, ag went up, it's going up so high. It looked like that those districts had the resources to cover their schools, and so the state kind of pulled back funding. So over that last 25 years, equalization-- number of schools equalized was slowly, you know, dropping, dropping, dropping because-- especially because of ag valuations going up, so significantly, it just said, well, we can take care of our-- we have the money, we could take care of it ourselves, and so state aid was pulled back. And so that has limit, I mean, that's kind of why we're in the mess, a little bit of mess we're in, that we don't have as many equalized schools now.

MURMAN: So the, the out-of-control property taxes started, well you could say at least back in about 2009-2010, around there for agriculture--

HUGHES: Yeah, right.

MURMAN: --and now really accelerated on residential property in just the last few years.

HUGHES: Yep.

MURMAN: So if you are going to bring levies together, right now, the high levies are mostly in Omaha and Lincoln and a few of the bigger towns, and the--

HUGHES: See, I would, I would disagree with that a little bit, because I've gotten that like from some of the rural saying, well, this is only a bill just good for the bigger urban. There are plenty of rural school districts that have a high levy also.

MURMAN: Yeah, I was just going to mention.

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HUGHES: OK, go ahead. I should not cut you off.

MURMAN: I'm just talking about in general.

HUGHES: In general. Yeah.

MURMAN: I know there's exceptions on both sides. But so if you bring those levies together, you will mostly be bringing down levies in Omaha and Lincoln and a few of the big towns, mostly, I mean in general, and either keeping them the same or maybe increasing, or you will be increasing some in rural Nebraska.

HUGHES: Yeah.

MURMAN: Does the bill compensate for [INAUDIBLE]?

HUGHES: So part of that compensation is what you had mentioned before. By changing inside the formula, dropping ag from 72% down to 42%, and we're only dropping-- and we're dropping residential and commercial from 96% down to 86%. On those districts, and they're more rural districts, right, they have higher ag-- have more ground that's ag, by lowering ag to that 42%, those districts are showing less value on the resources side of TEEOSA, and so therefore it's, it's helping getting state aid to those areas too. So that helps compensate some of that.

MURMAN: Is there--

HUGHES: Yeah?

MURMAN: Have you done any research as to how much of a property tax cut it, this bill would be for agriculture--

HUGHES: Yeah, so--

MURMAN: --compared to urban?

HUGHES: Right. So no one-- you're going to hear a lot of, I think, some neutral testimony because we don't have the modeling from Bryce Wilson, who that's the gold standard of modeling. So supposedly that's coming out this week. So I think when we get that modeling with this year's numbers, we can do some of the analysis that you're talking about. But I, I just want to, we did our own modeling, but nobody, nobody wants to trust that/ And I get it. So we didn't send out a lot of our stuff because I don't-- we don't want two models out there.

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We'll wait to get the real numbers from NDE and then we'll, we'll share them with everybody, and then people can kind of zero in on certain school districts. So yeah.

MURMAN: OK, thank you. Thank you. Are there any other questions?

HUGHES: Can I say one thing?

MURMAN: Sure. Go ahead.

HUGHES: There was one. Oh, I know what I was gonna say. Sorry, I, I should have jotted it down. So when you look at high levy districts, I have a really good legislative aide, and he did a statistical analysis on what makes a high levy, why does some districts have high levies and some low and whatever. And he ran a statistic, statistical analysis against different components. He ran a statistical analysis, is it the number of free and reduced lunch, like the number of poverty-- like the poverty numbers, does that make you have a higher levy? He ran it against student spending. He ran it against, you know, all these different little factors, English language learners, does that make you have a high levy, whatever. The biggest indicator of a high levy is a low valuation per student. So really, it's the makeup, your dis-- the, the valuations of your district, like the drawing of your district. So if you have district that has not very much valuation and a lot of students, so you have a low valuation per student, you're gonna have a higher levy. I mean, it kind of makes sense, right? Or you've got a district that has a massive valuation and not very many kids, you have very low levy. So I mean, in effect, if this body wants to really make the biggest difference on levies, we should redraw our school districts so that it is almost the same valuation per student. That would, that would even us out across the board, honestly. That is political suicide and isn't, I mean, it's just not going to happen. Like it just doesn't-- so that's where some of these changes that we're talking about would change in the valuation for the resources side in the TEOSA, and then dropping that LER and putting in the floor to try to squeeze those together that works.

MURMAN: Yeah, you're talking about the C-word there that we don't want to talk about.

HUGHES: Oh, I'm not saying anything about that.

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MURMAN: Oh, OK. Any other questions?

HUGHES: Well, we're down to three. I'll see if I can make one more of you leave. Question?

MURMAN: If not, we can--

HUGHES: OK.

MURMAN: --ask you more at the end. Senator Conrad.

HUGHES: Oh, yeah.

CONRAD: I just wanted to just make a quick comment, and I know that you have a lot of folks coming behind you, but I know you've been working on this really hard--

HUGHES: Yeah.

CONRAD: --over the interim, as part of the school funding commission in preparation for this hearing. That was reflected in your lengthy and informative opening, which I appreciate the seriousness of purpose. And I will tell you, while maybe there needs to be some works on some mechanics here or there--

HUGHES: Yes.

CONRAD: --some technical adjustments, some additional policy negotiations as is always part of our process, what I like about your bill is a couple of things. One, I think that the grand bargain to address property taxes in a comprehensive, thoughtful, and meaningful way has to go through school funding. It just, it just has to. With that driving about 60% of our local property tax burning, we, we have to figure out a way to keep increasing our state support to lessen reliance on local property taxes. And the other thing that I like about your proposal, and which of course was part of the whole reason TEEOSA came together back in the day, the marrying kind of, you know, the two ideas: to keep our public schools strong and to provide property tax relief, right? And figuring out how the state should do that in a, a thoughtful, thoughtful way and then the adjustments that's been made over that through the years. The other thing that I think is important about this measure is that I'm sure you hear it, I'm sure other senators on the committee hear it. I hear it in my

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office like, why the heck are you guys spending time on X, Y, or Z with a 60-day legislative session? We have really big issues to tackle. I don't set the agenda, neither do you. That's up to the Speaker. Each individual senator decides what bills they think are important to designate as their priority, whether or not I would agree with that assessment. It's their call. But when I'm out talking to constituents, whether they're Democrats, Independents, Republicans, they, they want us to focus on things like school funding and property tax relief. This is where they want us to do the hard work to dig in and spend most of our time during legislative session, on things like this that impact every district and that would make a big difference, not only for schools, but for all the property taxpayers that are out there too. So I think you're onto something here. I think we have to figure out, you know, what we can get done within a short session, but it's undeniable as we have put more money into property tax relief programs, the inelegant design of the program has not been felt by the property taxpayer, whether it's being eaten up through the valuation increases, whether it's how they see it, it's the little 10-point font on their property tax statement or otherwise. It is a huge issue in our state budget, but property taxpayers aren't feeling the benefit of that, of that investment and that expenditure. So figuring out a way to perhaps repurpose it to make more sense and achieve the same goals, I think, is at the heart of your proposal, which is really good. But it's also pretty scary to think about you're removing that line item from my property tax statement--

HUGHES: Mm-hmm.

CONRAD: --and what exactly am I going to get in return for it? It's a, it's a complex conversation. But I know Nebraskans are smart. I know they're thoughtful. I know they want to have good public schools and they want to a better approach to property taxes than we have right now. So I just wanted to put some kind, kind of introductory comments out there just based on like what I'm hearing in my district about this kind of proposal.

HUGHES: Thank you. I do want to say, too, I've, I've said this before, too, Nebraska has a little-- Nebraska has a little bit of a marketing problem on our property tax stuff. Because through the commission, as Senator Murman, who sits on it as well, has seen, we have made a flip. A few years ago, the state was putting in 35% and, and locals were doing 50-55%. And we've completely flipped that script. State is

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putting in 50-55% now and local is 30-30%. But yet we are hearing yelling, you've done nothing with property tax, da-da-da. Part of it is because these flipping rankings show us at the fourth or fifth-highest property tax state in the nation, which just drives me crazy, because we're not. And so, because they're not giving us credit for the credits on the back end. So that is one thing that would be helpful. And two, here's the other thing. If we-- TEEOSA, when TEEOSA kicks out what the state has to pay to schools, they have to pay it. It's not an option. Like you have to pay it or you have to make an adjustment to lower it. Right now with those tax credits, I could see some of that getting pilfered away for this or that or the other thing and then guess what's going to happen? Property tax is going to go up because your little tax credit went down and who's going get blamed? Oh, the schools are overspending. That's what's gonna happen. Meanwhile, we've taken the money from it. So to me, this is locking in the legislative statement of I'm helping with property taxes, I'm walking it into the formula. Because the state has to pay it when that TEEOSA number kicks out. But, OK.

MURMAN: Yes, with the commission, we have highlighted that the state has taken a larger portion of school funding, similar to a lot of other states.

HUGHES: Yeah, we're matching other states.

MURMAN: One thing we haven't looked at is where does that state funding come from? At least I don't think we've looked at that too much.

HUGHES: No, and we haven't as a commission. Yeah.

MURMAN: Other states have moved more toward broader-based sales tax.

HUGHES: Right. Right. That-- I'm not touching that, in this bill.

MURMAN: We have to work on all of them. That's just another thing we have to work on. Thank you.

HUGHES: That's right. But again, if this TEEOSA-- if we lower the LER in the TEEOSA, you know, we have to pay for it. Well, OK, the state has to come up with funding from somewhere, that's an option.

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MURMAN: Thank you. Any other questions? If not, we can ask you some at the end, I'm sure.

HUGHES: Hey, I'm staying around all day.

MURMAN: Or everybody that's in between.

HUGHES: Thank you.

MURMAN: Proponents for LB1038. Any proponents for LB1038?

JACK MOLES: Good afternoon, Senator Murman and members of the Education Committee. My name is Jack Moles, that's J-a-c-k M-o-l-e-s, and I'm the executive director of the Nebraska Rural Community Schools Association, also known as NRCSA. On behalf of NRCSA, I'd like to testify in support of it, LB1038. We appreciate the work that Senator Hughes, Matt Howe, and others have put into this over the past few years. They've sought input from many groups and individuals, which serves to make it a better bill. While NRCSA does support many of the concepts, we do have some concerns and questions, so I'm going to try to outline those as quickly as I can for you. So first of all, specific things in LB1038 that we do support. First of all we agree that bringing school levies down and closer together makes for a great state policy. We appreciate that there are no new caps within LB1038. We agree with Senator Hughes that it is a good thing for Nebraska to not be thought of as one of the worst states in regard to property taxes levied. We appreciate that increased state funding to our rural schools will help to alleviate, alleviate the overreliance on property taxes. And we appreciate that LB1038 leaves the special building fund outside of the levy limits. There are other things we like, but I just wanted to highlight a few of those things. So some concerns and questions we have. First of all, Senator Hughes referenced that the modeling is not out from NDE. I, I tend to agree with her that making it without seeing a model probably is a good thing because that way you're talking about policy instead of individual districts, but our individual districts do have concerns about how their districts might be affected. One of the express benefits that Senator Hughes talked about is bringing the levies closer together eliminates the argument for not potentially combining districts. And while I, I absolutely know this for sure that Senator Hughes is not saying that forced consolidation should take place, NRCSA very much stands by, we are adamant about the idea that the question of consolidation needs to be

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a local decision. We are more concerned, more concerned that some of our rural property owners may end up paying more in property taxes than what they're paying in property taxes with property tax credits being applied. I, I brought up the idea of a hold harmless stipulation, and Senator Hughes gave me the price tag on that, and it's pretty high, so. NRCSA is also concerned about what happens when the state cannot fully fund the program. While LB1038 does, does allow for a majority vote of the board of education to make up lost state aid funding through property taxes, we fully believe that many on the state level will still blame those boards of education for raising taxes. We believe this as history has taught us this. When state funding went away from many districts under TEEOSA as ag land valuations skyrocketed, boards of educations were blamed for raising property taxes when this was the only way they could make ends meet. Again, NRCSA appreciates the work that went into this. We thank Senator Hughes for bringing this bill forward and encourage you to advance 1050-- or I'm sorry, LB1038 with our concerns considered. But above all we encourage you to keep the talk going. So with that, I'll close.

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

JACK MOLES: Thank you.

MURMAN: Next proponent. Welcome, and go ahead when you're ready.

LYNN NEJEZCHLEB: Good afternoon, my name is Lynn Nejezchleb. First name is spelled L-y-n-n, last name is N-e-j-e-z-c-h-l-e-b. I'm offering these comments in my personal capacity as someone who has followed school funding matters, especially their impact on rural schools. I am speaking in support of LB1038. My testimony will present data demonstrating how the formula has worked over time. There are two distinct periods, 2008-09 to 2022-23, and from 2023-24 onward. The second period marks the introduction of foundation aid and tax credits. Between 2008-09 and 2022-2023, real aid for student and districts in more populated areas fell modestly. For districts in rural areas, districts in 75 of the state's most rural counties, the decline in aid per student was more dramatic. Most of that decline happened during the early years of the period, from 2010 to 2017. Total aid for these rural districts fell sharply from \$192 million to \$82 million. The number of districts receiving equalization aid dropped from 125 to 28, and average real aid per adjusted for

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inflation was reduced by nearly half. This drop in funding was mainly due to sharp rise in ag land valuations between 2010 and '17. Total ag land valuation rose from \$40 billion to \$100 billion over this period. As a result, the resource metric in the formula for rural areas increased from an average of under \$9,000 per student to nearly \$21,000 per student. That resulted in, in the resource component exceeding the need component for most rural districts. The legacy of that period continues today as resources continue to swamp needs for most rural districts This trend is surprising because it occurred during the farm sector's deepest recession since the 1980s. From 2013 to 2017, Nebraska net farm income fell sharply from \$7.4 to \$2.2 billion. And UNL and the USDA estimated that land values were stable or declining during the period. From 2023-24 onward, foundation aid and tax credits start to dominate how state aid is distributed. Currently, these three forms of aid represent roughly half of all aid. That aid is distributed in a manner that is counter to the funding formula criteria of needs and resources. In fact, this new aid has been distributed in a way that turns the funding formula on its head. Districts needing the most aid under formula criteria receive the least from these three sources, and districts needing the neast-- least receive the most. My analysis of the data from Appendix 20 of the School Financing Review Commission report indicates that for '24-25 school year, equalized districts received just under \$4,600 per student from tax credits and foundation aid. By contrast, non-equalized districts received an average of over \$7,800 per student. Notably, none of the 50 districts getting the highest per-student aid through these new programs with amounts ranging from \$8,500 to \$23,000 per student were eligible for equalization aid under formula criteria.

MURMAN: You do have the red light, but I know you probably come--

LYNN NEJEZCHLEB: I just one more, one more sent--

MURMAN: --a substantial distance, if I, if I'm thinking right, so you're welcome to--

LYNN NEJEZCHLEB: OK, thank you.

MURMAN: --go ahead and finish.

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LYNN NEJEZCHLEB: As one who was arguing that rural schools have been shortchanged in the past, this may serve as an appropriate mid-course correction. The problem is, it's not a long-term solution. Increasingly, TEEOSA is becoming irrelevant, and it's irrelevant to a large section of schools, mostly rural schools. But increasingly, that's going to be the case going forward. Every year, the number of equalized districts keeps going down. Unless some of those parameters are changed within TEOSA, this is gonna continue, and TEEOSA will eventually just not matter. That concludes my testimony.

MURMAN: Thank you.

LYNN NEJEZCHLEB: Now, the worst part. I'll try to answer questions, if anybody has them.

MURMAN: Any questions for Mr. Nejezchleb. And thank you for coming in. I'm probably one of the few here that knows how to pronounce, let alone spell, Nejezchleb. Appreciate you coming in.

LYNN NEJEZCHLEB: Thank you.

MURMAN: Other proponents for LB1038.

CONNIE KNOCHE: Good afternoon, Senator Murman and members of the Education Committee. My name is Connie Knoche, C-o-n-n-i-e K-n-o-c-h-e, and I'm a senior fellow at OpenSky Policy Institute. I'm here today to testify in support of LB1038 because OpenSky generally supports state funding of K-12 education as an effective and targeted mechanism of property tax relief, which LB1038 achieves by modifying the current state aid formula. That said, we do have some considerations about the proposal, which we will detail as well. Our modeling of the '25-26 state aid of these components showed that when state aid was certified, there were 50 out of 245 school districts received equalization aid when it was certified. If LB1038 had been in place, 243 out of 245 school districts would have received equalization aid. Under this proposal, the total levy for all school districts would be 41 cents compared to the average levy of 76 cents that we have now. Utilizing TEEOSA's mechanisms for providing equalization aid will enable the state to target property tax relief to the areas of the state where valuations are not sufficient to meet the local needs in a manner better targeted than the state's current efforts. However, we have concerns about the elimination of the

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averaging adjustment, community achievement plan aid, and allocated income tax. The need for these components does not diminish because more districts come into equalization. The averaging adjustment is an important component in the state aid formula for school districts that have more than 900 formula students because they're in a comparison group of highly efficient school districts, so their basic funding doesn't increase as much as others do. So the averaging adjustment is an an important for that reason. The community achievement plan aid was provided to school districts that have comm-- a community achievement planned that is approved by the State Board of Education. And it supports their efforts at school improvement. Allocated income tax returns the income tax collected in the school district area to the school districts, and we think that's important to continue. We appreciate Senator Hughes's efforts to provide a funding mechanism for this proposal to lower property taxes without defunding schools. However, we have significant concerns about the use of the state's property tax credit program for this effort. Our current commitments to these programs as transfers out are a factor in our current projected budget shortfall, pushing the state into a structural deficit. In the long run, the state needs to take serious consideration towards more sustainable revenue sources for K-12 education that enabled the state to live within its means. This bill will help address the over-reliance on property taxes to fund K-12 education by increasing state aid and leaving the current TEEOSA formula largely intact. Until the state decides to take a different approach to funding our schools, LB1038 is a good first step toward addressing the challenging relationship between state aid and local property taxes, but the long-term consideration of the state's funding commitments requires careful consideration. Thank you for your time, and I'm happy to answer any questions.

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

CONRAD: Connie, can you can send us your testimony too?

CONNIE KNOCHE: I can, yeah.

MURMAN: Thank you. Other proponents for LB1038?

DANIEL RUSSELL: Good afternoon, Chair Murman and members of the Education Committee. Thanks for the opportunity. My name is Daniel Russell, D-a-n-i-e-l R-u-s-s-e-l-l, and I'm here testifying on behalf

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of Stand for Schools in support of LB1038. At its core, LB1038 reflects an important and welcome shift in how Nebraska approaches school funding. For many years, our state has relied heavily on local property taxes to fund public education, placing growing pressure on property taxpayers. LB1038 takes meaningful steps to rebalance that system by increasing state responsibility for funding schools while lowering property taxes. And as Senator Hughes and Senator Murman point out, LB1038 would also add transparency to the rebalancing that has already happened and that was much discussed at the school finance review commission this summer. We strongly agree with the direction outlined in the bill's statement of intent. By reducing maximum school district levies from \$1.05 to 50 cents per \$100 of valuation, expanding access to equalization aid, and repurposing existing property tax credit dollars into the Education Future Fund, LB1038 moves Nebraska toward a more transparent and state-driven school finance model. This approach recognizes that property tax relief and school funding stability are closely linked, and that addressing one without the other is unlikely to succeed. The fiscal analysis underscores the seriousness of this proposal. Beginning in the '26-27 school year, LB1038 would significantly increase state aid through TEEOSA, with more than \$1.3 billion in additional aid projected in the first year alone. Importantly, this increase is not simply new spending, but a restructuring that redirects existing property tax credits into the Education Future Fund to support equalization aid. From our perspective, that reflects a deliberate policy choice to prioritize predictable formula-driven school funding over year-to-year credits that can obscure the true cost of education. We also appreciate that the bill anticipates real-world implementation challenges. Provisions allowing districts to levy additional funds if equalization aid is insufficient, along with the establishment of minimum equalization aid thresholds help guard against unintended harm to district budgets during the transition. These elements show a clear effort to rebalance tax relief with educational stability. As an organization focused on equitable and sustainable public school funding, Stand for Schools views LB1038 as a strong foundation for reform. At the same time, given the scale of the changes involved, we believe it is both reasonable and responsible to request additional district-level modeling before passage, and we appreciate Senator Hughes pointing that out in her introduction. Understanding how these changes affect individual districts will help ensure that the bill delivers on its promise across rural, suburban, and urban communities

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alike. LB1038 sets Nebraska on a path toward a more equitable state-supported school finance system, and we're encouraged by the Legislature's willingness to take on that challenge. For these reasons, we're here in support of LB1038 and we look forward to continued collaboration to ensure a successful implementation for our students, families, and communities across Nebraska. Thank you for your time and consideration, I'm happy to answer any questions.

MURMAN: Any questions for Mr. Russell? If not, thank you for your testimony.

DANIEL RUSSELL: Thank you.

DAVE WELSCH: Good afternoon, Senators. My name is Dave Welsch, D-a-v-e W-e-l-s-c-h, I'm a farmer, ag land owner, and currently serve as president of the Milford Public Schools Board of Education. I've served at Milford going on 28 years. I'd like to thank Senator Hughes for introducing LB1038. For the past 10 years, I've been actively involved in trying to bring about solutions to two state policies: property tax relief and school funding. Property tax relief. There are two main property tax credits. Tier 1 is based upon the property's valuation and is deducted off of the property tax statement. It doesn't matter if you have a high or a low levy, you get the same amount of credit for an identical piece of property. Tier 2 is based on the amount of school property taxes you pay. So if you have a higher levy, you get a larger amount of credit. Tier 2 is more targeted towards the property owners who need relief. But it also provides a credit to property owners who already have a low levy. Property tax relief needs to be targeted toward those having higher levies. LB1038 does that. School funding through the Tax Equity and Educational Opportunities Support Act, TEEOSA, has been changed many times over the years. Many of those changes have driven school general fund levies farther apart. An example is foundation aid, which is \$1,500 per student. Low-levy, non-equalized districts received this additional funding, while higher-levy equalized districts did not, causing levies to be farther apart. One of the original main intents of TEEOSA was to create property tax equity, which simply means levies closer together across the entire state. As of '24-25, school general fund levies range from a low of 32 cents to a high of \$1.05, which \$1.05 is 328% higher. When you take into account the property tax credits, the effective tax rate, as recently calculated, calculated by the Department of Revenue, shows a range of 19 cents to a high of 72,

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which is 379% higher. The current policy of property tax credits are driving levies farther apart. An example of this disparity in levies is that a farmer in Milford needs to sell a soybean crop for a dollar more per bushel just to pay the difference in school property taxes with their neighbor in Centennial. That is a \$50 per-acre difference. State leaders have long said that Nebraska needs to be competitive with our neighboring states with property taxes. Shouldn't being, being competitive start within our own borders? We need to be competitive here in Nebraska before we look outside. If you want to stimulate economic development in Nebraska, you should support LB1038. Currently, Nebraska ranks in the bottom five in state funding of our schools and ranks in the top five for highest property taxes. LB1038 will move us to the middle of all states for both of these rankings and make our state more attractive for business development. Thank you, and I'd be happy to take any questions.

MURMAN: Thank you. Any questions for Mr. Welsch? There was an earlier testifier testified that during the ag crisis there wasn't any compensation really with property taxes on, you know, what a farmer could pay for property taxes. And you have referenced that in-- well, not that, but the dif-- difference in what farmers have to pay in property taxes, or I guess not just farmers, but all taxpayers in certain districts.

DAVE WELSCH: Right.

MURMAN: So, so with that difference, at least this bill would go a little ways toward rectifying that, would you--

DAVE WELSCH: Yes, yes. Very much so. Yeah, that, you know, a lot of people-- and I think an earlier comment was made that the urban schools generally have higher levies, which they do. That's mainly because they have a lower valuation per student, which was also identified here today. But there's also a lot rural school districts, I think the-- I think Arcadia might be the that still has a \$1.05 general fund levy. Well, they certainly aren't urban. If you've ever been to Arcadia, you know that that's not an urban school district. And, and there's a lot of other examples. Milford where I live, two years ago, we had a 93 cent levy. And so yeah, this, this is not a bill that's directed towards urban or rural. It's directed towards the entire state because there are school districts across the higher state with high levies and there's school districts across the state

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that have lower levies. And, and I think as Senator Hughes pointed out, there's been a lot of-- there's been a shift in the amount of state funding that's gone to schools. It's increasing, which is good. And that was pointed out, the School Financing Review Commission meetings. But the problem right now is the distribution of those funds is not targeted toward schools with the highest levies. And, and that's where we need to, you know, make the big shift here. And it's going to be tough. I wish we would have had this bill five years ago before we had foundation aid, before the property tax credits were being distributed in a way that was not, in my opinion, fair and equitable. It's going to be hard to pull back on some of the funds that have gone out to some of these low-levy school districts. It's gonna be really hard. Your votes are gonna be really hard. But I think this is a very good bill. It's a structural difference to how we create property tax relief. It's a structural difference to how we fund schools. It's very much a discussion that needs to happen on the floor of the Legislature, so I encourage you to vote this bill out of the committee.

MURMAN: Thank you. Any other questions for Mr. Welsch? If not, thanks for your testimony.

DAVE WELSCH: Thank you, appreciate it.

MURMAN: Other proponents for LB1038. Any other proponents? Any opponents for LB1038?

LIZ STANDISH: Good afternoon, my name is Liz Standish, spelled L-i-z S-t-a-n-d-i-s-h, and I'm the associate superintendent for business affairs for Lincoln Public Schools. I'm here to offer testimony in opposition to LB1038. But first and foremost, I want to recognize Senator Hughes's commitment and engagement in the school finance conversation. It is extremely valued and respected, and we look forward to exchanging ideas and having conversations. There's many concepts in this bill that redistribute dollars. So it's really important to look with all the compounding mechanisms at models and study the issues fully. I'd like to address the elimination of the averaging adjustment. The formula averages together school districts by cost peers. So you're creating a peer group of school districts that have historically had restricted revenue, been up against maximum levy caps, been up against revenue caps. And because they are low-spending and low-value and high student need, without that

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revenue, that creates a gap from the state. So the averaging adjustment was put in place originally with the formula needs that we currently have in place to address that concern. Senator Murman, as we've engaged on the commission, you've asked me to talk a little bit more about the averaging adjustment and kind of the diseconomies of scale that occurs. We know that in small districts, there's some diseconomies of scale because there's a cost to run a district. So the per-pupil cost is high. In large districts, you have to have systems in place to govern large districts. So that occurs. And the averaging adjustment is kind of based on this concept of a J-curve where you get this dip at the high end of the middle. I actually tried to graph a J-curve with Nebraska districts and found it really, really hard because 200 of the 245 districts in the state have less than 900 students. Half of the districts in this state have fewer than 340. So the formula behaves a little bit differently for districts that are less than 900, and then the remaining 45 districts with greater than 900 students have the average. I will note that the averaging adjustment is only 1% of basic funding for Lincoln Public Schools. And a school that you might see on that dip, if you created a graph, would be like a midsize, like a Fremont Public Schools. I also wanted to notice that we need to talk not only about valuation growth, but taxes levied. Valuation for ag land went up 421%, but taxes levied went up 259%. Residential valuation growth went up 277%, but taxes levied went up at 239%. So when you look at taxes levied and how all the systems work together, we do need to take that into consideration on the disparate changes proposed for valuation. We also want to look deeply at the allocated income tax. We are concerned that a high-income-tax community like Lincoln, when that is redistributed, could drive up property taxes in Lincoln. And the last point I want to make is we believe revenue comp-- composition matters. So having some local taxing authority for a school board to have local initiatives within that community is really important. So those are kind of the key points I came here today, and I'm happy to answer any questions you have. And once again, we have a lot of respect for Senator Hughes's work and her commitment to this topic.

MURMAN: Thank you. Any questions for Ms. Standish? Senator Conrad.

CONRAD: Thank you, Chair. Thank you, Ms. Standish. Good to see you.

LIZ STANDISH: Yeah, good to see you.

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CONRAD: And I know you're a member of the school funding commission, and I've had a chance to review the report that was put out by the commission, which was lengthy and informative and helpful. And it seems to be kind of a good inventory about where we've been, kind of where we are, and now it sets the commission up for continuing the work to figure out kind where we go together. But one thing that I wanted to, to know if you had a perspective on, or if you've had a chance to look at this, is, and just very general top lines, so of course the state General Fund, which then we push out through for school funding and otherwise is primarily generated through individual income, sales tax, corporate tax, miscellaneous, what have you. A lot of the taxes that come into the General Fund for sales and income are coming from our economic engines in Lincoln and Omaha and Sarpy County where 60 percent of the population live, and we're pushing a lot of that General Fund revenue then out to other communities beyond those three counties. And I think there's sound policy reasons to do so. In a state like Nebraska, we know our economies and our futures are intertwined. And when rural Nebraska hurts, that hurts us in Lincoln and Omaha and vice versa. But do you see any sort, and you just-- maybe we're just, it's a bit premature but you mentioned it a little bit on the income tax component of Senator Hughes's bill. I, I just want to make sure that there's some clarity out there from a general perspective that it's a, a pretty specific policy choice that the economic drivers in urban Nebraska are sending a lot of money through school aid and other aid programs to, to rural Nebraskan. And so how do we ensure some equity there for local taxpayers as well?

LIZ STANDISH: I think the first step is to study it clearly. I mean, I, I, I would like to see a really solid data set built by county as far as revenue coming in and, and what that looks like. I've not been able to put my hands on that at a statewide level.

CONRAD: OK. [INAUDIBLE]

LIZ STANDISH: And so I think that would be step one, is to really evaluate that and get that data set built as far as sales and income tax paid. I did notice when I was reading some national research, if we changed nothing in other states, the national ranking conversation, we would be in the top third of states for state funding now. So when you look at the flip that Senator Hughes did a great job explaining that the commission kind of spent a lot of time on this last fall, and if we go up into being in the 50, 51, 53% state funding for schools,

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if you compare that, the last data set was 2023, so it's not great. The data set, national data set lags. We are actually, if just counted it-- I just did it manually-- we would be in the top third for state funding. So I do think part of the reason the national metrics have not changed is because we just haven't had enough time for these changes. But I do want to respect that I think Senator Hughes has a very valid point that some of the credits, the school credits would get recognized through the financial reporting of school districts that I'm referencing, but some of the credits that are going out-- not the school credits-- would not be recognized in those national rankings. So I completely respect and understand. But I think it would be wonderful to have some more statewide study related to sales and income tax and dollars paid. I think its really, it's really hard to do.

CONRAD: It is.

LIZ STANDISH: I think it's a great point though.

CONRAD: That makes me feel better that you haven't seen it, because I thought perhaps it was evading my review as I have been spending some considerable amount of time trying to, trying to find that or identify that. So that's really helpful. The other piece I just wanted to ask you, Dr. Standish, I know it's not specific to Senator Hughes's proposal, but it's an ongoing discussion point. In terms of education funding, and I know that it was contemplated by the school funding commission because I saw a discussion of it in some charts and graphs in there as well, but there's also been a pretty significant increase in the amount of administrative costs at the school level where we see a growth in terms of both numbers and salaries and benefits et cetera. And then how does, how does that kind of figure in, because I think that's very frustrating to a lot of policymakers and to a lot of taxpayers when we recognize these are tough jobs. We recognize that we've asked schools to do more and more and more and more. But we're seeing more and more funding go in, we're seeing more pressure on local property taxpayers, and classroom teachers are still struggling to keep their head above water, kids are still in many instances to have the resources that they need to have a great, a great educational experience. And like people are rightly asking, where are those dollars going? Why are so many getting sucked up into vice presidents of whatever and assistant superintendents of X, Y, and Z? Why-- we have to get a handle on that administrative growth, and it seems to be

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a little bit out of alignment in Nebraska compared to some of other states. Do you want to respond to that?

LIZ STANDISH: Sure. Yeah. First of all, I think the school finance commission identified those school spending categories as something to study. We have not had a finding. So there hasn't been like an observation of a data set that says one over the other. But in our phase 2, so if you look in the next steps in the report in phase 2, there's a listing that does identify school spending and administration has come up. So I think that is something that will be looked at. I know a couple years ago, and I'll have to pull it out of my notebook or my files, we actually put together some data for Lincoln Public Schools as far as, you know, where, where are the FTE and what does that look like? And so we'd be happy to pull that out as, you know your local school district and pull that research together for you so you can see. I mean, administration is typically closer to that 1% or less, I mean, I don't know that the piece of the pie is grown. But let me pull that data together for you. I, I appreciate the challenge and I'm happy to get some information for you.

CONRAD: Yeah, that would be great, and perhaps it's a matter of contextualizing it. But there, there was discussion, comments and observations and tables provided to show the growth of non-teacher certified staff, administrative or other, in the Nebraska school funding commission report, and it showed that non-teacher certified staff had increased 74% over the last 30 years.

LIZ STANDISH: So you're talking about the analysis of the pie chart. Sorry, I was talking about the key, the big key findings from the report.

CONRAD: OK, OK. OK, got it.

LIZ STANDISH: So, so yeah, I'd, I'd be happy to take a look at that.

CONRAD: Thank you.

LIZ STANDISH: Sorry to miss-- I was, I was talking out the big, key findings.

CONRAD: That's helpful. Thank you.

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LIZ STANDISH: Yeah. Yeah, yeah.

MURMAN: Any other questions? You did mention allocated income tax. Would you agree that income is a better, better measure of ability to pay compared to farm ground, which may not be paid for, or may be rented? And, of course, the high rent cost is a reflection of the high cost of farmland.

LIZ STANDISH: So of all these years testifying here, one thing I've been really honest about is, is I don't pretend to understand farm business. So, I, I will not pretend to understand farm business today. I understand school finance specifically from a city school's, you know, perspective. I will say that one thing that I've been doing a lot since my appointment on the commission is reading national research. And the national research really recommends a balance. A balance of sales, income, and property taxes. I would say nationally, you know, property taxes continue to be the majority funding stream for schools. I think there's really good reason for that. It's incredibly transparent. You receive that bill for a year. I don't receive a bill at the end of the year that tells me how much I've paid sales tax and where it's going to. My income tax is also a little bit squishier to get my hand on then. And I, I take the standard deduction, I'd be happy to make my income taxes public. But I, I do think that property taxes are incredibly transparent, which is powerful. It creates frustration for people. They can point to it, they can see exactly where it's going. But it is a powerful tool in a community to talk about what do we want our schools to be and what are we willing to pay for. And that's what I've really valued about my time in Lincoln, is we have said we would like to open a career academy, we would like to have technology, and the community has managed that. And, and I don't think anyone in Nebraska wants to lose that autonomy for a community to envision what their schools should be. So I cannot answer your question because I genuinely don't quite understand how ag-- how the value and wealth behind ag land generates revenue. I would, I would assume it does through rent and other things, and so I'm, I'm just not sure.

MURMAN: Yeah, if you're receiving the rent, it does it. If you're paying it, it doesn't. But thank you very much.

LIZ STANDISH: Yeah.

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MURMAN: Any other questions? If not, appreciate your testimony.

LIZ STANDISH: Thank you.

MURMAN: Other opponents.

KYLE FAIRBAIRN: Senator Murman, members of the Education Committee, my name is Kyle Fairburn, K-y-l-e F-a-i-r-b-a-i-r-n, I represent Greater Nebraska Schools Association, GNSA. We're an organization of 25 of the largest school districts in the state. The schools I represent serve 70% of all the children in the state and 88% of the minority children in the state. I come to you today in opposition of LB1038, but I would be remiss by not thanking Senator Hughes. She has met with us on numerous occasions, worked incredibly hard on this bill. I've been doing school finance for way longer than I should be, and I think Senator Hughes has a better knowledge of it right now than I do. She's really worked hard on it. Dave Welsch has done a great job doing outlines and runs over the years, and appreciate his comments. Again, GNSA really likes a couple components of this bill. Bringing the local levies together is a great thing. The schools I represent all have very high levies. To a T, most of them are between, right now, between 0.85 and \$1.05 around the state. Bringing those together is a great thing. The other thing that this, this bill would do is it gives taxpayers an actual glimpse of what they're paying in property taxes. I looked at my statement the other day. It had my assessed value and my taxes, and then way down at the bottom it had a line that said what I'm going to get in a refund. Well, this would show direct property tax in the schools that I represent. The other thing that Senator Hughes did in this bill is it gave school districts an out. So many times over the past, bills have come forward and said, all right, the state's gonna do this and that's it. Senator Hughes understands that sometimes the state doesn't do what it's supposed to do and school districts have to have an out. Giving them the ability to raise property taxes is, is a huge benefit. There are a couple items we don't really care for. Lowering agriculture values by 40% and residential values by 10%. My group doesn't think that's fair. I don't have a lot of school districts that have ag values. So a 40% reduction in one and a 10% reduction in another, I think is a bit much with the way property taxes have gone up on residential in the past five years. The other piece that we don't care for is the averaging adjustment commun-- community reinvestment funding. That funding has been in place for a long time, and it goes to the lowest-spending school

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districts in the state. Why we want to take money from some of the lowest-spending schools in the state and reduce their budgets even further is, is a little difficult. The other piece is we're waiting on modeling. I'm anxious to see modeling. That'll give us a little better idea of where we're at. But again, Senator Hughes sits on the TEEOSA commission. That commission is doing good work. We would like to see them continue in the next year to see where they come from. But this is a great bill, and this may be the bill that comes out of, out of that commission. With that, I'd sure answer any questions if you had any.

MURMAN: Thank you. Any questions for Mr. Fairbairn? If not, I'd just like to mention, you, you talked about residential values being dropped 40%, and ag values being dropped-- or excuse me, the other way around. Residential, 10%.

KYLE FAIRBAIRN: Yeah.

MURMAN: How do you compensate that with ag values going up, I think 438%, I think it was?

KYLE FAIRBAIRN: They have, Senator Murman, and it has thrown the formula, as many people have testified, out, out of whack. But if you look at, that's going back 20-some years. Look at the last five and you'll see that residential has far outpaced agriculture in growth.

MURMAN: Well, I'm not sure about that.

KYLE FAIRBAIRN: You would be. Last year was different. The three years before that ag values actually went down.

MURMAN: I'd have to verify-- I'd like to see the figures of that, if you have those.

KYLE FAIRBAIRN: Yeah, but again, over the 20 years, you're right, Senator. It has gone up dramatically. But residential over the past five has gone up dramatically.

MURMAN: And that's something that has been going on for, you know, 15, 20 years in ag. It's only the last few in residential.

KYLE FAIRBAIRN: Absolutely.

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MURMAN: I mean, the extremes anyway.

KYLE FAIRBAIRN: Absolutely, Senator. Totally agree with you.

MURMAN: Thank you. Any other questions? Thank you for your testimony.

KYLE FAIRBAIRN: Thank you, Senator.

MURMAN: Other opponents for LB1038. Any other opponents for LB1038?
Any neutral testifiers for LB1038?

LUKE WENZ: Chairman Murman, members of the committee, thanks for holding this hearing today and for the opportunity to testify. My name is Luke Wenz, that's L-u-k-e W-e-n-z, and I'm here on behalf of the Platte Institute to provide neutral testimony on behalf of LB1038. At the outset, we want to acknowledge that there are elements of this bill that are constructive and certainly worth considering. One provision that we view particularly positively is the termination of the existing property tax credits and the redirection of those funds towards equalization aid. This redraws the link between state support and local property tax burdens in a way that better aligns across diverse districts. As Senator Hughes said in the outset, this would improve Nebraska's standing on national tax competitive indexes, and because the current structure does not meaningfully affect that rating, whereas equitable distribution of aid tied to the TEEOSA formula potentially would, which is a truly net positive for Nebraska. That said, I'm here on behalf of the Platte Institute in the neutral position for two principal considerations. First, while we-- while the suggested redistribution of funds or the redirection of funds has potential benefits, we simply don't fully understand what those are and how that would impact taxpayers in all parts of the state. We're concerned that some-- that there will be some winners and losers, perhaps some of those people you heard from today. And because we don't have a substantive understanding of that landscape, that's why we're here. And the second in this, in this capacity, and the second, although the bill aims to equitably distribute state equalization aid and better align resources, the downstream effects on our long-term fiscal stability are simply not yet clear to us. For those reasons, although we certainly appreciate the thoughtfulness behind many of these cons-- components of LB1038, and we're certainly grateful to Senator Hughes for her introduction to this bill, we are not in a position at this point to support or to oppose. But we look forward to

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further analysis and discussion as that becomes available. And as always, thank you for your time. Happy to answer any questions, if you have them.

MURMAN: Thank you. Questions? If not, appreciate your testimony.

LUKE WENZ: Thank you, Senator.

MURMAN: Other neutral testifiers.

BRUCE RIEKER: Good afternoon, Chairman Murman, members of the Education Committee. My name is Bruce Breaker, it's B-r-u-c-e R-i-e-k-e-r, I'm the senior director of state legislative affairs for Farm Bureau. Here on behalf of our organization and eight other organizations: the Corn Growers, Cattlemen, Pork Producers, Sorghum Producers, Soybean Association, State Dairy Association, Wheat Growers Association, and renewable fuels. A lot of our concerns have already been expressed. You can read my written testimony to outline a lot of those, but there are some other things that I want to point out to the committee, is that unless-- so if we start with lowering the maximum levy rate. And then it's also been presented about what the inflationary factors are, such as ag land valuation went up 15% last year. We contend that when we're doing reform of this nature that we have to control the growth of property taxes as well with inflationary factors like I just described, unless year after year you lower the maximum levy a corresponding amount to offset that inflationary increase, property taxes will continue to go up. And while I'm talking about property taxes, last year, and this is from the Department of Revenue, but property taxes levied went up 5.4%, which is \$286 million. So even though this bill, and we commend Senator Hughes for all the work she's done in this too, this is a conversation that we have to have, but with all of that work, if we don't continue to make sequential adjustments, property taxes somewhere in that area will continue to grow by that same amount. And so just to give you an idea, a couple of years ago we took community colleges off the tax rolls for their general fund. That was roughly 5% of all the property tax burden. Last year alone got rid of that, all of that, I mean, it ate it up. It offset all of the, the relief that came with it. A couple other things when we look at it from a taxpayer perspective, over the last 25 years, the median family income in Nebraska has increased 106%. So it just slightly a little bit more than doubled. However, property taxes levied for all classifications went up 261%. The-- and

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to give you an idea, I go back to the \$286 million, roughly 60% of those property taxes belong to schools. So I have mentioned one way that we could control property tax growth and that's a corresponding decrease in the levy year after year after year, or a hard cap. Now I know that's going to make the schools shudder right there, but this does not necessarily mean it's an absolute reduction in the revenue. The state could come up-- I know we don't money right now. OK. But I hear so much in the Revenue Committee and other places about we need to modernize our tax structure. You know, there is a way if we expanded the sales tax base responsibly that it could generate some revenue to help fund schools. I know others will see-- I, there's my red light.

MURMAN: Keep going.

BRUCE RIEKER: You know, others will say that we need to slow the income tax cuts. There are various ways to do this. But and I also heard something about somebody mentioned a balance between the different resources, I can't remember who, who said it. But in the state, roughly \$2.6 billion is collected for sales tax, \$3.8 billion for income tax, both individual and corporate, and now with the latest increases in levies, it is \$5.6 billion. We cannot continue to have property taxes grow nearly \$300 million per year and think this is sustainable. So some of the things that we talked to Senator Hughes about is how we can control the property tax growth, but still responsibly fund schools. And, you know, and then one last note, when these tax credits were created, not Tier 1, but definitely Tier 2, I was part of some conversations with the senators who created them. And they knew it wasn't reform, but there were some that mentioned that if we could grow it to a point that it forces the Legislature to act, that that would be a good thing. And now we're there. But we don't want to just reset the stage such as Senator Hughes, I mean, I applaud her for doing all this. This is great, we're having the conversation. But if we do all of this resetting without any controls for property tax growth, it's just gonna keep doing the same thing until we control it. So we're gonna continue to work with Senator Hughes, members of the Revenue Committee, and lots of other folks to try and help put together the pieces of this puzzle to, to have a package that makes it work.

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MURMAN: Thank you. So your main concern is that we will only see maybe a decrease in the increase in property taxes with this bill, rather than true property tax relief?

BRUCE RIEKER: Well, until we can do more modeling, and we'll provide, provide more information to you and the Revenue Committee as far as information goes. But right now with no additional restraints on property tax growth, I'm not even going to suggest that we have a slowdown in the growth. It'll continue to grow as is. And we'll continue to talk about people telling me that we need to fix the hole in the bucket because the tax credits are just flowing out the bottom. But the time has come that we need to deal with this.

MURMAN: So some tighter caps are needed.

BRUCE RIEKER: Tighter caps, or else if we go the maximum levy route, and I guess you could construe those to be caps. But when Senator Hughes had her original LB9, I think it was, that we went in the special session, that was phased in, and it ratcheted down the maximum levy over a period of years. That has a greater function of keeping property taxes in check or ba-- reducing the growth of them than if we just reset without any other controls.

MURMAN: Any other questions for Mr. Rieker? If not, thank you for your testimony.

BRUCE RIEKER: Thank you.

MURMAN: Other neutral testifiers for LB1038.

HUNTER TRAYNOR: Members of the Education Committee, Chairman Murman, it's not often I'm before you all, but I'm happy to be here today. My name is Hunter Traynor, that is spelled H-u-n-t-e-r T-r-a-y-n-o-r. I'm here today on behalf of the Nebraska Chamber of Commerce and Industry, likewise in a neutral posture for many of the reasons set forth already in regards to needing a little bit more detail on modeling. I'd like to thank first Senator Hughes and Matt in her office for diligent work on this. This is a gargantuan lift of a bill but has many component parts that, in our judgment, would set our state's property tax policy as well as our school finance discussion in the right direction. I'm going to reference back to LB564, which was heard before the Revenue Committee last year. That was a bill that would have increased the annual appropriation for the Tier 2 property tax

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credit by \$150 million a year. And at that point, our testimony wrote to wit in the end, quote, long-term property tax relief on a sustainable basis should do a few things. It should achieve measurable targets, be transparent to taxpayers, keep our schools sufficiently funded, retain local control, and not require a major shift or increase in new tax revenues. And to do all of these things, it will require moving away from the ad hoc and often arcane methods of tax relief and public education funding that have developed in Nebraska over many years. In short, through no ill intent, the Legislature has created a system where the sum is not greater than the component parts. And that sum, as we described in LB64's [SIC] hearing last year, has gotten to be quite expensive. With the three large property tax credit mechanisms that the state deploys rising in 2020 from about 6% of general fund expenditures to where they sit now at about 23%. In many ways, the property tax credit schema, which has a long and rich history, much of which had politics of fairness and equity involved in them, functions like a state underwriting policy whereby local property tax collections do in fact go up on an annual basis when the state comes in afterwards to underwrite the difference. This approach is certainly more targeted and efficient and accomplishes a host of other goals that this committee and certainly the broader Legislature have been attempting to do for years now. Understandably, there's a lot of consternation and concern, I think, about eating the elephant in one bite, as the saying goes, in one year. But I appreciate Senator Hughes for putting it before this committee and the Legislature because it takes the whole scope of what could be possible through credit reform and lays it bare for all to consider. In reference to a prior point about the makeup in tax burdens in Nebraska, it is correct that \$5.6 billion of property taxes are levied on an annual basis, but that figure does not include the \$1.7 billion in relief that is provided by the state on the back end. Which has resulted in a system that the Legislative Fiscal Office has determined to be about balanced, and arguably more balanced than other states where local property tax burdens are exceedingly high compared to state income and sales tax collections. I'm at the red light. I apologize for running over.

MURMAN: Keep, keep going, if you have more.

HUNTER TRAYNOR: I'm OK. I'm OK. I'd be happy to answer any questions.

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MURMAN: OK, any questions for Mr. Traynor? If not, thank you.

HUNTER TRAYNOR: Thank you so much.

MURMAN: Other neutral testifiers for LB1038.

JASON RICHTERS: Good afternoon, Chair Murman, members of the Education Committee. My name is Jason Richters, J-a-s-o-n R-i-c-h-t-e-r-s, I am a member of the Centennial School Board and I'm also a farmer in Senator Hughes's legislative district. I-- my situation is one that she referenced in her testimony about farmers owning land in different districts. I happen to live right on the boundary of Centennial school district and Seward school district. And fortunately grew up four miles away from Senator Hughes. So to my benefit, I've known her and her whole family my entire life. I'm not sure she would say the same. But, but first of all, she is a great advocate for education. As a member of the 24th District, I feel very fortunate that she is our senator. She works very hard. She cares passionately about education. She obviously cares passionately about funding education and trying to do it for the best for this state. I don't question any of that. For years, we've been talking about trying to get levies closer together. I do think it's important as a member, as a, as, as a resident of Centennial School District, and as a board member that it be mentioned, our school district, according to our modeling, because we haven't had the gold standard come out yet, would see an increase in property taxes from this. If this would pass in its current form, we will get an opportunity to find out if patrons of our school district will put the responsibility on senators for that decision and the increase, or if it's gonna come back to us as school board members, as far as where the property tax increase or responsibility for that lies. But I was petrified, terrifying testifying today, because I value Senator Hughes immensely and her legislative aide, Matt Howe. They're always, always willing to answer questions, bounce ideas off of, and so the relationship has been great. But I think it's important for people to know that there are school districts out there that are gonna pay, it's gonna be a property tax increase if this would pass. So, do you have any questions?

MURMAN: Thank you. Any questions for Mr. Richter? Senator Lonowski.

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LONOWSKI: Thank you, Chair Murman. Thank you for your testimony. So what would this do to you personally?

JASON RICHTERS: Well--

LONOWSKI: I guess as a farmer.

JASON RICHTERS: Well, according to the modeling that our superintendent has done, 95% of the increase within our school district, the, the tax increase, would go on ag landowners. Considering how wonderful the ag economy is right now, that's sarcasm obviously, it, it won't make things easier. But there's also school districts across the state that are going to benefit from this, and those farmers, it would make things easier.

LONOWSKI: OK, maybe even a more important question.

JASON RICHTERS: OK.

LONOWSKI: Do you have more land in the Centennial district?

JASON RICHTERS: Yes.

HUGHES: Or more in Seward?

LONOWSKI: Or more in Seward?

JASON RICHTERS: Yeah. No, that's-- I'm, I'm really glad you asked that because there is a balance.

LONOWSKI: Sure.

JASON RICHTERS: I was joking with Senator Hughes beforehand, there's a large landowner in our-- that lives within our school district, but owns, I would say, a significant amount of land in Milford school district. Mr. Welsch's school district. I'm sure that landowner is thinking, OK, well, I, I'm gonna lose some on property taxes in one. I'm going to gain in another. For, for landowners that own the majority of their land in Centennial school district, my cousins, my parents, this is, this is going to be-- it'll be to their detriment, so sure.

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LONOWSKI: Yeah, we're much the same way in Hastings. We have Hastings High in town. We have Adams Central sitting outside of town.

JASON RICHTERS: Right.

LONOWSKI: This way, we have much of the same situation. Thank you.

JASON RICHTERS: Yep, you're welcome.

MURMAN: Any other questions? If not, thank you for your testimony.

JASON RICHTERS: Thank you.

MURMAN: Other neutral testifiers for LB1038. If not, Senator Hughes, you're welcome to come up and close. And while she's coming up, let's see we had online: 0 proponents, 3 opponents and 3 neutral testifiers.

HUGHES: OK, thank you, Mr. Chairman. We'll just start with the Seward-Centennial throwdown. So, yeah, like I grew up where if I lived across the road I would have gone to Centennial. They grew up, if they lived across road they'd have gone to Seward. We were, you know, different places. But honest to God, that Seward-Centennial started my whole trajectory being here. It's why I got on school board in Seward. I grew up on a farm near Goehner. My folks had ground in both areas. There's a significant difference between Centennial and Seward. To paint the picture, both districts have almost \$2 billion worth of valuation, OK? Both districts. Centennial has 450 students, Seward has 1,500 students. So of course Seward levy is almost more than double Centennial levy. Is it because Centennial is the most well-run school district in the state? No. Not that they're not good, they're good, but it's a matter-- kind of what I said before, the biggest indicator of high levy is lower tax valuation per student. And so I lived it. So I remember I went to a superintendent meeting on Seward the Seward superintendent did on their budget and how it affected property tax. So I grew up with this all the time, like, oh, you don't want to buy land in Seward. Just to say, and so I ran for school board to be part of it. And then, you know, that ultimately got here. So it has been an issue for a very, very long time. And then, you know, now the Legislature had started doing things, the Tier 1 tax credit, then the Tier 2 tax credit to help address this. But here is, here is the issue, right? And we're gonna, it's the quiet part out loud. When people say winners and losers, what's a loser? OK, so we're going to say Centennial is a loser. I would argue they're not a loser, they

have been a win, winner for decades. For decades they've had a lower levy than some of their neighbors. For decades. And then a couple years ago, we decided to give the tax credit, the Tier 2 tax credit, which to me, should have been targeted to districts that really needed it, if you will, have the higher levies to bring it down, but it didn't. It went to everybody. Now mind you, a little bit less because they play a little less to schools. But now we're in the situation of what, what I would like, what I would like to see is just a better repurposing of this money going out there, but then it does what he just mentioned. We've given them that tax-- this bill, Centennial has a low levy, they'll keep a low levy. What they're not gonna get is the tax credit on the back end, right? They'll stay low levy, but that tax credit, that's the type of district-- and I've got another one, Heartland, in my district. I have the range. I've got the low levies, I've got the high levies and I have the middle. That's the issue here is we're repurposing it, but, but this is what I want to say, and it was wonderful to hear it out of he calls himself "retread" Senator Fred Meyer is back in the body. And he also serves on the commission. Probably not anymore now that, that now he's a senator again. But he did. I went-- I sat down with him over this bill because he's very knowledgeable about TEEOSA and how it works. And he, he has a district, same as mine, that has the gamut of levies. And he will have, in his district, some of the schools that are seen like a Centennial, OK? But do you know what he said? He goes, this is the right bill. He goes, this takes us up 30,000 feet in the air for the state of Nebraska, and it says, what is right for Nebraska schools? And can we say, that it is good for Nebraska schools to have our general fund levies all between 30 and 50 cents? Can we talk about conceptually that argument? And if we can agree that that's important, how can we get there, and what do we need to, to do to get there? And that's where-- and so just hearing that from Senator Meyer really helped, you know, justify-- because I, because I hate that there are going to be some districts that aren't going to get their tax credit money anymore, right, so to speak. Again, gold standard modeling comes out this week. But I-- we've got to take an upper view. And I said when I came into this body, I will, I, I'm gonna do-- I'm gonna fight for district 24, but Nebraska trumps. And if it's best for Nebraska as a state, if it's best overall, that is where my vote lies. That's what we are here to do is to do what's right for Nebraska and all the districts going forward. So that's kind of where I'm at on this bill. I did want to mention and, and, and thank you, Jason, for coming

forward. I, I very much appreciate it. I wanted to, to mention a couple of things. I do-- I still get frustrated with the averaging adjustment. I just-- it just, it drives me crazy that these humongous schools are averaging with a school of 900 kids. I'm sorry, it just doesn't logically make sense to me. To me, maybe it makes sense we average like all the Class A schools together and do something like that. That would make more sense. Or maybe the top 20 schools. It does not make sense to me to average an OPS and LPS with a school district that has one high school, one middle school, one elementary. I-- that just doesn't make sense. But we can have this discussion. The urban schools we heard, they do have a lot of the higher-- what was the GNSA guy said? I think their average levies are between, was it 80 cents and \$1.05? I wrote it down somewhere. OK, so they-- they're in that high range, right? Look where they're gonna be. I mean, we don't have the, the, the modeling yet, but they're going to be-- come down significantly. But then they're questioning our rebalancing of ag ground for our rural school districts that, well, how dare you rebalance that to how it was 25 years ago? I am just like, we've got to all take a 300,000-- or a 100,000-foot view of Nebraska and say what's right for the whole state, all the districts-- not just my district-- all the districts and come up, if we can, with a solution that works for everybody. And you know what? What do they always say? A good bill is one where everybody's not happy with one little piece of it. Maybe that's where they are. I just want to throw out just now this is from our running of the numbers. I-- from our running in the numbers, OPS, Omaha Public Schools would potentially receive \$166 million more in equalization aid. That is \$166 million spread over their property taxpayers that their property taxpayers wouldn't have to pay, but they're upset because they're going to lose \$6 million in the averaging adjustment. You know, just saying. But again, I am what-- and every, everybody in here, and I think they said it, I am listening. I will work. I-- we-- I want to come together and do better. I think those tax credits out there are just waiting to be taken away. I want to, want to put them into TEEOSA and really buy down our tax asking for our schools, do it in a better policy. Today, I filed FA947 on LB1038 as a placeholder, because I know we've got at least one technical correction, but there can be more adjustments to this, and I am-- I will be at the table. Because I think this is the time. I know Curt Friesen, some-- the old Senator Curt Friesen was involved with that Tier 2 tax credit. And I have had numerous conversations with him, and kind of the thought was that this is all

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they could get. Like let's put in that school tax credit and it's building, and, and he said at some point we knew it would get big enough that now you could flip it on the front end and buy down the levies. And I feel that this is the time that's here, and so willing to work on this. This-- I have three bills, this is my one big bill. So anyway, I guess that's it. So thank you for your time. I am so sorry this took a long time, but it's a big-- it's a "big'n."

MURMAN: It's an important issue, so--

HUGHES: It's important. Yeah.

MURMAN: --I don't think anybody is concerned about how much time it takes.

HUGHES: Thank you.

MURMAN: Any questions for Senator Hughes?

HUGHES: And it's a Monday, we're fresh. Good thing it's not Friday

MURMAN: Senator Lonowski.

LONOWSKI: Sure. Thank you, Chair Murman. Thanks for all the work you've done on this, Senator Hughes. It seems to me like there are going to be a lot more schools that have to bring their levy down than those that will go up, correct?

HUGHES: Yep.

LONOWSKI: So my concern is where we'll be able to find the money to make this right.

HUGHES: Well, if you look at the fiscal note that's-- that they put out, it-- I think we're still going to be revenue-neutral. That it still should be able to be paid for with the current money. I shouldn't-- what am I trying to say? I shouldn't need additional funding for this. If we do some-- if we would want to do some kind of hold-harmless or maybe not even a whole, like not a whole, a whole hold-harmless, but like a partial hold-harmless, that like if you are at, you know, if you're, if you're the Centennial and it's gonna, you're gonna lose those-- you know, we try to bridge that gap a little bit, then I probably would need more funding. Which should be easy in

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this budget cy-- budget cy-- maybe there's some in the Environmental Trust Fund we could get. OK, I'm totally kidding with that, but--

LONOWSKI: Thank you.

HUGHES: --sorry. Thanks. Thank you, Senator Lonowski. Senator Meyer is shaking his head. This is getting crazy.

MURMAN: Just one more question.

HUGHES: Yes, Senator Murman.

MURMAN: Is anybody going to lose a year of tax credits?

HUGHES: Oh my God, yes. No, let's not go there. Whew. What missing year are you talking about? There isn't a missing year.

MURMAN: OK.

HUGHES: There was a missing year. OK.

MURMAN: Any further questions? If not, thank you--

HUGHES: Thank you guys so much for your time. Thanks for the good questions. Appreciate it.

MURMAN: That will close the hearing on LB1038, and we will open the hearing on LB742. Welcome, Senator McKinney.

McKINNEY: Hey. [INAUDIBLE] in the Education Committee.

MURMAN: Good to have you back.

McKINNEY: Thank you. Good afternoon, Chair Murman and members of the Education Committee. My name is Terrell McKinney, T-e-r-r-e-l-l M-c-K-i-n-n-e-y, I represent District 11, and I'm here to present LB742. LB742 is about something very simple but very important: ensuring students are placed in athletic environments that match their skill level, support proper development and prioritize safety. Across Nebraska, there are seventh and eighth grade students whose size, skill, and athletic ability already exceed the opportunities available to them at the middle school level. In many cases, middle school athletics do not provide the level of competition or development these students need to progress safely and effectively. This gap

disproportionately affects students who lack access to private coaching, elite clubs, or the financial means to travel for year-round competition. For those students, school-based athletics may be their only pathway for development and exposure. LB742 creates an opportunity to expand access, reduce inequities, and ensure that talent, not family income or zip code determines opportunity. LB742 establishes a clear safety-first framework that allows seventh--seventh or eighth-grade students to participate in high school athletic programs only when specific conditions are met. Those conditions include approval from the coach or athletic director based on sport-specific skill level, documented medical clearance from a licensed health care professional, written parental consent, and compliance with athletic association rules, as well as state and federal law. For contact sports, the bill requires heightened scrutiny to further protect student safety. Importantly, LB742 does not require schools to place younger students into high school athletics. Instead, it requires schools to adopt a policy that permits participation when it is appropriate, safe, and supported through a documented decision-making process. This bill also supports, supports school stability. By allowing students to access appropriate athletic development within their home school or district, LB742 reduces the incentive for families to transfer students to other schools or districts solely for athletic opportunity. That helps keep students connected to their schools, communities, their teammates, and educators. LB742 also includes clear safeguards to protect fairness in eligibility. A student who participates at the high school level would no longer compete at the seventh or eighth-grade level in that sport, and their participation would not affect their future eligibility once they officially enter high school. At its core, LB742 is about flexibility with guardrails. It respects local decision-making, prioritizes student safety, and recognizes that one-size-fits-all policies do not work for every student or every district. It provides schools, schools and families with a clear and consistent framework to make thoughtful, informed decisions. Beyond individual opportunities, the bill also addresses a broader trend: declining participation in high school sports. By creating earlier, developmentally-appropriate pathways in keeping students engaged in school-based athletics, LB742 can help retain student athletes who might otherwise disengage, drop out of sports or be pushed exclusively towards private-club systems. Finally, LB742 strengthens Nebraska's long-term athletic pipeline. By improving development opportunities at early stages, this bill has the

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potential to increase the number of students prepared to compete at the collegiate level and ultimately, maybe one day, play on Saturdays at Memorial Stadium. Several states already allow seventh and eighth-grade students to participate in high school athletics, typically through junior varsity or varsity competition. These states include Alabama, Delaware, Kentucky, Louisiana, Minnesota, Mississippi, New York, South Carolina, and South Dakota. New Mexico permits participation for eighth-graders only, while Florida and Massachusetts allows participation in limited or case-specific circumstances. Across these states, eligibility is commonly tied to readiness evaluations, skill assessments, and age and safety-based-- safety-based safeguards. Overall, approximately 18 to 20 states nationwide allow for middle school participation in high school sports, reflecting a growing recognition that athletic opportunity should be based on ability and readiness, not grade level alone. And I also introduced the amendment after having some conversations with some people to change on page 2, line 3, striking "shall" and putting "may." So it's not a full mandate on schools to do it. If they want to, they can. If they don't, they don't. Just to kind of show my willingness to be flexible with the school districts who might want to do it and some that might not. So with that, I'll open myself up to any questions. Thank you.

MURMAN: Thank you, Senator McKinney. Any questions at this time? I've got one. Actually, when I was in seventh grade, I started JV basketball, and it wasn't because of my ability. It was just because we didn't have that many kids in high school.

McKINNEY: Yeah.

MURMAN: But and I do remember the main thing I wanted to keep track of when I playing was that I made sure I took the ball the right way down the court and didn't shoot the wrong basket. And then, then my son, when he was a freshman, he had a lot more ability than I did, but he could start varsity-- he did start varsity, actually. But it was always, it was kind of contentious with the team because there was a freshmen also two years earlier that started varsity and, and I think that caused some contention on the team because some of the older players, you know, they've been, been practicing for more years and they thought, well, if it wouldn't be for that freshman, we could, we'd be playing more or starting. And then, of course, there's the bullying, you know. And as a result of that, you could see more

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bullying, hazing-type things. Do you see a problem with this kind of that possibility? When I was in school, we had a small enough group and the coach was always around. It It wasn't a problem, but I think it could have been later.

McKINNEY: I think with upperclassmen and younger students, that could always be potentially a problem. I just think, to your mentioning playing JV because there wasn't enough people, I think we're seeing a trend, not only in the western-- in, in rural Nebraska, but also, you know, in Omaha, we have some high schools who could barely field basketball teams and things like that. So it's becoming a larger issue, and I think this opportunity could help with that. But also, you know, my hope would be that, you know, as a coach myself, that you would have some adults around who would also, as they have to today, monitor interactions, you know, between teammates. When you have a 14-year-old coming in, and you might have an 18-year-old, and honestly now you might a 19-year-old because of kids reclassifying. So I, I think that dynamic already exists, and I think, you know, it's on coaches and administrative-- administrators who are already dealing with it currently--

MURMAN: Sure.

McKINNEY: --to, you know, monitor it.

MURMAN: Yeah, that's the main thing, that there's somebody around to monitor the situation.

McKINNEY: Yeah. For sure.

MURMAN: Any other questions? Senator Meyer.

G. MEYER: Thank you, Chairman. You probably addressed this, and I might have missed it. Sometimes, my ears don't hear as fast as people talk. And if you are playing high school sports as a seventh or eighth-grader, that doesn't affect your eligibility? You don't have four years, five years to play for or something like that? I understand you're, you're timed out on age, essentially, in high school, but does that negatively affect you in any way, shape, or form?

McKINNEY: No, if you're, if you would start playing varsity sports in seventh grade, you would have essentially six years of varsity sports.

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Other states already do it. I used to always be perplexed because I wrestled, and there would be some people being five-time state champs and six-time state champs from Minnesota and other places like that. And I'm like, part of me was like, well, I wish we could do that here in Nebraska. So it-- no, it wouldn't affect your eligibility.

G. MEYER: I remember when I was in high school, we played a team every year locally, and one of the football players was a very good football player, but he eventually aged out. He didn't, I don't know if he graduated, but he aged out. So, you know, that created a problem too.

McKINNEY: Yeah, I think that issue probably might become more of a thing with kids reclassifying in seventh and eighth grade, so basically hold them-- holding themselves back to stay to be able to, in some cases, be with their age group, because they might have started school at 5. Or just to hold yourself back to just give yourself a better chance of getting a scholarship in college.

G. MEYER: That happens today, I'm sure.

McKINNEY: Yeah.

G. MEYER: Anyway, thank you.

McKINNEY: No problem.

MURMAN: Senator Lonowski.

LONOWSKI: Thank you, Chair Murman. Thanks for this bill. This is an intriguing one, and it's been around for ages, especially in, in our sport of wrestling because of the weight class of 100 and 105. And I actually lost a kid that moved back to South Dakota, and was a six-time state qualifier. But I worry more about, I guess, one, the logistics, like seventh and eighth-graders in Omaha don't go to the same school. And might even-- their middle school might be a ways away. I suppose parents can take care of that or coaches can figure it out or whatever. I worry more about the social aspect that, you know, a seventh or eighth-grader is on a team with a junior or senior and riding the bus or, or in the locker room or whatever, their level of maturity is going to be quite different. I think the, the states that do it, they have some parameters in place where you can't move up unless you were good enough to be varsity.

McKINNEY: Right.

LONOWSKI: Which, which may be the case back in the Sandy Creek days, if you had made varsity then they let you move up. But yeah, there's quite a few states that actually do it. Do you know of any states that have gone away from it, that they had it and said it didn't quite work like we thought?

McKINNEY: I don't. I didn't see nothing that said that.

LONOWSKI: OK.

McKINNEY: Maybe, maybe there might be, but I didn't see.

LONOWSKI: Not that you're aware of?

McKINNEY: Yeah.

LONOWSKI: All right. Thank you.

McKINNEY: No problem.

MURMAN: Senator Meyer.

G. MEYER: Thank you, Chair. There was just one other thing came to mind. You know, when you're seventh and eighth grade, you're really not physically-- yes, you might have size and the speed and everything else, bone density and everything else. Is there, I mean, perhaps there's no statistics, but from the standpoint of injuries and perhaps affecting you later in life? Because physically, yes, you may have size and everything else, but you may not be developed. You may not have the muscle structure, the bone structure as a seventh and eighth-grader that's probably gonna limit you later in life. Is, is there any concerns along those lines? Is there any data that we could look at and see if that was a negative factor?

McKINNEY: I didn't see any data. I'm sure that that is a valid concern. But I think this is why it's for those special cases. Because not every seventh and eighth-grader is going to be able to participate on the varsity level in high school. That's just unrealistic. But there are, I could think of a couple kids now that are literally in middle school that could probably win a Nebraska state championship in

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wrestling today. So it, it, it's a special individual case-by-case basis.

G. MEYER: You're growing so fast, your body is changing so much at that, that time period that, you know, it's just a question for me on the physical side of it, whether that's a positive thing for you physically to subject yourself to that when you're that age. I know I've got grand-- grandkids, every time I see them, they're six inches taller. It won't take much for them to be taller than me that are relatively young yet, unfortunately. There's nothing I can do about that.

McKINNEY: Yeah, like Senator Lonowski has stated, I think there's a difference between a 100-pound seventh-grader that could wrestle varsity versus a 200-pound seventh-grader trying to wrestle high school heavyweight. I would say that's probably too far. So that's why I think it, it's a case-by-case thing, because of just size and development.

G. MEYER: Thank you.

McKINNEY: Yeah.

MURMAN: And are you thinking about doing this for all sports? And the reason I ask, I know it's hard to believe, but this was pre-Sandy Creek days. Glenvil, they had an eight-man football team. And the eighth-graders got to practice football with the high school, because they couldn't field two teams without the eighth-graders. And I being in seventh grade couldn't practice with them, but I was actually thankful that I couldn't practice with them because I thought that'd be dangerous, so.

McKINNEY: Yeah, as of now, yes for every sport. But I think it goes back to just the case-by-case basis. I know-- I'm just slipping my mind. But yeah, I would say yes for now for each, but it would depend on the kid and the school.

MURMAN: It would be all sports.

McKINNEY: Yes, because currently, seventh and eighth-graders could practice with varsity teams, so.

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MURMAN: Seventh and eighth-graders can practice with varsity now?

McKINNEY: Yes.

MURMAN: Oh, I didn't realize that.

McKINNEY: Yeah.

MURMAN: Any other questions? If not, thanks for your opening.

McKINNEY: No problem, thank you.

MURMAN: Proponents for LB742. Any proponents for LB742? Opponents for LB742, any opponents? Neutral testifiers for LB742.

COLBY COASH: Thank you, Chair Murman, members of the Education Committee. My name is Colby Coash, C-o-l-b-y C-o-a-s-h, I appeared today on behalf of the Nebraska Association of School Boards. Originally, we were going to be here in, in opposition. But as Senator McKinney mentioned in his opening, and in light of the amendment that he did file on this bill this morning, he has changed through that amendment, or would change, this provision to be discretionary on the part of the school. And that would be our preference, is that this would be left as a local decision for local districts to engage in, if it made sense for them. Overall, we'd prefer this issue be handled through the NSAA. They are a, a governing body of the, the sports, as you know. It's my understanding that they are looking at this issue. So if this bill were to move forward, it might get ahead of it or it might push it to some extent. But if the committee is going to move with this bill, we'd appreciate you adopting potentially as a committee amendment Senator McKinney's amendments that he filed today, that would make this discretionary for all the reasons that were discussed in your back and forth with Senator McKinney. And to answer your question, Senator Murman, NSAA does allow seventh and eighth-graders to practice. However, competition is, is not something that is currently allowed. With that said, we appreciate you taking all those things into consideration as you consider this bill.

MURMAN: Thank you. Any questions for Mr. Coash? Senator Lonowski.

LONOWSKI: Thank you, Chair Murman. Thank you. I, I do think, and I know we're talking about schools on an individual basis, but I do you think it would have to be an NSS-- NSAA regulation as well, just to

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control some things. And I, as I noted to Senator McKinney, girls are a lot different, too, where they might already-- if it's a girl basketball player in eighth grade, she may already be six foot tall and above some-- most of the other girls.

COLBY COASH: Well, to your point, Senator Lonowski, if NSAA would lead on this issue and be-- and, and through their rules and regs speak on this issue, that probably would be the preferable route. Simply because they regulate all the schools and it would be a kind of a, a even playing field or at least uniform across the state. While we do appreciate the discretion that Senator McKinney has put in, if the committee is going to move forward, we'd appreciate that discretion. But hopefully NSAA might be able to communicate some movement on this issue, because I know that they are looking at it.

LONOWSKI: Sure. And I do think they've had it as a topic of discussion in the past, so thank you.

MURMAN: Any other questions? If not, thanks for your testimony. Any other neutral testifiers for LB742?

TOM VENZOR: Good afternoon, Chairman Murman and members of the Education Committee. My name is Tom Venzor, T-o-m V-e-n-z-o-r, I'm the executive director of the Nebraska Catholic Conference. While the NCC's position on legislation is typically clearly support or opposed, LB742 was subject to varying opinions among high school athletic directors and other school leaders in our Catholic schools. A few were supportive, while others were indifferent. Yet others were opposed, with some vehement in their opposition. Because of the mixed reactions, the NCC would like to communicate this varied feedback we received for the Education Committee's consideration. Feedback in support of LB742's concept in on the following arguments. That this could be helpful to smaller schools, particularly in rural communities, to help field enough students for practices or competitions. That this could increase a school's ability to participate in a particular sport, especially if student participation would make or break that school's ability to field the team to begin with. And then some students, more so girls, given their earlier maturity, are mentally and physically capable of playing high school athletics. Feedback in opposition to LB742 was encapsulated by the following arguments. Allowing junior high students to participate in high school athletic could displace or discourage high-schoolers from

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participating in a sport because they know or fear other younger students will take their position or be given more opportunity. This could be particularly true for freshmen for junior varsity athletics. Junior high students are not mentally prepared to participate in the longer high school athletic seasons. This could also exacerbate the already preexisting recruiting problems that occur with high school athletics, particularly in the Omaha metro. Except for a few mature junior high athletes, this could risk the health and safety of some students in certain high-- in high-contact sports like football. In schools where student participation is not an issue, this would be a largely unused policy. And then finally, one of the feedback opposition was that this Legislature should not legislate or mandate on this topic and should leave this to the NSAA and its member schools to create a uniform policy that anticipates the various intricacies that may occur between communities, different classes and sizes of schools, and health and safety concerns. So again, that just kind of encapsulates the varied feedback that we got from a variety of people. So we thank the Education Committee for its consideration of the different views that are out there on this matter. And we thank Senator McKinney for the conversation that, that this legislation has generated. So thank you for your time, and happy to take questions.

MURMAN: Thank you. Any questions for Mr. Venzor? If not, thanks for your testimony.

TOM VENZOR: All right. Thank you.

MURMAN: Other neutral testifiers for LB742. If not, Senator McKinney, you're welcome to close. While he's coming up, online there was 1 proponent, 6 opponents, and 0 neutral.

McKINNEY: Thank you for those who came to testify. I think it's a-- definitely a good conversation to have, you know, whether or not this happens through the Legislature or through the NSAA. I know they have discussed it and could potentially create a policy around this because I know it's come up a few times over the last year. So I'm open to whatever way. I just think it is something that would be helpful. I think, you know, when I thought about it, honestly, my first real reason was, I just do not think the development of our kids in middle school is great in the state. And I think it would be helpful for some to be able to get the development that you get on the high school level sooner than later. Because what you're having is, you're, you're

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having to reteach-- really go back to the basics when kids are coming to high school, instead of already having kids coming in developed already. And I think that's slows progress. I think also, as was mentioned, I think it helps those teams who cannot field, field full teams or is having a hard time with turnout. You know, Senator Lonowski mentioned girls. And I think it was last year, Grand Island didn't have a girls basketball team because they all were in eighth grade. So I, I, I think it's a worthy conversation. I don't know if we do it or NSAA does it, but I do think it is something to be explored. So thank you.

MURMAN: That's what I was going to ask you, have you talked to the NSAA about it, or I wonder why they didn't come?

McKINNEY: I talked to a director last week, and he, and he just mentioned that they were kind of discussing it, whatever their-- I don't know what they call the, the body that goes over the rules and regs. But I know it's been discussed. But no--

MURMAN: They didn't come in opposed, I guess.

McKINNEY: No decision either way.

MURMAN: Senator Hughes.

HUGHES: Thank you, Chairman Murman. And I apologize, because I missed the majority of your opening. So if you said this, I apologize. I'm going to have to ask the question again. Were you-- did you bring this more thinking the bigger schools or more-- because like to me, I, I read this and I'm like, oh, this to me makes maybe more sense when you're talking the eight-man football, like the lot smaller schools because they don't have, a lot of times, don't even have enough kids to fill a team. Where when I think of a big school like Lincoln and Omaha schools, I don't think you'd want this because there's only five people that play on a basketball court. And if now you're looking at seventh and eighth-graders, that's-- and one of them fills one of those spots, that's one spot that a ninth grade through a twelfth-grader didn't get. I-- that's what I thought of in my head.

McKINNEY: So I thought about both small and big because, for example, I think it was Benson High School in Omaha. Their girls' basketball team, I think, only had five players, and they didn't have--

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HUGHES: Five for the whole high school?

McKINNEY: I believe something close to five. It was a low number.

HUGHES: Yeah.

McKINNEY: Maybe I'm off by a few, but it was definitely low. And that's all they have for their, their basketball team that year. So it could, in a sense, work for it. Because I don't think it works for everybody. That's why I do actually like the amendment from shall to may, because I don't think it might work for everybody.

HUGHES: Yeah.

McKINNEY: But there are schools that are dealing with just participation issues in rural and urban.

HUGHES: I also, I agree. I like that amendment of if-- you're giving the capability of a district if they would so choose they could do this--

McKINNEY: Yeah.

HUGHES: --versus not.

HUGHES: Thank you.

McKINNEY: No problem.

HUGHES: Thanks for bringing the bill.

MURMAN: Thank you. Any other questions? If not, that will close. Thank you very much, and that will close the hearing for LB742, and we'll open the hearing for LB1046 also Senator McKinney. Take your time, I've had back-to-back bills before. Puts you on the spot.

McKINNEY: All right. Good afternoon again, Chair Murman and members of the Education Committee. My name is Terrell McKinney, T-e-r-r-e-l-l M-c-K-i-n-n-e-y, and I represent District 11. And I'm here to introduce LB1046. LB1046 addresses a simple but important question: are we willing to acknowledge the realities our students are living in and provide clear and fair rules that protect them? Across Nebraska, high school students are already building audiences, creating content, and being recognized for their talents in athletics and activities.

Nationally, this is no longer a fringe issue. 41 states, the District of Columbia, and even our state, allow high school athletes to engage in name, image, and likeness activities in some form. At the same time, some-- those students are increasingly operating within a growing for-profit ecosystem around high school athletics. Media companies use students' name, image, and likeness to sell subscriptions and advertising. Schools and athletic associations charge fees for competition and online viewership built on student participation. Companies benefit from students serving in effect as free marketing for products and platforms, often without clear disclosure, education, or protection for the students involved. While the Nebraska School Athletic Association currently permits limited NIL activity, that permission exists only as policy, not as law. NSAA rules focused primarily on eligibility can be changed at any time and do not provide uniform, enforceable protections for students, families, or schools. They do not address many of the legal, financial, and educational issues that arise when minors engage in NIL-related activity in a rapidly changing marketplace. LB1046 attempts to fill that gap. This bill creates a responsible student-centered statutory framework that brings clarity, consistency, and protection where policy alone cannot. It allows high school student participation-- participants to engage in limited NIL activities without losing eligibility while establishing strong guardrails to protect students, schools, and integrity of interscholastic activities. It does not turn high school athletics into a free-for-all, and it does not allow schools, media entities, and or outside actors to exploit students. LB1046 clearly prohibits NIL activities connected to alcohol, tobacco, gambling, weapons, adult content, or illegal products. It bars NIL use for recruiting or inducement. It prevents the use of school logos, uniforms, facilities, or other school identifiers. It ensures NIL activities do not occur during school hours or at school-sponsored events. What this bill does is bring consistency, fairness, and protection into an ever-changing environment. LB1046 directs the school-- the State Board of Education to adopt a statewide model policy so students are not, are not treated differently based on where they live or which school they attend. It requires disclosure, review, and education for students and families, including financial and tax implications, so young people are informed and protected. It makes clear that the students who follow the rules should not be penalized simply for engaging in lawful activities. At its core, LB1046 is about

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balancing-- balance. It balances the opportunity with protection. It balances student rights with school integrity, and it balances modernization with responsibility. In closing, LB1046 does not create a new NIL system for high school students, it brings clearly-- clarity, consistency, and fairness to the one that already exists. Today, Nebraska students are allowed, as I stated, to engage in these activities, but those rules live almost entirely within a private association bylaws. What's missing are due process protections, uniform disclosure standards, contract safeguards for minors, and basic financial education for families. LB1046 preserves the core guardrails the NSAA already enforces, no recruiting inducements, no school logos, no gambling, no pay-to-play, while ensuring that students are not punished simply for exercising the rights that already exist. This bill modernizes policy, not amateur athletics. It comes with protections as a priority, and it does not promise opportunity without limits and, and things like that. For me, just as a former athlete and somebody that's coaching athletes currently, I, I'm always thinking about how are the kids being used? You know, I see a lot of their images currently with a lot entities that promote sports in our state. And it's like, wow, like you're using this kid's image, but you're selling a subscription. And the kid is getting nothing off of that. And that's what I have a problem with. It's if we weren't charging subscriptions to watch these sports or to pay to watch them perform, I probably wouldn't bring this bill. But the fact that they are the driver for these subscriptions and, and things like that, and that's where the issue comes with me. Because I think for a lot of kids, they won't play sports after high school. Majority won't. And for them, in my opinion, to be essentially exploited for their likeness and images, that's my issue. So I just wanted to bring some protections. I know the NSAA has a policy, so it doesn't really, maybe for some, force the Legislature to step in. But I just think anything from, from our space to, you know, strengthen it is always good. But with that, I open myself up for any questions.

MURMAN: Thank you, Senator McKinney. I've got one question, first of all. There's been some criticism over option enrollment being used to pack-- essentially pack a lot of talent on some selected high school teams. Do you think NIL would make this situation worse?

McKINNEY: Well, under my bill and under the NSAA's policy, schools can't promote NIL. They can't use that as a tool to get a kid to the school. Our issue with NIL is really not high school-related, it's

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we've got a college down the street that can recruit a kid here, which recently happened with the recruit from Illinois, and I think a kid from Louisiana literally, I think, living in Lincoln, but optioning in to play football in Millard. So I think the issue isn't the high school, it's just the college down the street.

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

HUGHES: Thank you, Chairman. Thanks for bringing this bill, Senator McKinney. I hate NIL for college. I think it's completely ruined college sport, so I feel like this is, this is just a step lower. It will ruin high school sport. When you said you feel like high school students are being exploited, the schools aren't making money off of a high school kid. Are you saying, like, the Hudl app-- like because--

McKINNEY: So it's not--

HUGHES: --you can sign up for those subscriptions?

McKINNEY: So it's not just the schools. I wouldn't limit it to the schools. I would say there are media companies that require you to pay a subscription to watch it. Or, or to view--

HUGHES: Well, yeah, like to watch my nephew play high school basketball, yeah.

McKINNEY: And they put a kid in front of it.

HUGHES: But-- well, I don't know. Ours doesn't. I don't think it does. I just have to, like, Seward high games are, are done on this thing, so I-- we pay for, well, maybe the one, I think Seward might be free. But some of them you have to pay a little bit of money to watch. I don't, I don't-- and maybe I'm missing it. I don't see them targeting certain students. I mean, God, do people really pay subscriptions to go watch some high school team play? Is that happening?

McKINNEY: Yes, it's happened.

HUGHES: Not just parents, grandparents, people that live in the area?

McKINNEY: No, just people. Just in general, you have these-- because it's very few places where you can watch these, these games or whatever tournaments.

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HUGHES: Right.

McKINNEY: So you'll have an app-- there's apps out there that you could go watch a wrestling tournament.

HUGHES: And they'll put-- like they'll target like, oh, Terrell's going to be-- or sorry, Senator McKinney is gonna be wrestling, so we're gonna--

McKINNEY: Big matches this weekend.

HUGHES: They do that? They like say kids'--

McKINNEY: We got the number-one ranked so-and-so wrestling. Yes.

HUGHES: I don't watch wrestling, so maybe that's the problem.

McKINNEY: Yeah.

HUGHES: All right, thank you.

MURMAN: Senator Meyer.

G. MEYER: Thank you, Chair Murman. I would guess that there probably were people paying to watch Millard South play football this year.

McKINNEY: More than likely.

G. MEYER: More than likely. And I also would like to point out that we've got a quarterback and wide receiver that are transferring from Texas and where else to live in Lincoln, and option enrolled into Millard South this year. I-- my understanding is colleges our paying high school kids now for their commitments, just like, just just like the NIL for college athletes. That's happening now that there's high school kids that are taking compensation. And just looking at the law, and I'm not an attorney, and I haven't, I have not torn it all apart, but it looks like that's perfectly legal as long as the school isn't getting any benefit out of it. It's for the athlete. But I am aware that high school students are being paid by colleges as an initial commit-- basis for commitment. Where does this end?

McKINNEY: I think there was a-- there's an entity that, if we're going to be honest, dropped the ball on all this, called the NCAA, who could have done a lot a long time ago and refused to. And then a couple

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court cases occurred and opened up the doors. And but I do think that there is some legislation on the federal level that's going to get passed. And there's some other thing that's going to happen. And I think with this, even with this bill, it creates more guardrails around it, so it's not the wild, wild west. And I that's what we got to try to get ahead of is not-- understanding that we're in different times, but making sure that it's, it's controlled in a way that the schools don't feel like they can't do nothing and the students don't feel like they're being exploited. And I think there's a balance somewhere in the middle that we have to get to. But if you-- the issue is that the NCAA refused for-- forever to actually acknowledge that they were making billions off of athletes and calling them amateurs, and that, that's the problem.

G. MEYER: I think NLI-- NIL is, you know, number one, I agree with Senator Hughes, it's ruined college football. But I understand, these athletes need to be compensated for their name, image, and likeness, so I'm good with that. You know, another part of the problem is and, and anecdotally I, I have read that high school students are being compensated perhaps even down into grade school if they can play at seventh and eighth grade. But they're not of an age to sign a contract, so I assume it's with the parents. And my understanding is if they fail on the commitment, there's a buyout. But if you're a good enough athlete, the school that's going to sign you is going to buy out your contract anyway. And so really, this is just a business arrangement with underage kids that aren't old enough to sign a contract for athletics.

McKINNEY: I think, yeah. But I think the difference from now until-- in the past, you look at the SEC, who's having a hard time competing like they used to because there used to be a lot of under-table handshake deals. Now that it's more regulated than it used to be, they're not able to compete as much as they could in the past. And so I, I think there's, there's good and bad with it, you know. I just want to make sure that from just being a former athlete, kids aren't being taken advantage of.

G. MEYER: On a personal basis, if the SEC struggles, I'm sort of OK with that. Not wishing them any ill will.

MURMAN: Senator Lonowski.

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LONOWSKI: Thank you, Chair Murman. And thank you. And I first of all apologize to Senator Hughes for not being a wrestling fan. And actually we have a little gal, and I was done coaching her two years ago, and she's going for her third title now. After her first title, Doniphan-Trumbull wanted her to run a camp for them. So we put together a brochure, I thought it was cool that she still said Adams Central across her singlet. And luckily I guess for her, the AD got ahold of it and said, you can't do that. He passed it by the NSAA, they said you better not do that. You'll be ineligible to wrestle in high school anymore. So it was a simple fix, well, after making 100 copies, then we had to, you know, white out one of them. Had to white out the AC on it and to protect her, I guess. But somehow I mean we certainly don't want high school to go the way that NCAA is, do we? Are you, are you proposing to pay kids or to protect kids?

McKINNEY: Protect them. I'm not proposing that high schools start paying kids. What I'm saying is when you have more-- it's less, for me it's less about the high school and more about these companies that utilize their images basically for free and charge subscriptions and things like that. I mean, there are opportunities for high school students like wrestling camps or basketball camps and those type of things, but that's not the school necessarily.

LONOWSKI: [INAUDIBLE] them. Yeah.

McKINNEY: Yes, it's a little different. I'm not saying that. I know that's impossible and shouldn't happen. I don't even think it's financially feasible. More so just for the opportunities like the camp or something, I think that's good. But also to make sure that these companies aren't just using kids to promote their, their app ideas and making money, and the kids aren't getting anything. That's where I'm at.

LONOWSKI: Thank you.

McKINNEY: No problem.

MURMAN: Well, from your, you know, you've had a lot of experience with athletics and wrestling. From your point, I mean, schools, high school especially, or K-12, is there for education-- also of course physical fitness and, and athletics-- but do you think this would distract more

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from the, mostly the academics part of high school, I guess? Or would it distract or would it be neutral?

McKINNEY: I don't think so, because we've had it, NSAA has had a policy, I think for a couple years or three years now. And I haven't seen a distraction or, or anything like that. I don't think it will distract, you know. I wouldn't say that, I don't think it would.

MURMAN: I didn't realize either that the NSAA actually had a policy for this. So am I understanding it right that businesses can pay players in high school to promote their products?

McKINNEY: Mm-hmm. So if you got a car dealership and you got a kid that you want to give some money to over the summer, you can do it.

MURMAN: OK, didn't realize that. But I'm very apprehensive too, I agree with the left side of the panel here, that it wasn't good for college, I don't think. And I'm afraid it's going to hurt high school too. But maybe we can figure it out.

McKINNEY: I think college is NCAA's fault.

MURMAN: Any other questions for Senator McKinney? If not, thanks for your opening.

McKINNEY: Thanks.

MURMAN: Proponents for LB1046. Any proponents? Any opponents for LB1046? Any neutral testifiers for LB1046? If not-- there is a neutral.

LONOWSKI: No, I think she's proponent.

MURMAN: Proponent, come on up, we haven't had anybody else, so. And if there's any other proponents, go ahead and get ready to come up, or, or opponents or neutral either. Good afternoon.

CELELIA ALEXANDER: Hi, I'm so sorry. I'm very new at this, I apologize.

MURMAN: No, no problem. Yeah, go ahead and start whenever you're ready.

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CELELIA ALEXANDER: OK, what do you want me, what do you want me to say?

MURMAN: If you're a proponent-- well, first you give your name and then spell your first and last name and then go ahead and--

CELELIA ALEXANDER: OK, my name is Celilia Alexander, Celilia, C-e-l-e-l-i-a, Alexander, and I live in Omaha, Nebraska.

MURMAN: You'll have to spell Alexander also.

CELELIA ALEXANDER: Alexander is A-l-e-x-a-n-d-e-r.

MURMAN: Yeah, go ahead.

CELELIA ALEXANDER: I'll just say, I was just saying I am a proponent of LB1046. I agree with what Mr. McKinney says.

MURMAN: OK, any questions for Ms. Alexander? Senator Lonowski.

LONOWSKI: Thank you, Chair. Thank you for testifying. What-- have you had an experience, or what makes you want to support this bill?

CELELIA ALEXANDER: Because what he says makes sense. OK, thank you.

JUAREZ: That's a good reason. Thank you for coming.

CELELIA ALEXANDER: All right, thank you. Have a good day.

MURMAN: Thank you for testifying. Any other proponents for LB1046? Any opponents for LB1046? Any neutral testifiers? If not, Senator McKinney, you're welcome to close.

McKINNEY: Thank you for testifying and supporting, and thank you to the committee for listening to these bills today, and thanks for listening to this. For me, it's just about trying to find ways to support young athletes to make sure that they are not being taken advantage of. And also this-- both of these are kind of-- both bills today kind of goes at like the change in athletics today. And I think with the transfer thing that's going on in high school, a lot of kids reclassifying, kids moving into our state, option into it, it's a wild, wild time. So I think it's important for us to have these conversations and try to address them as much as possible. I'm open to

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any suggestions from the committee if you guys do decide to move these forward. And with that, I'll take any questions.

MURMAN: Thank you. Any questions for Senator McKinney? Senator Lonowski.

LONOWSKI: Thanks, Chair Murman. And thanks, maybe more than a question. It's just as I think of these two young men that are coming to Millard South to play football. I, I imagine there'll be some people that are saying, hey, let's, let's get them doing some advertising for us early or something. So there might be something that we have to cover, I guess.

McKINNEY: Yeah.

LONOWSKI: So thanks for thinking forward, I suppose.

McKINNEY: No problem. Thank you.

MURMAN: And I should mention that online there were 2 proponents, 2 opponents, and 1 neutral testifier. And if there are no further questions with that, we'll close the hearing on LB1046. And I'm going to turn it over to Vice Chair Hughes because I have the next bill.

HUGHES: All right, I almost said LB1234, but it is LB1243. I was like, gosh, how did you get that number? Senator Murman, whenever you are ready, you may start.

MURMAN: Good afternoon, Vice Chair Hughes and members of the Education Committee. My name is Dave Murman, D-a-v-e M-u-r-m-a-n, I represent Nebraska's 38th District. And today I have the opportunity to introduce LB1243, which is the result of a number of families from across the state reaching out to my office. I will note this is by no means the first piece of legislation I've brought to the Education Committee regarding ensuring access to extracurriculars for homeschool and non-certified students. But this legislation is unique to those. LB1243 is focused specifically on activities that are not regulated by an athletics or activities association, such as NSAA. This bill is fairly simple. It removes the requirement for a homeschool or non-certified student wishing to participate in an unregulated extracurricular activity to be enrolled in a minimum number of credit hours. To provide some context, historically, it has been groups such as the NSAA who have pushed for the credit requirement, and that

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credit requirement does not currently exist for the unregulated extracurriculars. However, in the last year, some school boards have begun to charge-- change their rules to enforce credit requirements on all extracurriculars, not just the regulated ones. I'm not sure if everyone has received these communications, but my office received several emails and even more phone calls from Nebraska home and private-school families who previously had been participating in these extracurriculars just fine and now are having those opportunities ripped away. I suspect you might hear from some of these families today. When I have tried to reach out to members of a school board on why this change was implemented, they did not ever give a very substantial response. This is quite alarming when parents are coming to me with these concerns and the school board leaders refuse to listen or even defend their decisions. Finally, I don't think I need to defend the importance of access to extracurriculars. I think the benefits of academic or athletic clubs are obvious to young Nebraskans, but I will defend their rights to access these extracurriculars. It doesn't matter if a family has their kids in a public school, a home school or a private school because all these families are taxpayers. If any two families pay into a system, they should have equal opportunities to take advantage of that system. The fact that one child goes to a public school and one child is homeschooled doesn't change that public schools are supposed to be serving all of our kids. Thank you, and I'm happy to answer any questions.

HUGHES: Thank you, Senator Murman. Questions? Senator Lonowski.

LONOWSKI: Thank you, Vice Chair. Thank you, Senator Murman. So what is the current requirement if the NSAA keeps changing things?

MURMAN: The current NSAA requirement is that the student has to take five credit hours or one class to participate in extracurricular activities in a school, in a public school.

LONOWSKI: OK. If, if a student is at school full-time and he fails three classes or four classes, whatever the standard is, then he, then he's not allowed to participate, correct?

MURMAN: Correct.

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LONOWSKI: So I don't know how would we keep track of, of a student, if they don't take any hours at the school?

MURMAN: Well, in that situation, like for a homeschool student, for instance, it's up to the, the parent who, of course, has the ultimate responsibility for the education of the child, to verify that the child is doing their education.

LONOWSKI: OK. Thank you.

MURMAN: And doing it, doing it well enough to participate.

LONOWSKI: Sure, thank you.

HUGHES: Other questions? I think I have one. You're not changing the five credit hours or one class because NSAA said-- that, sorry. For any NSAA sport or something like that, you have to have that.

MURMAN: Yeah.

HUGHES: Can you give me an example what you're talking-- you're taking about like maybe band or something? Or what do you--

MURMAN: Well, I think one example I think is the Lincoln High School, what do they call it-- not sure, show band or something like that. I'm not sure. I'm not a band-- I wasn't in band.

HUGHES: Uh-huh.

MURMAN: But some kind of a band that is kind of associated with LPS. And for years, home school students have been allowed to participate because--

HUGHES: It's an orchestra or something.

MURMAN: Yeah, probably. [INAUDIBLE].

HUGHES: I vaguely remember hearing about this.

MURMAN: They've been allowed to participate because, well, they do a good job with whatever their instrument is. And quite often I think they play an instrument that maybe isn't real common for the high school band.

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HUGHES: And all of a sudden now LPS isn't letting them do it?

MURMAN: No, LPS is good with that.

HUGHES: Oh. OK, but you said--

MURMAN: This is not specific to LPS, but that was just an example. You wanted me to bring-- give an example.

HUGHES: OK, sorry. I guess maybe you said there was an example somewhere that the kids were able to participate, and then all of a sudden now they're not able to.

MURMAN: Yes, and I think they are here to testify.

HUGHES: OK, I'll just wait and listen. So thank you.

MURMAN: If they aren't, I'll try and answer your question at the end.

HUGHES: OK. All right, well, I think that's good. Let's have our first proponent, please. Go ahead and start whenever you're ready.

DAVID LOSTROH: Vice Chair Hughes and members of the Education Committee, my name is David Lostroh, D-a-v-i-d L-o-s-t-r-o-h. I serve as legislative coordinator for the Nebraska Christian Home Educators Association. The NCHEA is a proponent of LB1243. This bill resolves an issue that has arisen in some public schools requiring a range of credit hours for homeschool students participating in their public school extracurricular activities-- or athletics or activities that are not regulated by any athletics or activities association. To my knowledge, the NSAA is the only one. And now it's, it's even affecting middle school students. 79-2,136 requires that any student who is enrolled in an exempt school, which-- exempt school desire to participate in extracurricular activities regulated by athletics or-- activities association be enrolled in five credit hours. But nothing is said about extracurricular activities that are not regulated in the law. Historically, many public schools allowed exempt school students to participate in non-NSAA athletics or activities without any requirement at all. It was the NSAA that insisted on credit hours for participation in their activities. Since there was no problem, nothing has been said about requirements outside of NSAA activities in the law here. But now, some schools have started to require credit hours, not necessarily consistently when they have not been doing so before for

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non-NSAA extracurricular activities, creating multiple trips per week to the school for classes that are not desired by the parents in order to participate in extracurricular athletics or activities. In many locations in Nebraska, there are few, if no, opportunities for homeschool students to participate in extracurricular activities or athletics or activities other than in the local public school. In order to resolve this, the LB1243 requires that school board policies shall not require any student desiring to participate in an extracurricular activity that is not regulated by athletics or activities association to be enrolled in any minimum number of credit hours offered by the school district in order to participate in such extracurricular activity. An NCHEA-proposed amendment is shown in bracketed bold in the bill text above that would prevent schools from getting around this bill by each forming their own intraschool activities association. The NCHEA supports homeschool parents selecting extra-- extracurricular activities from the local public schools they believe would be helpful to their children. Homeschool parents should have the ability to make these choices because they pay taxes to the public schools at the same rate as if their children were attending public schools full time. And the law does require that exempt schools set the standards for satis-- satisfactory athletic performance for their students. So we would request that the Education Committee vote LB1243 onto the floor, along with the, the bolded amendment shown on the text there. So thank you.

HUGHES: Would you give me an example. I'm sorry, I just, I'm not-- I can't think of any extracurricular activity that's not like a, a ball team or a swing choir or something like that.

DAVID LOSTROH: Sure. Senator Murman mentioned the orchestra here in Lincoln, and it was my interest-- the testifier from that group had to leave, as it turns out. But they had been participating with the LPS orchestra for years and oftentimes they had really fine players from the homeschool community, and so they welcomed them in to, to participate. And somehow somebody decided that not to do that anymore. So this particular--

HUGHES: I mean, is that the one-- is that the only one?

DAVID LOSTROH: No, there's others that will testify about it.

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HUGHES: OK, so I got to wait.

DAVID LOSTROH: And they can tell you, you know, their, their situation.

HUGHES: OK.

DAVID LOSTROH: So I'm giving you second-hand information here.

HUGHES: Got it. I'll wait.

DAVID LOSTROH: But you can get some first-hand. So, so yeah, so but they can explain this. But some of the grade levels that had previously been affected was predominantly in high school, affected with NSAA activities. But now it's gone down even to middle school, too, so.

HUGHES: OK. Other questions for Mr. Lostroh? Senator Meyer.

G. MEYER: Thank you, Vice Chair Hughes. I know it's pure speculation, but please speculate for me. What do you think the motivation is for the school district to start requiring that?

DAVID LOSTROH: Well, I can speculate, but I'd, I'd rather not, because I really don't know what drives it. I know in years, in years past, there was an onus by some school districts against homeschools. I don't think that that still exists. So, so I guess I'm not going to comment. I, I don't know that that exists anymore, but something.

G. MEYER: I apologize for putting you on the spot. And once again, I understand it's purely speculation. We all probably can surmise some of the reasons.

DAVID LOSTROH: Sure.

HUGHES: Senator Lonowski.

LONOWSKI: Thank you, Vice Chair Hughes. Thank you for your testimony. So if they did take one class during the day, then they would be eligible to be involved in anything, yes or no?

DAVID LOSTROH: Well, my understanding of the situation is that in times past, they could just participate in non-NSAA activities in a

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fair number of schools anyway. But that's changing now as it seems to require one and maybe more.

LONOWSKI: I'm not saying, hey, you go take a class. I'm asking if that's, like if they did take a class then the school would be required to let them?

DAVID LOSTROH: Well, right now the law doesn't say anything about it, Senator. I mean--

LONOWSKI: OK.

DAVID LOSTROH: So I'm not sure I can answer your question exactly. But it's my understanding that some schools are still not requiring any.

LONOWSKI: OK.

DAVID LOSTROH: Other schools may charge one, and maybe it's-- and I've understood that it's bumped up to two classes, so it's kind of whatever they want to do.

LONOWSKI: So as, so as far as you know, this has become like a Lincoln Public School--

DAVID LOSTROH: Well, I believe this is the case for the orchestra at the Lincoln Public School. We had a testifier like I said that had to leave that would have done, and she said she's going to-- told me she's gonna send her, her, her testimony to you in an email. But it will probably be tomorrow before you get it, and technically that's may not meet the requirements. But that's the best she can do.

LONOWSKI: OK, do-- can you foresee this opening up a can of worms that I don't know, that I can't foresee right now, but maybe there's other situations that this will be--

DAVID LOSTROH: Well, I don't think so. I mean, we have had that in the past and there didn't seem to be a can of worms when, when these things were happening previously. And so I'm not sure what the driver is right now, but there has been, you know, if your child wants to play, it's not an NSAA, you can play or be in-- participate in an activity.

LONOWSKI: OK.

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HUGHES: Other questions?

LONOWSKI: Thank you.

HUGHES: I just have one more. Would it be consistent if we just said one class for any participation of anything, and then it's, whether it's NSAA, they can't do two-- they can't require two. It's a one five-hour class for whatever. Then it's even.

DAVID LOSTROH: Well, the NSAA was a driver on this thing in the first place. It started out at 20 hours, so you had to have four classes. And meanwhile, there were the non-NSAA things that were, were zero and people, it seemed like things were working pretty well. And so for that reason, you know, we're saying let's, let's go there. It seemed to work for, for quite a bunch of years. And like I said, I'm not sure what the driver is, but I would believe there is some overhead and so on associated with high school games or activities that, that are NSAA-regulated. Whereas the nature of a homeschool player playing on a middle school's team in a non-NSAA thing has just got to be a lot less. So, I mean, we'd like to see this just be the way it was.

HUGHES: Or, but there was no really--

DAVID LOSTROH: Right, and from a--

HUGHES: We just need to clarify this.

DAVID LOSTROH: Right. It's from a practical historical point of view it had been no credits, and for the most part, kids were welcomed. So there's a change in thought.

HUGHES: All right, thank you. Thanks for your testimony.

DAVID LOSTROH: Thank you.

HUGHES: Next proponent. And maybe move up if you're gonna-- we're getting late, 4:35, we got another bill, so. Thank you, start whenever you are ready.

DANIELLE OHLMANN: Senator Murman and members of the Education Committee, my name is Danielle Ohlmann, D-a-n-i-e-l-l-e O-h-l-m-a-n-n, I live in Valentine, Nebraska and I'm here to testify in support of LB1243. LB1243 would add the requirement that school board policies

shall not require any student desiring to participate in an extracurricular activity that is not regulated by an athletics or activities association to be enrolled in any minimum number of credit hours offered by the school district in order to participate in such extracurricular activity. My husband and I have five daughters. My eldest is a sophomore in high school and, for various reasons, we've chosen to homeschool her this year. Three of my daughters attend Grace Lutheran School in Valentine. This summer at a regular meeting, the Valentine School Board made the decision to change a policy in the district handbook regarding athletic and extracurricular activities for part-time students. The policy reads: Students seeking to participate in extracurricular sports and activities not regulated by such an entity may only participate if they enroll in at least 10 credit hours on a part-time basis. The previous requirement was 5 credit hours. I have a daughter in eighth grade this year. My husband and I both work full-time. We are not able to leave our jobs multiple times a day to take her between schools. Because of this policy, she was not able to play sports the last two years, sports that are being funded by property taxes that we have paid. I've been a licensed in-home child care provider for almost six years. Before that, I was a preschool director and teacher for seven years. I understand the importance of respecting parents' right to choose what is best for their child. We have chosen parochial school and homeschool for our daughters because right now that is the best decision for our family. I'm simply asking that my daughters are given the opportunity to utilize a fraction of what we have paid in taxes to the school district in the form of extracurricular activities. I recently read an article by UNL Rural Prosperity highlighting the response from the 2025 rural Nebraska poll. The following quote stood out to me. We're seeing that strong connections and a sense of belonging are the backbone of rural communities, especially in smaller towns. Cheryl Burkhart-Kriesel. Valentine's current policy certainly does not foster a sense of belonging for my family in our rural community LB1243 would be a huge step towards building a strong connection between Valentine community schools, local parochial schools, and our home schools. I ask that you please vote LB1243 out to the full Legislature. Thank you.

HUGHES: Thanks for coming in for Valentine. That's a, that's a trek. So I just want to make sure I'm clear. They're now saying you have to have 10-- so 2 classes.

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DANIELLE OHLMANN: Right.

HUGHES: But it was one.

DANIELLE OHLMANN: Right.

HUGHES: And were you guys enrolled in one? And then they changed it to two? Is that what's happening?

DANIELLE OHLMANN: My daughter was not enrolled in one. We were not able to make that work with our family situation.

HUGHES: Even one.

DANIELLE OHLMANN: Even one--

HUGHES: Yeah, OK.

DANIELLE OHLMANN: --we could not make work

HUGHES: But she wasn't playing sports anyway. This was-- right? Because sports, you have to be in one, so you're not doing sports.

DANIELLE OHLMANN: No, at the middle school, the sports aren't NSAA-regulated.

HUGHES: Oh, right, right, right, right. OK.

DANIELLE OHLMANN: So she would have been able to play. Under LB1243, she would be able to play sports in seventh and eighth grade without taking any classes at the school.

HUGHES: Right. And that's where now they're saying even for middle school, you have to have--

DANIELLE OHLMANN: Even from middle school she would have to take two classes.

HUGHES: Which is more than what the NSAA requires in high-- so you have to--

DANIELLE OHLMANN: Exactly.

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HUGHES: --take two in middle school and then you get to ninth grade and now you just have to take one?

DANIELLE OHLMANN: Exactly. Which was, was brought up--

HUGHES: That seems strange.

DANIELLE OHLMANN: That was brought up to the school board and we weren't given any answers.

HUGHES: But then you also are look-- so this is the answer to my question. It's for FFA and FBLA for the non-NSAA regulated things in high school that you're looking at too.

DANIELLE OHLMANN: Right.

HUGHES: Because everybody was like the orchestra, but then--

DANIELLE OHLMANN: Mm-hmm.

HUGHES: OK, thank you. Thanks for coming in. Other questions for Ms. Ohlmann? Senator Lonowski.

LONOWSKI: Thanks, Vice Chair. Thank you for your testimony and your travel. Do you know of any inconsistencies in your district like the way it was or inconsistencies in other school districts where they allow children to participate or anything like that?

DANIELLE OHLMANN: I, I personally do not.

LONOWSKI: OK.

DANIELLE OHLMANN: No.

LONOWSKI: OK, I'm just curious. Thank you.

DANIELLE OHLMANN: Yes.

HUGHES: Anybody else? All right, thanks for, thanks for driving in and waiting so long. Next proponent, please.

ANGELA ROEHL: Senator Murman and members of the Education Committee, my name is Angela Roehl, A-n-g-e-l-a R-o-e-h-l. Also from Valentine, Nebraska, here to testify in support of LB1243. My children attend

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school at Grace Lutheran in Valentine. I was extremely disappointed when the Valentine School District voted to add additional credit requirements for our children to participate in extracurricular activities, programs my tax dollars support. The school board's new policy tells us that they will not accept academic standards of any other school, private or homeschool. As a parent, I have the ultimate authority over my child's education, not the public school. It's my responsibility and my right to choose what school my children attend. I wouldn't send my child to a school if I thought their academic standards were irresponsible. The school board's require-- requirement of two classes is a major disruption to the school day for all the students and teachers involved. Apart from the logistics of transportation and scheduling, it also means that my child would miss a significant portion of the school day at Grace, close to two hours from the time they depart to when they return. I feel that this is too large of a sacrifice for the way I want my child educated. Ultimately then, I'm faced with the choice of having my child receive a complete and uninterrupted education at Grace or having them participate in sports at the public school. I'd like to share Grace Lutheran's mission statement. Grace Lutheran school exists for the purpose of giving the children in its care a thorough Christian education. This rests on the fundamental truth that from Proverbs 9 verse 10, the fear of the Lord is the beginning of wisdom and the knowledge of the Holy One is understanding. This task involves the application of God's inspired and inerrant word, the Bible, throughout the day. This is how I choose to have my child educated. I want their school day to be centered around their savior, Jesus Christ, and I do not believe-- I, I do believe extracurriculars play an important role in a child's development, but I, as well as many others, are being forced with a choice between the two. That is the Christian education and sports. LB1243 would make it possible for our children to participate in extracurricular activities without disrupting their school schedule and without hindering education that we have chosen. Please vote LB1243 out to the full Legislature.

HUGHES: Thank you, thanks also for coming in a long way. Can you just give me a little background? Grace Lutheran, is it K-8?

ANGELA ROEHL: Yes.

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HUGHES: And prior to this change, did the kids, like in seventh grade, go over and do cross-country with Valentine? Or like was there some agreement with Grace Lutheran and--

ANGELA ROEHL: So before I believe it was just the one class requirement and they could participate.

HUGHES: Even in middle school, like even in seventh and eighth grade?

ANGELA ROEHL: Yes, and we actually haven't dealt with it a ton because we're just getting to-- our school has been around long enough now that our, our oldest kids are just starting to be in, in the middle-school age. So it hasn't been an issue as far as getting them to the public school until the last couple of years.

HUGHES: OK. I'm just-- we all relate to our own experience, and my kids went K-8 to St. John Lutheran, which is in Seward. St. John had their own sports for basketball but they didn't have enough for football, so in seventh and eighth grade the St. John kids could go over and participate in middle school without taking a class at the middle school. They just went over to do-- and cross-country was shared. There was just a-- they just shared.

ANGELA ROEHL: Sure. So yeah, this is the first year that they require the and then last year it was the one, just the one class.

HUGHES: All right. Thank you for the clarification. Senator Meyer.

G. MEYER: Thank you, Chair. Do you share any educational classes, any teachers, special ed, or anything with the public school?

ANGELA ROEHL: Yes, we have-- I know for sure that there's one that comes from the public school to help with some special ed stuff or similar things. Yes

G. MEYER: I know frequently when you have a parochial school and a public school in the same town they do cooperate and share. Does any of that count with regard to classes?

ANGELA ROEHL: I am not aware of that being the case, I don't know.

G. MEYER: Thank you.

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HUGHES: Oh, sorry. Senator Juarez.

JUAREZ: So I was just curious, when you brought the issue up to your school board, your local school board, did they actually have a meeting about having this change, and were there many people in attendance, do you know?

ANGELA ROEHL: So the first time it got brought up it was kind of it was a surprise to all of us, and then many of us showed up at the next meeting to speak about it and we weren't given much recognition for it. So there wasn't a lot of discussion or, or our questions didn't get answered in that second meeting either. They just kind of voted to keep it the way they had at the previous meeting, which we weren't aware of.

JUAREZ: But when you went to this meeting though, some of you were able to testify or no?

ANGELA ROEHL: Yes, some people were able to testify.

JUAREZ: OK, thank you.

HUGHES: OK, Senator Lonowski.

LONOWSKI: Thank you, Vice Chair Hughes. Thank you for your testimony and your travel. When your children get to high school, will they attend Valentine High? Or have you made that decision yet?

ANGELA ROEHL: We have not made that decision yet.

LONOWSKI: OK. And so, yeah, when I was a teacher, we had the same issue with some middle school kids that wanted to participate. And it would be fortunate if we could get the NSAA to regulate middle school, but they don't, they don't want anything to do with it. I'm looking for a happy median here. Is there any, is there any workarounds, do you think, other than them just saying, OK, come freely?

ANGELA ROEHL: I guess my bottom line is that our tax dollars support these extracurricular activities. We live in the community. I grew up in a school that was similar to Grace and we were able to have our, our own teams at our school and participate with the public school

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sports. In Valentine, we don't have those kind of resources. We don't have enough kids to have our own team.

LONOWSKI: Right.

ANGELA ROEHL: And so, I guess I'm not-- we just haven't been given a lot of reasons as to why they're not wanting us to participate.

LONOWSKI: Yeah, I understand that. Yeah, OK. I'm just trying to--

ANGELA ROEHL: [INAUDIBLE] answer your question.

LONOWSKI: --think out loud here. Well, I guess if you taught a certain part of their history book or something where you, where you had an agreement. So yeah, we'll certainly take a look at this and work on it. Thank you.

ANGELA ROEHL: Thank you.

HUGHES: Other question? Thank you. Thanks for coming in. Next proponent. You can start whenever you want.

SHANE HAMILTON: Sure. Good afternoon, Senator Murman, Vice Chair, Senator Hughes, rest of the Education Committee. My name is Shane Hamilton, S-h-a-n-e H-a-m-i-l-t-o-n, from Valentine, Nebraska. I'm here to testify in support of the LB1243. And again, LB1243 would change that requirement of the non-regulated activities that are able to be able to play extracurricular activities. I currently have my two boys enrolled in a homeschool co-op in Valentine, Nebraska. My oldest son, Mason, is the eighth grade-- in the eighth grade and is the only student to my knowledge actively participating in the extracurricular activities under the current requirements of the middle school in Valentine. He's required to take 10 credit hours in the public school to play middle school sports in the Valentine public school system. This is twice the amount that was required in his first year as a seventh grader to participate in the same activities. Since middle school sports are non-regulated activities, the Valentine Community School Board boldly voted to require more credit hours than the law allows for in regulated activities with attempts to make it even more challenging by initially trying to regulate which classes were required. Currently, the school board stopped at requiring 10 credit hours to participate in unregulated activities, but there are no guardrails in place, possibly allowing them to exclude all non-public

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school students by requiring even more credit hours, or even a full class schedule to participate in extracurricular activities. Let me tell you what a school day for Mason looks like because of the actions that have been taken by the Valentine school board. Some pretext is that Mason tested high enough to be allowed to take algebra offered at the Valentine High School. One of only five kids taking that class as an eighth grader in the Valentine Community Schools this year. He starts his day at the high school at 8:00 a.m. for algebra. He's then transported by bus across town to the middle school for his second class, reading, to fulfill the requirement to be allowed to participate in the extracurricular activities. After the second class in the public school system, he is then transported by myself, family, or friends mid-morning to his third school of the day, Grace Lutheran School, to finish his school day. In the event Mason was not eligible for the advanced math class offered, other challenges were, were posed. Finding two classes in the middle school schedule that were beneficial and didn't duplicate between the two schools was also challenging. This could have also possibly led to having to come and go between the two schools multiple times per day in order to meet the 10 credit hour requirement and benefit to his educational needs. The current class requirement in this situation makes participation in extracurricular activities from outside the public schools extremely challenging and generally not possible for most, even though I support them with my tax dollars. This created an active agenda pressuring me and other parents into only one education option of public school by creating challenges for our children instead of being able to find the best schooling options with additional opportunities for them to excel beyond the classrooms. By supporting this change in policy with LB1243, I will be allowed to pursue the best possible combination of education and extracurricular activities for my children with an outcome that supports them being successful in all aspects of their achievements and character. By supporting LB1243, the unnecessarily-- unnecessary changes-- challenges placed on my older son will be changed so my younger son will not have to navigate the same chaotic scheduling. Please vote LB1243 out up to the full Legislature. Thank you.

HUGHES: Thank you. Thanks again for coming in a long way to testify. Questions for Mr. Hamilton. Well, you got off easy because you were the third.

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SHANE HAMILTON: Oh, man, I have lots to say to you.

HUGHES: OK, Senator Lonowski.

LONOWSKI: Thank you, Vice Chair. Thank you again for traveling here.

SHANE HAMILTON: Yeah.

LONOWSKI: Have you researched at all what other schools are doing out there, like Ainsworth or any [INAUDIBLE]?

SHANE HAMILTON: I haven't seen other small schools like what I am available to go to in Grace actually near, in other towns near us. So that's some of the problems I think that I see. And then inside of that, as we went to the school board to kind of request what the reasoning was behind it, because it was complete surprise to me, like week of the school starting, there was no justification. And then when there was a letter from Senator Murman to that, the school board, they just disregarded it completely with no extra, extra-- any information and just said we are legally able to do this. And that's all. And the other part of it is, too, they, they tried to say that they were being consistent throughout the school systems, when obviously I thought the exact opposite of that, where they're already going above and beyond the regulated parts of the high school. And so then I also wanted to add, too that Mason qualified for that extra high school class, which was a unique opportunity that the Valentine Community Schools does. So I actually posed the question, says, well, if he's already in a high school class, does that suffice for the rec-- or the requirements to play the middle school sports? And that actually came back negative about that. They actually thought that I should go for two more classes for the middle schools side of it, too.

HUGHES: Oh, geez.

SHANE HAMILTON: So there were some things there that we just didn't get any answers, and just asking the questions, and it went nowhere, so.

LONOWSKI: Thank you.

HUGHES: Senator Meyer.

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G. MEYER: Thank you, Chair Hughes. Is this your early school experience? Have you been in another school district or anything comparable and had a different experience in another school?

SHANE HAMILTON: So I'm going to just go way back to when I grew up, and I was actually, similar to Senator Hughes, went to a parochial school when I was growing up. We also had kind of a same type of a, a system where it was really easy to cooperate and coordinate between the two and actually it worked out for both schools because it added students to the sporting events. We all benefited from the cooperation. And so growing up in a community with a healthy cooperation and inclusion was, was what I knew. And then when I was starting my kids into school actually we were at a, not a home school co-op, but another small Lutheran school that actually it was forced to close because the student population just started dwindling. And so it was, it was an accredited school at that point. So the, the cooperation worked really well together. Now that we're into a homeschool co-op in this school now, now that actually regulations are, are more aggressive against that than it would have been even the other way. So that's my experience so far with this. And then just seeing the, the requirements keep ramping up to where we would have had to, if we could not figure out an opportunity to, to really make this work-- but I've been fortunate to have enough family and enough opportunity to be able to make that work-- we would have chosen away from it and it would have been a very hard decision to forced that way. It, it's unfortunate to see the community not wanting to cooperate. It feels like a direct attack on me because we are, we are the only ones really affected right now in the system. But I also seen other families that were able to-- or not able to participate or do anything that helps just to try to be part of the solution then too. So they kind of pushed them away, so yeah.

G. MEYER: Have you interacted with any of their families in other districts around the state facing similar challenges and, and, you know, have they found any solutions, if you have [INAUDIBLE]?

SHANE HAMILTON: I, I have not interacted specifically with any other districts that are really working this way. My, my brother actually is in northeast Nebraska and he has girls in a parochial school there that is an accredited school. And so I know that they're-- they cooperate, I think, but I don't know if they have a lot of sports that co-- like that cross over. So a lot of times those kids are able to

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play the sports that that parochial school doesn't have. In order to, to play those sports, I have not heard of anyone else having to actually have requirements to do that. It's been kind of a nice cooperation between those. And that's why I guess in Valentine of all places, homeschools I thought would be more supported. Because where else in the state besides Valentine, Nebraska, would you actually want to promote your homeschools and bring those kids together with your regular schools too? And I do plan on actually continuing my education into public school at some point too. So it just drives a kind of a wedge and, and a division line in our community.

G. MEYER: Well, I appreciate you coming all the way from Valentine--

SHANE HAMILTON: Yeah.

G. MEYER: --to share your story. Thank you.

SHANE HAMILTON: Yeah.

HUGHES: Other questions for Mr. Hamilton? Thank you for coming in.

SHANE HAMILTON: Thank you.

HUGHES: Next proponent. All right, any opponent? No, go ahead, sir.

COLBY COASH: Good afternoon, Vice Chair Hughes, members of the Education Committee. My name is Cobly Coash, C-o-l-b-y C-o-a-s-h, and I represent the Nebraska Association of School Boards. And I'm going to start with this, why, why do schools ask for participation in a class in order to participate in extracurricular activities, high school, or now into grade school, as this bill is touching? When you have a student who's going to wear the jersey or the choir robe or the play banner, whether it's for the Minden Whippets or the Northeast Rockets, that student is representing that school. And so it's important that there be a nexus between the school and that student. LB1243 removes that nexus. So there's no connection between the student and that particular activity. And we believe strongly that there needs to be a nexus between the student and an activity so that when that student is representing that school, the school has something with that student that they can say, yes, this is a student we would want to represent our, our school. If it's an enrolled student, they know that, they know that kid. And they-- and that kid is under the handbook and the policies of that district that say, if

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you have discipline problems, you're not gonna be able to participate in this. If you are not attending school, you're not going to be able to be participate in that. So what LB1243 does is it removes that ability for that, for that nexus, and we think that's important. Another point we bring up about this bill is that, you know, the term extracurricular is pretty broad and this bill may be in conflict with a really important component of a lot of education, particularly in, in high school, which is the FFA. FFA is not regulated by the NSAA, but it is regulated nationally pretty prescriptively about what it takes to become an FFA chapter, the nexus a student has to have with their school, and the classes they have to take. And I think this bill might come into conflict with that, and I, I think you're gonna hear a testifier on that following me. Finally, I would say there are clubs, right? And so, if you go to some districts, you might have a Pokemon club. You might have an-- where my son goes to school, there's a milk drinkers club, which is just kind of a social thing. But the point is, is you have to be enrolled as a student to be able to participate in that. And I think that there is potential for unintended consequences about participation of things that we're not thinking about today. But at the end of the day, schools are going to prioritize the students that they have enrolled. As long as there's a nexus between the student and that activity, I think we can work, work with that. Even a small nexus as we currently have with, with high school sports. So with that, I'll conclude my testimony.

HUGHES: Thanks for coming in, Colby. And I'm just going to push back a little bit on, do you not see a little inconsistency with requiring two classes in seventh and eighth grade to play, and then, oh, boom, I'm in ninth grade, and now it's one?

COLBY COASH: Well, certainly that is inconsistent. I'm learning about this two classes today.

HUGHES: OK, yes.

COLBY COASH: But LB1243 says zero.

HUGHES: No, I know. Right, sure.

COLBY COASH: So I'm here to advocate for, there needs to be an ability of a, of a school to have some access--

HUGHES: Now when I am hearing, like when I'm-- this is just me, and we'll talk back and forth, but I made a note that I, I think what would be appropriate would be it can't be more than one because if that's the requirement at high school. But I think, for example, St. John in Seward still participate, and those St. John kids don't have to take a class at middle school to go run cross-country or go play football. So I think that's the local control piece, if you will. So there's no nexus there. I think, I think you have to fill out paperwork and do some stuff, but anyway. OK, other questions? Senator Meyer.

G. MEYER: Thank you, Chair Hughes. Would you say, Mr. Coash, that a student on an athletic team represents a school but also represents the community?

COLBY COASH: I would.

G. MEYER: And would you also say that the homeschooled students and parochial school students would probably be the kind of students you would want representing your community?

COLBY COASH: I'd agree with all that.

G. MEYER: So I would think that that would be an opportunity to enhance the image of the school if they were on an athletic team or maybe debate team or something along those lines. So it seems kind of punitive not to allow them to participate doesn't it?

COLBY COASH: Well, I think there's there's, there's an opportunity here to say there is participation with conditions because school-- students who are enrolled have conditions to participate, right? They have to get certain grades. They can't be failing classes. They can't have discipline problems, attendance and all that. So those are all conditions for enrolled students. Those conditions ought to also apply for non-enrolled students.

G. MEYER: OK, thank you.

HUGHES: Other questions? Senator Lonowski.

LONOWSKI: Thanks, Vice Chair. Thank you for your testimony. I guess I keep going back to the NSAA, and I just think if it were important to them, they would establish a policy. So I get it as it stands now,

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it's each individual school. And if we make a policy, now it's everybody. Yeah, I'm, I'm just trying to figure out the fix here.

COLBY COASH: You said earlier, Senator, kind of-- you were kind of lamenting about the fact that NSAA doesn't regulate seventh and eighth-grade sports. And if they did, there would be parity between junior high and high school sports. Unfortunately, NSAA isn't regulating junior high sports, so it is more of a local decision. So to the extent the NSAA wants to, wants to do that, I think you'd find support from our organization. But as we sit here today, they don't want to touch the issue.

LONOWSKI: I get that. I, I fought for years to get this family of six boys who homeschooled up until eighth grade. Actually, they went to Lutheran school up until eighth grade and I fought for the first few to get them in and kept losing the battle, losing the battle. Then we got an athletic director and he said, I think we should allow homeschool kids to participate in middle school. The magic wand was waved. It was a very arbitrary decision. And so until we really get some-- somebody has got to be in control of something, I guess. But thank you for your testimony.

HUGHES: Senator Mar-- or Senator Margo-- Senator Juarez.

JUAREZ: That's OK. So I think that you've made a really good point but I just want to make sure I understand it. So for students who are homeschooled, do you not think that they, they don't have any standards or grades for what they're doing? And if they're not doing good at home, you wouldn't be able to find out that information? I'm not familiar with the environment at all. So I have to say that upfront.

COLBY COASH: Well, to answer your question, I, I do believe homeschooled students and accredited schools like that are regulated, they do have accountability through NDE. So it's-- that is part of the system. But if they're not enrolled in the school, the school doesn't know if they are a discipline issue. The school doesn't know how they're doing. And so my point was is that without that nexus, the school doesn't have an ability to know that because it is separate and as it should be. If you're homeschooled, you're under a certain set of guidelines and, and homeschool families follow those guidelines.

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JUAREZ: Yes, but I think that, you know, if there is a standard there for the home school students, right? I mean, don't you think that you would be able to find that out? Or are you saying that the bill is not-- is it not enough so that you would have a basis for these students?

COLBY COASH: Well, under the, under the current law and the current guidelines for high school sports, there's a nexus with the, with the students, right? So the school does have some ability to have a connection with that student. What LB1243 does is it removes that, so you're unable to, to know.

JUAREZ: OK, thank you.

HUGHES: Other questions? All right. Thank you. Next opponent, please.

BRAD JACOBSEN: I've learned that when it gets past 5:00, you can say good evening. So good evening, Vice Chair Hughes and the Education Committee. My name is Brad Jacobson, B-r-a-d J-a-c-o-b-s-e-n, assistant superintendent at Lincoln Public Schools. A lot of things that Mr. Coash just shared will be included in what I just handed to you, so I'm going to try to not repeat and read. You all are capable of doing that. LPS does oppose LB1243. It does-- that seeks to a completely exempt homeschool and non-accredited students from minimum credit requirements for participation in certain extracurricular and co-curricular activities. We believe that families are always free to choose educational setting that best fits their student. However, when a family chooses not to enroll in a high school, they also choose-- that choice also defines the opportunities available to them. Just as a student enrolled at North Star could not play baseball at Northeast if they wanted to, enrollment is that link or, as Colby would say, the nexus that connects that student to their opportunities. Our policy at LPS is five credits, and it, it doesn't touch an age. So that's what we, we utilize. The NSAA, when they passed that five credit standard to just be a blanket standard for us. So that's how, that's how we have approached it. I think one, you know, specifically there are, there are co-curricular, and I'll, you know, co-curricular meaning things like the business department and FBLA or DECA. Sometimes the courses are very specific and connect very directly to those activities. Colby mentioned FFA. So while they're not governed by the NSAA, they are governed, and so they all have a little bit of a different take. But like you can't, you couldn't have an FBLA chapter

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unless you met the requirements to be in an FBLA chapter and the FBLA would say, the national organization would say that you needed to be enrolled in a course. So as a-- this is my first year with LPS in this position. For the last-- for 16 years before that, I was a high school principal, worked with a great number of families, all different needs. Sometimes they involved things like FBLA as their purpose. Sometimes they were very content-related. Sometimes they were NSAA non-athletic activities like band and speech and debate and those things. So all across the map. But I think, you know, there are some governance, I guess, that was the piece that I wanted to share that would be different than what anybody has shared yet today, is that there are governances that just might not be NSAA. So at that point, I'm going to stop. You can read the rest of my-- the rest of the information there. Some of it's already been stated. I'm not going to repeat it for you. But certainly would take questions, if you have any.

HUGHES: Thank you for coming in, Mr. Jacobsen. Questions for-- yep, Senator Lonowski.

LONOWSKI: Thank you, Vice Chair. Thank you for your time here. You're at LPS, correct?

BRAD JACOBSEN: I am now, yes.

LONOWSKI: Does LPS-- sir, does LPS do middle school sports against the others? Or is it more like an activity?

BRAD JACOBSEN: It's-- they do do competitive sports against their other schools. Not football. They do not have middle school tackle football.

LONOWSKI: OK. Do you see how it could be a different situation, Lincoln and Omaha versus Valentine where probably everybody knows everybody?

BRAD JACOBSEN: Yeah, and I can only-- again, I was not here when this, when they put the policy in place.

LONOWSKI: I understand.

BRAD JACOBSEN: But I think the, the district that I was at, that was our discussion was, OK, well, if the, if the standard at the high

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school level is five credits, for consistency purposes, let's just make it the standard at, at all age levels. I don't know, there wasn't anything magical more than that conversation.

LONOWSKI: OK.

BRAD JACOBSEN: And that's, that's what we did moving forward. My experience is we ended up, a lot of our kids came more than one class. Just, you know, and some of it happened to do, you know, maybe was because of transportation those kind of things, but it wasn't because we forced them to.

LONOWSKI: Did you try to make it the class right before the sport or activity or--

BRAD JACOBSEN: You know, it all-- yeah, I mean, it all depended on what the family needed.

LONOWSKI: OK.

BRAD JACOBSEN: So one of my most recent ones was simply the parents said, OK, I've kind of reached my math limit. Like, you know, I know that geometry is not my thing. So you know and when is geometry offered? So we-- so that's how that conversation started. So sometimes it can work out that way, but it doesn't always work out the other way, so.

LONOWSKI: Thank you.

BRAD JACOBSEN: You bet.

HUGHES: Other questions for Mr. Jacobsen? All right, thank you. Next opponent.

COLIN KUBIK: Good evening. I'm Colin Kubik, I'm the executive director of the Nebraska Agricultural Educators Association, the NAEA. And I'm a current ag teacher and FFA advisor in the state of Nebraska for the past 24 years.

HUGHES: Can you spell your name?

COLIN KUBIK: Oh, sorry, yeah. C-o-l-i-n K-u-b-i-k. For a lot of the same reasons that have been touched on, Mr. Jacobsen, with FBLA and FFA, I do just want to point out a few things. You can have that to

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read, and it's all about our organization, the National FFA Organization, and that we're inter-curricular. We were governed by the constitution that was signed into law back in 1950 with our federal charter. And then that trickles down to us. But because LB1243 specifies extracurricular rather than inter-curricular activities as defined in the National FFA Constitution and codified by law in the federal charter, it is unclear whether this proposed bill can or will affect FFA membership and the rule that active FFA members are required to take agricultural classes in the-- with a local certified teacher. If that is the intention or the effect of this bill, we fear it could put Nebraska's FFA charter in jeopardy, as outlined in Article 4, Section A, number 3, in your handout, which provides provisions of the state FFA constitution should not conflict with the national FFA constitution, and the board of directors having the power to suspend, suspend the charter of any state association which violates the national constitution's bylaws. We feel the proposed bill, any bill that would exempt FFA members from taking required classroom instruction in ag, food, and natural resources would conflict with the national FFA constitution and therefore would have the state charter revoked, not allowing FFA in the state of Nebraska. This would go against our agriculture education three component model as well. So with that, all being said, you know, taking into consideration that we are governed by a federal charter, that somehow, somehow, that we would be exempt from this law if it would happen to go through.

HUGHES: All right, thank you--

COLIN KUBIK: Any questions?

HUGHES: --for coming in, Mr. Kubik. Questions for Mr. Kubik? Nope. You got off easy.

COLIN KUBIK: Thank you.

HUGHES: Next opponent. Anyone in the neutral? All right, Senator Murman, come on back up. And while he's coming up, we add online 23 proponents, 5 opponents, and 0 in the neutral online.

MURMAN: Well, as some of the testifiers mentioned or had in their handouts, quite often these clubs that we're talking about are academic clubs, sometimes robotics, math, book clubs, orchestra we

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talked about. I think what we have heard from several homeschoolers and several, and several school districts, but I, I don't think it's a widespread issue really. And I think some of it is a result of the misunderstanding of the bill that we passed, I think, last year that said only one class could be required for participation in NSAA sports. So I think some school districts either misunderstood or misread that, thinking it should be, should apply to middle school also. As far as the FFA, FBLA, DECA, those kinds of things, they would still be governed by the national level. So if there was a, a conflict, you know, that can be worked out, either, either they would have comply with the national level or they wouldn't be able to participate, I assume. And then as far as supporting the community or the school, you know, we always hear about schools, they want to be called community schools. And I agree with that, you know, they're part of the community. Well, homeschoolers are part of community also, and they just want to participate in the level playing field with the, the rest of the schools that regularly attend-- or the students that regularly attend the school. So and, and of course, the coach or the instructor of the middle school activity or whatever it is, if the student was a discipline problem or something like that, they'd, they'd have to comply with the same rules, of course. So with that, I-- and I do think if we required one class or five hours like we do for high school, we'd be taking a step back in most situations. Because right now I think the majority of middle school, middle schools in the past and, and even now don't, don't require anything. Some do and some were requiring too much, so that brought this bill. So with that, I'll take any questions you might have.

HUGHES: Thank you, Senator Murman. Just from hear and what I'm hearing, I'm wondering if we just don't say you cannot do more than one class. This bill is disappointing to me, honestly. I'm like, for God's sake, we have 245 other school districts that have figured it out and not really seem to have a problem. But OK. [INAUDIBLE].

MURMAN: Yeah, I, like I said, I think that would be a step backwards, if we, we did that.

HUGHES: Questions for Senator Murman. OK, thank you.

MURMAN: Thank you.

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HUGHES: And I will hand the reins back to the Chair. We got one more bill.

MURMAN: Good evening, Senator Conrad.

CONRAD: Hello, good evening, Chair, members of the committee. My name is Danielle Conrad, it's D-a-n-i-e-l-l-e, Conrad, C-o-n-r-a-d, I represent north Lincoln's 46th Legislative District and I'm pleased to introduce LB1146. LB1146 makes modest updates to our existing truancy laws to include some children from the inflexibility of the existing 20 unexcused absence law that can trigger court involvement. Just to contextualize this quickly, and I know we've touched upon truancy laws in this committee over the years, so the committee is well familiar, but when our truancy law was significantly rewritten as part of a major juvenile justice overhaul in 2014, I was here. I was a member of the Legislature when that happened. My good friend, Senator Coash, who, who's in the audience today too, was actually a member of the Judiciary Committee and a part of that effort. And it was meant to ensure that we could keep more kids in school and get kids and families the support and services they needed to be successful with their educational activities. And we wanted to ensure there was a pathway for county attorneys and court involvement in really extreme cases that, that might need additional support or attention. Unfortunately, almost immediately after adoption of that provision of the juvenile justice overhaul, we started to hear about a number of unintended consequences with this inflexible rule in regards to the 20 absences. We started to hear from rural families, from farm families, FFA families, kids with orthodontia, student athletes, religious families, gifted families, that literally were not seeing negative impacts in the school in regards to attendance, but because of a host of different circumstances, had more absences than that, that 20-- that 20 limit would apply, and ended up resulting in their school turning over their family to the county attorney for intervention and ensnarement in the juvenile justice system. Even if the kid was not struggling in school. And so there have been efforts over many years to try and make this law work better and to strike the right balance. I, myself, and others have brought forward much more expansive legislation than that-- than it is before you in LB1146 to try and either eliminate or do major rewrites and reforms to the existing truancy laws in Nebraska. That is not what is before you in LB1146. Actually, I have that bill over in Judiciary carried over from last year. It's, it's not going to be moving anywhere. But what, what is

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before you today is an attempt to hear that feedback from parents and families across the state about what's working and what's not working with our truancy laws. It's an attempt to make sure that we reserve critical resources that our county attorneys and juvenile courts bring to bear for those families most in need of assistance. And it recognizes that parents have an undeniable fundamental right to guide their children's education. That's not my opinion. That's the, that's the law of the land. And it comes to bear in this instance. So again, I, I want to note that as part of that 2014 revision to truancy laws, the Legislature never intended the truancy laws and the county attorney-- county attorney referral to apply to illnesses. And again, this isn't my opinion or pulling some section from legislative history. If you literally look at the slip law for LB464 that ushered in that change in 2014 on its face, in our statutes today, it says, quote, illnesses that make attendance impossible or impractical shall never be-- shall not be the basis for referral to a county attorney. OK? That's what the law says and is meant to do. Now I want to tell you a little bit about how we're failing to meet that clear standard in our schools and in our courtrooms across Nebraska today. So county attorneys have widely disparate treatments in terms of how they handle these cases. Some prose-- some counties prosecute truancy aggressively, including here in Lancaster County. Other counties don't follow up on the school referral at all, and that's part of prosecutorial discretion, that's part of resources, that's part of what other things might be happening in their community, et cetera. But what was meant to be a uniform standard is anything but. The pen-- this is justice by geography. Dependent upon where you happen to live, parental rights may be respected or they may be discarded. So I want you to keep that in mind. Additionally, as I noted, we've heard from so many families that kids are not failing out of school. They're not running around the streets like juvenile delinquents. They're going off campus for gifted things. They're going off campus for medical appointments. They're going off campus for religious endeavors. And it's all very murky as to whether or not each individual school is gonna count that or not count that absence for purposes of truancy, even if the parent says this is appropriate for me and my children. And I think that's problematic. So I've heard it said many times from the county attorneys and the schools, while well-intentioned, we have to have something on the books to help ensure that we can protect the most vulnerable kids when they're, when they're in a really bad situation with their parents at home. I understand that sentiment. I,

I don't think anybody disagrees with that sentiment. That's why we have child abuse laws, right? That's exactly why we had those on the books. For those rare instances when a parent or a guardian is not doing right by their kid and a vulnerable kid is getting hurt. So I want you to not forget that in addition to truancy laws, we literally have child-abuse laws on the books. We have a grant of juvenile court jurisdiction specifically to haul in families if parents are neglecting their children's education. Nothing in this bill touches that. That stays in place, as it should. But I want you to keep that in mind. When people come forward and they say, well, we have to have some sort of method to get kids and families who are in an abuse situation in the courts. We do. And it's, it's outside of truancy. And nothing changes that in this law. So because of the concerns we've heard from so many different families, we've taken strides together in recent years in this Legislature to push back against the schools and the county attorneys and say this isn't what we wanted in terms of how this law is playing out. This isn't working as we intended. So in multiple instances, we said we mean it when we say it: medical issues don't count for truancy, and we're going to actually say mental illness is on the same par as physical illness. We passed multiple bills in that regards recently in recent years, reaffirming that principle. We also did a pretty significant rewrite to ensure that schools were having better documentation and bringing families to the table before we got to that 20 absences, to make sure services and communications were in place before that last straw of turning over a family and a kid to the county attorneys in the courts. We did that together. The Governor signed it into law, and it's just starting to take effect over the last couple of years. And that's really, really good. So admittedly, I would prefer that we decriminalize truancy as many of our sister states have done, including Texas. Because I think it infringes upon parental rights, and I think we have other remedies to deal with the issues before us. But that's not what's before you in LB1146. Rather than hitting my head against a brick wall and bringing another reform or repeal of our truancy laws, I wanted to be pragmatic. I understand that in this instance, the Legislature has ceded its authority and given a veto power to the counties attorney's situation for anything they don't like or that weakens their power. I disagree with that, but I understand, particularly in a political realm, power concedes nothing. And that's exactly what we have going on in Nebraska and in the Nebraska Legislature. I think it's offensive and ridiculous, because I don't think schools and I don't think county

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attorneys know better how to parent my kids than I do, or your kids, or the rest of the kids across the great state of Nebraska. Parents know how to parent their kids. And they shouldn't cede their fundamental parental rights because they're attending a public school. But yet, that's what we have on the books today. That's what have in practice in communities across Nebraska. So I'm pragmatic. We're not gonna decriminalize truancy like our sister states have done. But at the very least, we should make these laws work better for kids with serious medical issues, kids that are homeless, young parents that are pregnant and parenting in schools, kids with disabilities. This inflexible rule is falling particularly hard on these really vulnerable populations, many of whom are already identified and getting supportive services. So this bill focuses on four groups of students to say, if you have-- if your parents say that you have a medical issue, it doesn't count, because they're your parents. And schools shouldn't treat parents as liars. They should treat them as partners and the paramount decision-maker in their children's education. You will hear from schools and county attorneys later that, well, we never pull in families when they have medical issues that are documented. And I've got a host of examples that are well-documented from my community and across the state. I'm gonna hold those for my close. I'm passionate about this topic. This system is broken and it's not working for families in Nebraska. If we can't decriminalize truancy, which we should, and deal with child abuse as we do when child abuse is present, we should at the very least say, in these instances, we're not going to run up the score on absences that facilitate and necessitate a referral to the county attorney because there's some special circumstances at play: parental rights, homelessness, disability, and pregnancy and parenting for young families. I'm happy to answer questions.

MURMAN: Thank you. Senator Hughes, questions?

HUGHES: Thank you, Senator Murman. Thanks for bringing this bill, Senator Conrad. I'll just-- I'm going to throw back at you a little bit here. Kids missing 20 days of school, it's real hard to graduate. Right? I mean, the more school you miss, the studies, NSWERS data and everything shows it. Kids that are absent, noto-- just absent, absent, absent, lower graduation rates, lower grades, lower-- it, it's setting them off on a bad foot. I am, I am with you. It is very clear if kids have illness or whatever that should not count in the 20 days. I feel like there was a senator that did an interim study on this at some

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point, and I, I didn't get the information on that to go back on that. But just something that I'd seen, I'm just wondering if this helps. You're not gonna take this off the books and I understand you very feel passionate that we have it on there, but is there any merit, and it's not necessarily child abuse, but I'm a parent and I-- Johnny doesn't want to get up in the morning and I don't want him up in a morning and I'm like, eh, forget it, you don't need to go to school. Is there any merit in having this? It's like, you know what, you have to go school. Like if we don't get you to-- that's where I look at this. And that's not child abuse. So there's-- you can't come after me just because I didn't want to wake him up or I didn't want up and-- or get him going, whatever. That's not a child abuse case. So that doesn't fall under that kind of statute. Is there not any merit of having this out there that it's like, I know that if I don't do this, I'm gonna have, you know, I do get sent to the county attorney or I get-- and actually schools should notify-- there's steps to notify way before you get to that point also. But just throwing that back out at you, is there any merit in that part of it?

CONRAD: Yeah, well, and thank you for lifting up the issue brief from NSWERS, is that what we call it?

HUGHES: NSWERS.

CONRAD: NSWERS-- that came out in October 2025, which has a lot of good data in regards to chronic--

HUGHES: Yeah, and it's real data, I feel. I mean, it's from our kids, you know, data from our schools, our-- which is, I think policy needs to be made from real data, so.

CONRAD: Yeah, it's helpful and we can make sure everybody on the committee has a copy of that in case you don't for your files, but it, it lists a lot of really helpful data points. It also notes that this is a bigger problem in rural Nebraska than it is in urban Nebraska--

HUGHES: [INAUDIBLE].

CONRAD: --for a variety of different reasons. Slightly, not--

HUGHES: Getting that, OK, this person is not getting to school, [INAUDIBLE]. Sometimes, oh, let's dig in, they need help with a car.

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Or it, it helps get services to that family, because maybe it isn't an intentional thing, too. But anyway, sorry.

CONRAD: Yeah, no, that's a great point. And if you look even further though on the policy recommendations after they've worked through all of the data, it says unequivocally that a punitive approach to addressing truancy and excessive absenteeism is not the way forward. Which is also what the Nebraska Department of Education says on their materials in terms of addressing chronic absenteeism. I'm not aware of any best practices that says a punitive sanction and system is the best way to address excessive absenteeism and truancy. Yet we still have, have this on the books. The other thing that I think is important to know in regards to your question, Senator Hughes, is that while we do have information about how excessive absenteeism kind of impacts educational success as a whole, it doesn't tell the story of every kid. There are kids who miss more than 20 days of school that have straight A's.

HUGHES: No, I know. Yeah.

CONRAD: That are-- that graduate early, that graduate on time, that get scholarships, that do great on standardized tests. But none of that individualized assessment is reflected, of course, in the NSWERS report or as comes to bear in the system that we have before us. I mean, we don't even have to prove that there's a loss of educational attainment. It's boom, 20. It doesn't matter if you're doing well in school, if you have other things, extenuating circumstances.

HUGHES: I think that's dependent on the district.

CONRAD: Well, yes, which is kind of my point--

HUGHES: Right.

CONRAD: --in why there's a problem here. Yeah. But we'll make sure to get everybody a copy of that, that data brief, because it is very good and it does have some interesting and surprising results. I know I've introduced interim studies on this topic before. Senator Kouth had an interim study this very last go around on truancy. She shared some information with the committee, and I had a chance to meet with her pre-session to learn more about kind of the pieces that she had learned about in that. And it was a, it was a constructive discussion.

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HUGHES: OK, thank you.

CONRAD: Yeah.

MURMAN: Senator Meyer.

G. MEYER: Thank you, Chair Murman. Thank you for bringing this to our attention. I have-- obviously, I'm from a rural district.

CONRAD: Mm-hmm.

G. MEYER: I have school districts that have chronic absenteeism over 70%

CONRAD: Mm-hmm.

MURMAN: With graduation rates of 95 to 96% in those same schools. They have what's called a credit recovery program so that right at the end of the school year you don't have to go to school. You do a crash course, you pass whatever, whatever that standard is, and you get a diploma right with the kids that have done everything right all year.

CONRAD: Mm-hmm.

G. MEYER: They've tried paying for grades, incentives of other types to get kids to come to school. Nothing works. I don't know in my particular area with regard to county attorneys following up with truancy, that we simply don't have the staff.

CONRAD: Right.

G. MEYER: We don't the, the framework to follow up with that. Sometimes I think there's just problems we can't solve, and I, I don't know how to go about doing it. I know in many instances, instances in the school districts in my district-- not all, but certainly some-- simply transfer-- just simply the kid not being able to have transportation to get to school. I've got one school district that's 40% option enrollment and one of the biggest problems they have is kids can't get to school. They want to come to school, they just can't get to school--

CONRAD: Yeah.

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G. MEYER: --because due to family situations, considerations, no vehicle, no transportation. You don't want to send a bus from your school into another school district and load up the kids there and bring them back, although maybe that's the next alternative. So yeah, I, I, I-- what penalties are there for chronic truancy? I mean, do you punish the parents? Do you punish the kids? Kids don't care. They're not going to school anyway. What, what can you do? What, what, what, I mean, there's-- how do you motivate them?

CONRAD: Yeah.

G. MEYER: Evidently there's no opportunity to motivate, because we haven't seem to found that formula yet.

CONRAD: Well, yeah.

G. MEYER: I don't mean to be defeatist--

CONRAD: No.

G. MEYER: --but sometimes I think we can't fix this problem. I, I-- it appears to me we can fix it. I hate to even say that.

CONRAD: No, Senator, there's always hope. And thank you for sharing your frustrations and experience from your district. And the good news is, we actually do know how to move the needle on chronic absenteeism and to motivate students. And this-- I was really proud of our State Board of Education for making and addressing this issue one of their top priorities. And they have listed schools, and I can follow up and share this with you, but schools in Box Butte County, Cheyenne County, Clay County, Dakota County, Frontier County, Grant County, and Keith County all saw huge reductions in chronic absenteeism. They also lifted up model examples from Bancroft-Rosalie, from Arapahoe-Holbrook, from Millard public schools, from Alliance public schools from Sidney public schools. And each of those models that they lift up that really moved the needle on getting kids to schools was about services, was about leadership, was about relationship. That, that teachers and school administrators really made an effort as a team to figure out how to get and keep kids in school that wanted to be there, but were facing barriers. And none of these examples that NDE has lifted up said the best pathway to fixing this is through juvenile court, is through criminal sanction. So that's what we shouldn't be doing, but we have good models in place to move the

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needle, to move the needle significantly in the right direction. But actually, a punitive approach to addressing this hurts the relationship. It hurts the communication. It makes families that are on the edge have to try and find a lawyer, take time off work to go to court. It puts everybody in a defensive position instead of a collaborative, problem-solving kind of posture, which is how you move the needle individually and collectively.

G. MEYER: I fully agree that punitive should not be used. I mean, that, that in almost every case that's gonna be counterproductive. Perhaps not every case.

CONRAD: Perhaps. Yeah.

G. MEYER: In general, in general it's gonna be counterproductive. So but I feel like it is certainly in, in my area that that is a major, major problem.

CONRAD: Yeah. Thank you.

G. MEYER: So thank you.

MURMAN: Senator Hughes.

HUGHES: Thank you. So just from your dialogue, don't sometimes juvenile courts provide those services and mandate help? I mean, I just, I am not even gonna pretend I know the judiciary system, but just with some of the things I've seen with like problem-solving courts [INAUDIBLE], it gets services to families sometimes that need them. Is that not the case?

CONRAD: It can, but it's not the only way to provide services to families. There's actually a, a host of other ways to, to do so. And not every family needs services either, right? So it, it depends. But there's plenty of other pathways outside of juvenile court to help families in need.

HUGHES: OK. Thank you.

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

CONRAD: OK, great. Thanks. I'll be here.

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MURMAN: Proponents for LB1146.

ANAHI SALAZAR: Hello, good afternoon. Or good evening, sorry. Evening. Chairperson Murman, and members of the Education Committee, my name is Anahi Salazar, A-n-a-h-i S-a-l-a-z-a- r, and I'm here on behalf of Voices for Children in Nebraska. Education plays a crucial role in shaping children into healthy, productive adults. At Voices for Children, we connect with young people whose lives are shaped not just by their choices, but by the systems meant to support them. Schools should be places of stability, understanding, and opportunity, not a gateway into the juvenile justice system. Voices for Children supports LB1146 as it moves Nebraska closer to that shared value and moves us towards the best practices relating to absences from school. There are many reasons students miss school that simply cannot be avoided. Absenteeism is an issue influenced by a combination of individual, family, and school-related factors. LB1146 protects students whose absences are, are tied to these realities and ensures they are not pushed into the juvenile court system for circumstances outside their control. This bill makes a critical and common-sense change by clarifying what should not be considered an unexcused absence. These include-- this includes, sorry, absences related to illness, disability, pregnancy or parenting, homelessness, services, or the education for homeless children and youth program. These students have already legally-recognized needs and protections. Treating absences connected to those needs as unexcused and subject to court referrals does not improve attendance and instead exacer-- exacerbates stress, trauma and disengagement from schools. The common reported-- the most common reported reason from, from youth for missing school is sickness. It is well-documented that easily transmitted diseases such as influenza or the common cold or hand, foot and mouth increase during the winter months. According to the CDC, Nebraska is currently labeled as a high-activity state for influenza. All across the country and state, influenza has impacted millions of families. Children with chronic illnesses, such as asthma and type 1 diabetes, miss more school when they are having an increase in symptoms, not always needing to go to a doctor to confirm that they need to treat their symptoms-- their symptoms, because they already have the medication. And this is something we've really been seeing in communities or communities have really contacted us with, is they have-- they're sick and don't need to go to a doctor but the unexcused absences are accumulating. So not only is physical health an increasing concern.

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Many youth are struggling with mental health challenges after the pandemic with increased anxiety and depression. LB1146 would decrease the possibility of escalating a young person's anxiety as they try to recover because they fear their parents and themselves would get in trouble with the courts if they keep missing school, hindering their recovery. Penalizing these absences undermines both student health and the family decision-making. LB1146 does not eliminate accountability. Students still track attendance and intervene when students are chronically absent. The purpose of attendance data should be to identify when students need those additional supports and resources, not to funnel vulnerable young people into the justice system. This bill creates more oppor-- opportunities for early school-based interventions that actually address the root of absenteeism. Just like math and reading, chronic absence rates will not improve without ongoing attention and action. LB1146 recognizes that kids who are struggling need support, not-- need support. We thank Senator Conrad for her leadership in ensuring students have the resources they need to attend school, and we thank the committee for your commitment to policies that are fair, effective, and centered on the well-being of Nebraska's children. I'm available for any questions.

MURMAN: Thank you. We've already got exceptions for sickness, of course.

ANAHI SALAZAR: That's--

MURMAN: Going through the justice system, doesn't that line the student up with the supports they need and through the justice system?

ANAHI SALAZAR: So you currently need a doctor's note in order to have illness not counted as an unexcused absence. So, that's why we've been get, getting a lot of community input on a lot of-- like if you have influenza, you test at home, you don't need to go to a doctor in order for them to confirm it, but you do need a doctor's note in order the school not to count it. And again, like Senator Conrad mentioned in the opening, it kind of varies across the state. So some districts say it's fine, some don't. This would help kind of define what is excused and unexcused. You don't need a doctor's note. And then the second part of that is, your question, Senator Murman, was the--

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MURMAN: Through the justice system, do, do the students not receive a lot of these same supports when they go through the justice system?

ANAHI SALAZAR: Yeah, well, when they-- so what we know from research is that once young people enter the justice system, they feel like they're kind of being seen under a microscope. And so a lot of young people are-- and, and the justice can be really traumatizing. So if we have young people that are missing school due to anxiety, you're only exacerbating that anxiety by putting them in the justice system, versus maybe receiving those supports and resources without that trauma, trauma in a school setting. So that could be mental health resources, additional mental health resources. We've again heard--

MURMAN: If they're not at school, they wouldn't get those supports in the school setting.

ANAHI SALAZAR: Yeah, so what we've heard is like anxiety. Young people that have-- that are diagnosed with anxiety have medication that they take. Sometimes you feel, they feel more anxious some days than not. And if they don't attend school one day, that they don't need to go to a doctor in order to get a, a note to say that, you know, they have anxiety and that their medication isn't helping that day. And, and, and they would be able to notify the school that this student has anxiety, and then maybe the counselors or any of these mental health resources that the school provides could help add on additional resources. I think if that student were to be funneled into the justice system, again, it creates this overlapping trauma of like, OK, so now I'm involved in the justice system. My family also has to attend these court dates, kind of hindering their recovery.

MURMAN: Is there a difference between school districts like for providing a note for sickness? And this bill is, is trying to address that to make it uniform across the state. Is that--

ANAHI SALAZAR: Correct, yeah. Yeah, that's what we've been hearing

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

LONOWSKI: Thank you, Chair Murman. Thank you for your testimony. Are there-- does Voices for Children, do you guys advocate for like, go pick up kids or check on, do welfare checks or anything on children that might help them more likely to go to school?

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ANAHI SALAZAR: We don't do direct service.

LONOWSKI: Do you know of any child advocacy groups that do in Lincoln? I know there's a few around, but--

ANAHI SALAZAR: I'm, I'm not sure about Lincoln. I'm from Omaha, and there are a lot of collaboration, collaboration that happens with some organizations that work [INAUDIBLE].

LONOWSKI: Yeah, just somebody helping the school out, knocking on the door saying, hey, I know Johnny's been sick three days. How's he doing today?

ANAHI SALAZAR: Yeah, I believe--

LONOWSKI: I'm just curious.

ANAHI SALAZAR: I believe there are some of those resources available. I, I just don't have a list of them.

LONOWSKI: That's OK. I'm just-- yeah, I'm just trying to put it together. Thank you.

ANAHI SALAZAR: Yeah.

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

ANAHI SALAZAR: Thank you.

MURMAN: Other proponents for LB1146.

JAMEL J. W. CONNOR: My name is Jamel J. W. Connor, J-a-m-e-l J. W. C-o-n-n-o-r, I'm with the ACLU of Nebraska. We are proponents of LB1146. Good afternoon-- or I guess good evening now, Chairperson Murman and the Education Committee. I'm here as a staff attorney for the ACLU, as a former public defender who worked in juvenile court in Lancaster County, and as a parent of a current senior in high school in Lincoln Public Schools, and the former parent of four public school graduates prior to him in District 66, Atlanta Public Schools, Omaha Public Schools, and now Lincoln Public Schools. During my time at the public defender's office, I represented many clients who were in juvenile court for truancy, even though their parents had called the school to inform them that the student would not be in school with their approval. Most, if not all, of those cases were ultimately

dismissed after much consternation and frustration on the part of everyone involved. Each of those cases took time away from the students' educational time, parents' ability to work, the attorneys' ability to work on other cases, and the courts' ability to hear other matters. Typically, these sorts of truancy cases are not resolved quickly, resulting in several trips to the courthouse before reaching the logical conclusion that these children are not truant but, but absent for medical or similar reasons with their parents' approval. Each absence for medical reasons does not necessitate a trip to the doctor's office, especially when dealing with chronic illnesses where the doctors have already provided a care plan to the family, which includes when those families should escalate to a doctor or a hospital visit, which adds additional burdens to families. As a parent, I want schools to enforce truancy protocols for students-- for truant students. I also want the parental freedom to say when my child is excused from school for medical or health reasons without necessarily having to get a doctor's note. The current interpretation of the law does not allow for that. A parent excusing their child from school still counts as an unexcused absence. Looking at this from a civil rights attorney's perspective, this bill returns the practical application and real life consequences to the common-sense legislative intent to prevent children under 18 years old from regularly skipping school and ultimately dropping out. It is hard to believe that the intent was to remove that child from their home or to take decision-making rights away from parents simply because they are acting in the best interest of their children. If the schools are concerned that parents are enabling their children to be truant, they have other ways to hold those parents accountable through 3a educational abuse, neglect, or dependency cases. These cases specifically apply to education when a parent is unable or unwilling to ensure their child complies-- I see my time has ended.

MURMAN: Do you have any more to add?

JAMEL J. W. CONNOR: I do, I do. Just briefly.

MURMAN: OK, quickly, yep.

JAMEL J. W. CONNOR: Ensures their child complies with compulsory education laws. The case In re interest of Samantha C. seemed to be the point at which the definition of truancy blended into absence. I have real-life examples if you all would be interested in hearing

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those from me. Thank you for your time. We ask that this committee vote in favor of this bill and allow it to be heard by the entire body, and I'm available for questions.

MURMAN: Thank you. Could you give us, without taking too much time, one of your best real-life examples?

JAMEL J. W. CONNOR: Sure. I think the best one that I can-- is, it was-- I had a soccer player. He had like a brand new Camaro-- not brand new, but brand new to him-- a Camaro that he had recently purchased. He was on I think three, what do they call them, traveling soccer teams. So that required him to travel out of state. He was a senior in high school with a 2.9 GPA and we were in, in the last semester of school. And they filed a truancy petition on this young man because I think he had missed 25 days of school. And as I said, parental absence-- or parental excused absences do not count as an excused absence. So we were in truancy court. I had to argue back and forth with the county attorney, the judge was annoyed. It took three hearings before we could get his case dismissed. And that is probably on the quicker end to resolve these sorts of cases.

MURMAN: OK, thank you. Any other questions? Senator Lonowski.

LONOWSKI: Thank you, Chair Murman, and thank you for your testimony. I don't know that, that in a lot of the communities that they're being turned over to the county attorney. At least in my district, I'm pretty sure that they, they don't call them truancy officers anymore, but they send someone to those houses-- I don't want to call it a welfare check because the guy they send is this old cowboy that tells them get their butt out of bed and get to school. Weirdly enough, quite a few of them respond to his, to his demeanor, but I guess I'm just wondering if that's happening everywhere across the state that you know of.

JAMEL J. W. CONNOR: So let me, and I heard some questions that I have the answer for. So I guess this is kind of, kind of that. So--

LONOWSKI: OK.

JAMEL J. W. CONNOR: --in my experience as a parent and my experience as an attorney in truancy cases, that's not happening. What happens, at least in Lancaster County and OPS--

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LONOWSKI: OK.

JAMEL J. W. CONNOR: --that I can speak to in Nebraska. What happens is they send letters, and one of those letters-- they're required to send three because there's three stages-- one of the letters includes a laundry list of resources.

LONOWSKI: That's from the school?

JAMEL J. W. CONNOR: That's from the school.

LONOWSKI: OK.

JAMEL J. W. CONNOR: And so it's up to the parent whether or not they take advantage of that. They do have truancy meetings with the parent as required to come. Sometimes they require the child, a group of administrators. Sometimes they offer services there, but because they have mailed out this letter that says, oh, you can find these resources, pick one, it's, it's overwhelming, it's daunting, and it's hard to know what is-- what resource would work best for your child. And so in addition to that, I believe Senator Hughes, you asked a question, you know, what about if your kid doesn't want to wake up and go to school, I believe, then the parent doesn't call them in as excused absence, right? They would just-- that would be an unexcused absence.

HUGHES: They might call him in. They just don't want to make sure he goes to school.

JAMEL J. W. CONNOR: And then that's when we would get into a 3a case. So the schools are not required to provide services or have the child try to use some of those services before they-- there's a truancy petition filed. So it could be you get this letter the next day, there's a truancy petition filed. The case law said the schools are not required to make sure that children are using these services or at least attempted to use these services before they're filing these petitions. That's not a requirement. So even though there's services available, they're not required to use them.

LONOWSKI: OK. So then when nothing happens and the school gets a hold of the county attorney and then the county attorney takes it from there is that what happens?

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JAMEL J. W. CONNOR: Yes. And once the county attorney has it, I know that there's prosecutorial discretion, but in my experience as a public defender, that is dictated by the elected. And so even if there in practice is a county attorney who's working the case and says this makes no sense to me because I have this medical documentation or whatever, they have to get approval from their supervisor before they can dismiss the case. So that can take a very long time. As I said, three hearings is pretty quick to have a truancy case dismissed that in my opinion should never have been charged in the first place.

LONOWSKI: All right, thank you. Appreciate that.

MURMAN: Yeah, just to follow up on that example you gave. So the student missed 25 days their senior year. Was that kind of-- did they miss a lot all through high school, or was it mostly their senior year?

JAMEL J. W. CONNOR: No, it was just through their senior year.

MURMAN: OK, and I, I assume the parents wrote off that that was-- an excused absent from the parents' perspective, at least.

JAMEL J. W. CONNOR: That's correct. So the parents said that the absences were excused. They're related to sports. And that's not considered an unexcused absence. And so they did file a truancy petition.

MURMAN: OK, thank you. Any other questions? If not, thanks for your testimony. Other proponents for LB1146?

VANESSA CHAVEZ JURADO: Good evening, Chair Murman and members of the Education Committee. My name is Vanessa Chavez Jurado, V-a-n-e-s-s-a C-h-a-v-e-z J-u-r-a-d-o, I'm here today on behalf of Stand for Schools in support of LB1146, excuse me. Stand for Schools supports LB1146 because it reflects a more developmentally appropriate, legally sound, and student-centered approach to addressing chronic absenteeism, one that prioritizes problem solving and support over premature referral to the justice system. LB1146 clarifies and strengthens Nebraska attendance framework in several important ways. The framework ensures that schools focus on identifying and addressing barriers to attendance before escalating matters to the county attorney, while maintaining documentation of good faith efforts by the school, including written communication with families and collaborative

meetings to develop an attendance plan before any rev-- excuse me, referrals occur. LB1146 clearly defines which absences should not be treated as unexcused. Absences related to physical or mental illness, pregnancy or parenting status, disability-related plans or services, Section 504 accommodations and homelessness are expressly excluded. This clarity matters. It protects students whose absences are tied to health, disability, or housing instability from being funneled into punitive systems that cannot resolve those underlying issues. LB1146 reinforces due process and fairness. Schools must notify families in writing before a referral is made, and failure to document requires supportive steps and is a defense to prosecution or juvenile adjudication based on absences. These provisions create accountability on the front end and reduce the risk of inequitable enforcement. We want to finally note that the fiscal analysis indicates no state fiscal impact and only minimal manageable administrative implications for courts and probation staff. In a tight budget environment, it is significant that this bill improves practice without imposing new costs on school districts or the state. While we support LB1146, we encourage the committee to monitor implementation closely. Districts, particularly smaller rural districts, may need clarity and technical assistance to ensure that attendance plans are meaningful and not treated as a compliance exercise. Critical to the success of this policy is finding a balance between schools and families. Students learn best when they can be in school as often as possible, and when parents and schools come together to address barriers to their attendance. Beyond LB1146, the key to maintaining the integrity of this policy depends on schools having access to school social workers, counselors and community partners who can help address transportation, health and family-level barriers to attendance. We also encourage continued coordination between schools and county attorneys to ensure referrals remain as a last resort and are applied consistently. LB1146 affirms that attendance matters, while recognizing exclusionary or punitive responses are ineffective when students are struggling with illness, disability, pregnancy, or homelessness. By emphasizing collaboration, documentation, support before referral, this bill strengthens Nebraska's attendance law in a way that far better-- excuse me, that better serves students, families, and schools. For these reasons, Stand for Schools respectfully urges the community to advance LB1146. Thanks for your time and consideration, and I'm happy to answer any questions.

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MURMAN: Thank you. Any questions? If not, thanks for your testimony.

VANESSA CHAVEZ JURADO: Thanks.

SPIKE EICKHOLT: Good evening, Chair Murman and members of the committee. My name is Spike Eickholt, S-p-i-k-e E-i-c-k-h-o-l-t, I'm appearing on behalf of Education Rights Council in support of the bill. I don't want to repeat the testimony that was stated earlier, both from the introducer and the proponents, but I just wanted to say a couple of things to kind of just put this in perspective. You got a copy of my written letter, and then as I was sitting here, I actually wrote a statute number on each copy. That's 43-247(3)(a). This bill amends a section in Chapter 79, 79-209, and what this current law says that this bill is to amend is basically if a child misses 20 unexcused absences, then this is a way to take that kid to juvenile court. And the focus is on the child. Why are you truant? Why are you not going to school? The juvenile court doesn't fine or jail people if a-- the juvenile court sort of acts in the child's best interest. But in this kind of a filing under 79 Chapter, the focus is on the child. If the child is not going to school because mom and dad are letting him stay up until 2:00 in the morning and he can't get up at 7:00 in the morning, or the parents are simply letting him skip school, or the parents have drug or alcohol problems themselves and they aren't parenting, then the county attorney can file, a juvenile court action under 43-247(3)(a), which is a general parental neglect of educational responsibility. And in that kind of a case, the juvenile court still acts in the best interest of the child, but the focus is on the parents. What do we need to do to help you parent your kids better? Maybe mom and dad should stop using drugs. Maybe there should be a curfew for the child. Maybe you should help get him to bed. Maybe you should take his medical and mental health needs of your child seriously and make sure he's seeing a psychiatrist. What Senator Conrad is trying to do is what we would consider the correct approach, and that is to not have the focus be on the child and at least have some sort of responsibility put on the parents. Earlier efforts to address this truancy problem have been kind of focused on the handoff between the schools and the county attorney. And as Senator Conrad alluded, she's got a bill that's in the Judiciary Committee that tries to limit or control what a county attorney can file. And the County Attorney's Association generally resists that kind of approach because they want to have the discretion to see what they think is best. They can make the call when they think it's right to file a truancy and

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when they shouldn't be able to. If you pass LB1146 as is and just disregard their opposition, they still have 43-247(3)(a). And that is not a 20-day count that is simply they can show that the parents have neglected their child's educational needs. So I just wanted to lift that point because there was some conflation earlier. What Senator Conrad got here is, is a nuanced, limited approach. It doesn't limit anything that the county attorneys can do. As a matter of fact, if you look on LB1146, the bill itself, page 4, lines 13-15, current law remains unchanged, and that is, nothing in this section shall preclude a county attorney from being involved at any stage in the process to address excessive absenteeism. So it doesn't take the county attorney's power away, but it does embolden parental rights and focuses on the best interests of the children. And I'll answer any questions, if you have any.

MURMAN: Thank you. Any questions for Mr. Eickholt? Senator Juarez.

JUAREZ: Thank you. Could you repeat that statute number?

SPIKE EICKHOLT: Sure.

JUAREZ: 43 dash what?

SPIKE EICKHOLT: It's written on your handout, but it's 43-247.

HUGHES: It's a 7.

SPIKE EICKHOLT: Yeah, it's a 7. I'm sorry, yours is maybe not as written as-- I was writing it. 247(3)(a).

JUAREZ: OK, because I was going to discuss with Senator Conrad because I was concerned about the comments of the Nebraska County Attorney Association coming in as an opponent--

SPIKE EICKHOLT: Right.

JUAREZ: --and the issues that they brought forward and I just, you know, I mean, it seems like their points are, are valid, you know, and what they're saying in their opposition. But, you know, it's just-- I guess I'm concerned about whether or not we're-- are we coming to a good compromise here on how this bill is written thus far?

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SPIKE EICKHOLT: Well, I would take issue with the county attorneys' points because this doesn't limit their ability to do anything. In other words, this focuses on what--

HUGHES: When they get reported.

SPIKE EICKHOLT: Right. If they get 20 inexcused days, it goes to the county attorney. And as you heard, it varies what they do from county to county. Some of them don't bother filing pro-- you know, truancy cases at all, or very seldom. Some are very aggressive and automatic. For instance, Lancaster County, my observation, just files. They still have, the county attorneys still have the option to pursue under 43-247(3)(a). I suspect Senator Conrad was very conscientious in drafting LB1146 to not limit the county attorneys' authority. This focuses on the schools and the relationship with the parents and vice versa about when children are absent and whether it's excused or not. It doesn't say what the county attorneys can do or not do. As I pointed out, if you look at the bill itself, the provision that says that can be involved with the schools at any time in addressing this issue is remain unchanged, that's not limited.

JUAREZ: OK, thank you.

MURMAN: Any other questions? If not, thanks for your testimony. Other proponents for LB1146? Any opponents for LB1146? Any neutral testifiers for LB1146? Senator Conrad, you're welcome to close. And while she's coming up, there-- online there's 12 proponents, 2 opponents and 3 neutral.

CONRAD: Thank you, Chair. Thank you, committee. I don't wanna belabor the point, I know we've had a long day here covering a lot of really important issues before the jurisdiction of this committee, but I do appreciate your time and attention and the good questions that were asked. So one thing that I want to know just kind of as a key takeaway from the hearing thus far, we didn't really hear a lot of pushback about-- and remember, this is a very straightforward bill. It's just a few additional paragraphs in the existing law to provide some clarity and uniformity. This isn't a rewrite. This isn't an abolition. It just responds to what we're seeing and hearing about unintended consequences. There doesn't seem to be a whole lot of pushback around how we treat absences for kids with IEPs or disabilities. They're identified, they're getting services, they're on the school's radar,

there's a collaborative plan in place. Since I think it was 2017, 2018, we've had a law on the books in Nebraska that has a similar identification and supportive plan in place for young parents. For people who become pregnant and when they're parenting while they're still in K-12 schools, they're identified to the school, they have a plan in place to make sure that no young parent, no young mom has to choose between her health, her baby's health, or finishing her education. So that's another exclusion that there doesn't seem to be a lot of disagreement about. The other piece is for students who are already identified under federal and state law who are homeless or experiencing homelessness. They're identified, they have a service plan in places. There's already on the school's radar screen, that helps with the transportation barrier that a lot of those families see. So we didn't hear a lot about that today. There doesn't seem to be a lot of pushback on those components of the bill, just generally speaking, from what we learned today. But the point of contention where we're trying to figure out how to deal with the medical issues. Again, I will remind you that the law itself said that we shouldn't be u-- we shouldn't, it shouldn't be a base for a referral to the county attorney when a kid has medical issues. OK? But we're, we're seeing wide disparity in terms of how schools assess that. And these are not conjecture. This is conversations with families who contacted my office, attorneys who work in this sphere all day every day. And let me give you just a few recent examples. So there was, and I'm gonna just speak in generalities to not, you know, provide personally-identifying information about private medical issues for the families that were brought forward. But I'm happy to follow up with the committee and share more information if you wanna delve deeper into it off the record. But there was basically a sixth-grade kid whose entire family had kind of a, a genetic liver disorder in their family. They had an issue that required significant medical treatment and then ultimately surgery, et cetera. But before they could have this surgery, the sixth-grade student had a lot of nausea and had a lot of extreme fatigue. And this was all well-documented, medically well-documented. The school-- the family provided this information to the school that, you know, the kid would have to miss frequently because of nausea and because of extreme fatigue. But because they didn't have a specific doctor's note for every single time they missed, the parent would call in and say, hey, my kid's really struggling today. He's been nauseous since he woke up, he, he's, he's unable to attend, the school said, we're gonna count that

as a parent-excused absence and for purposes of truancy. And they added up and they got turned over the county attorneys. I want to tell you a story about a young woman who, I'm going to mispronounce this because I'm not good at medical terminology, she was a middle-schooler and she had POTS, postural orthostatic tachycardia syndrome. Sorry if I butchered the pronunciation of that. But basically it causes rapid increase in heart rate when you go from sitting to standing. And it causes dizziness, lightheadedness, fatigue, headaches, and heart palpitations. And the, the young woman, this is a condition that affects young women, particularly onset in their teens, and there's no cure. So when this happened to this young woman, and it was documented medically, she started experiencing headaches and lightheadedness in the classroom. And when she complained, school officials were dismissive. And they thought she was malingering or faking it. And she would pass out and hit her head. And so finally her doctors prescribed a wheelchair for her, so that would be a solution to keep her safe while she was going through this. While the wheelchair that was specified by her doctors under prescription, et cetera, was on order, her mom went out and got her her own wheelchair so that she could attend schools until the wheelchair that was prescribed came. Well school officials walked into a classroom when that little girl showed up with a wheelchair and wheeled her out of the classroom because they said that she didn't have a prescription for that wheelchair. And it was the last straw for the family and they withdrew their, their child from school and started a course of homeschooling. There's another case involving a middle school girl where, again, the kid was really athletic and not struggling in school at all, getting good grades, but suffered concussions as a part of their athletic extracurricular activities. And so they had this documented with her primary care physician, with a neurologist, with a neuropsychologist, with an ophthalmologist, with a therapist, with an occupational therapist, with physical therapist. And her symptoms included migraines and light sensitivity and nausea and short-term memory loss and those kinds of issues. The school had previously given the kid a lot of slack in terms of absences when she hurt her knee on the playing field and there was a visible injury. But when it came to addressing the concussions and the lasting impacts thereof that had been well-documented, the school labeled her as a malingerer or a faker and treated her as such. The parents became so frustrated. Again, they disenrolled their children from public education and started a course of homeschooling. Taxpayers and parents shouldn't be at war with their

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schools because they're trying to do the right thing by their kid and their kid has serious medical issues. And it's even worse when there's mental health issues on the table. And schools, in many instances, are saying, despite clear medical evidence and issues that you have a mental health issue, you need, you need a note for every single time your kid misses from the doctor, from another parent, from a professional in the community, because we don't trust you as a parent to call in and say whether or not it's an excused or unexcused absence. And I think that's wrong. And I think that's offensive. This is the part where there's probably the most contention on the bill. But if there's going to be a close call, and I personally don't think it is a close call, but if there is going to a close call, the tie should go to the parent. It shouldn't go to the school and it shouldn't to the county attorney. If there's significant child abuse happening, we don't even need to wait for 20 absences. Schools are mandatory reporters. If something is going on in that house, that they're worried about that kid, they better get on the phone way before 20 absences. And they can do it through the criminal statutes, and they can do it through juvenile court jurisdiction on educational neglect. And this leaves their precious truancy system in place, but it says for these instances and these kids, enough is enough. There's no fiscal note. I appreciate your time and attention. I'm happy to answer questions.

MURMAN: Thank you. Any questions? Senator Lonowski.

LONOWSKI: Thank you, Chair Murman. I don't mean this to be an offense but it seems like you have an educational system problem, teachers and administrators. I mean what I'm hearing is tragic.

CONRAD: It is.

LONOWSKI: So anyway. Yeah, there's probably a way we can--

CONRAD: Yeah, I think you're right, Senator. And I think-- and the county attorneys are only responding to what the schools send to them, right? And they've got their own issues too--

LONOWSKI: Well, and--

CONRAD: --downstream from that.

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LONOWSKI: That's another part of that, is we-- we're wasting county attorney's time.

CONRAD: We are. And my point being is exactly in line with your question. We need to provide clarity to the schools that this kind of mismatched approach isn't serving anybody's best interest. So let's tighten it up, let's be clear about how we handle medical issues and mental illness issues so that we don't keep going down these tracks.

LONOWSKI: Amen. Thank you.

MURMAN: Any other questions?

CONRAD: Thank you

MURMAN: If not, we'll close the hearing for LB1146 and the hearings for today.