

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Appropriations Committee February 16, 2021

\*Indicates written testimony submitted prior to the public hearing per our COVID-19 response protocol

**STINNER:** [RECODER MALFUNCTION] Appropriations Committee hearing. My name is John Stinner. I'm from Gering and represent the 48th Legislative District. I serve as Chair of this committee. I'd like to start out by having members do self-introductions, starting with Senator Erdman.

**ERDMAN:** Steve Erdman, District 47, ten counties in the Panhandle.

**MCDONNELL:** Mike McDonnell, LD5, south Omaha.

**HILKEMANN:** Robert Hilkemann, District 4, west Omaha.

**STINNER:** John Stinner, District 48, all of Scotts Bluff County.

**WISHART:** Senator Anna Wishart, District 27, west Lincoln.

**KOLTERMAN:** Senator Mark Kolterman, District 24: Seward, York, and Polk Counties.

**VARGAS:** Senator Tony Vargas, District 7, downtown and south Omaha.

**STINNER:** Assisting the committee today is Brittany Sturek, our committee clerk; and to my right is our fiscal analyst for this bill, Suzanne Houlden. For the safety of our committee members, staff, pages, and public, we ask that you-- that those attending our committee abide by the following: submission of written testimony will only be accepted between 8:30 to 9:30 in respective hearing room where the bill will be heard later in the day. Individuals must present written testimony in person during that time framework and sign the submitted written testimony record at the time of submission on the day of the hearing of the bill. There are exceptions for people with disabilities. Due to social distancing requirements, seating in the hearing room is limited. We ask that you only enter the hearing room when it is necessary for you to attend the bill hearing in progress. The bills will be taken up in order of posted outside the hearing room. The list will be updated after each hearing to identify which bill is currently being heard. The committee will pause between each bill to allow time for the public to move in and out of the hearing room. We request that everyone utilizing the identified entrance and exit doors to the hearing, and we request that you wear a face covering while your hearing-- while you're in the hearing room. Testifiers must remove their face covering, excuse me, may remove

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their face covering during testimony to assist committee members and transcribers in clearly hearing and understanding the testimony. Pages will sanitize the front table and chair between testifiers. Public hearings for which attendance reaches seating capacity or near capacity, the entrance door will be monitored by a sergeant at arms who will allow people who enter the hearing room based upon seating availability. Persons waiting to enter the hearing room are asked to observe social distancing and wear face covering while waiting in the hallway or outside the building. To better facilitate today's proceedings, I ask that you to abide by the following procedures: Please silence or turn off cell phones. Move to the front row when you are ready to testify. Order of testimony: Introducer, proponents, opponents, neutral, closing. Testifiers sign in. Hand your blue sign-in sheet to the committee clerk when you come up to testify. We ask that you please spell your name for the record before testifying. Be concise. It is my request to limit your testimony to five minutes. If you will not be testifying at the microphone, but would want to go on the record as having a position on the bill being heard today, there are white sheets at the entrance where you may leave your name and other pertinent information. These sign-in sheets will become exhibits in the permanent record at the end of today's hearing. We ask that you please limit or eliminate handouts. Written materials may be distributed to the committee members as exhibits only while the testimony is being offered. Hand them to the page for distribution to the committee and staff when they come up to testify. We need 8 copies. Whatever happened to 12 copies? We need 8 of them huh?

**BRITTANY STUREK:** I think it's 12.

**STINNER:** I think it's 12 copies.

**KOLTERMAN:** That's from my hearing.

**STINNER:** I think that's from, yeah, from Retirement. Excuse me. I'm sorry. If we have written testimony but do not have 12 copies, please raise your hands now so the page can make copies for you. With that, we will begin today's hearing with LB5--

**McDONNELL:** LB576.

**STINNER:** LB576. Senator Bostar. Good afternoon, Senator Bostar.

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**BOSTAR:** Good afternoon. Good afternoon, Chairman Stinner, members of the Appropriations Committee. I am Senator Eliot Bostar, that's E-l-i-o-t B-o-s-t-a-r. I represent Legislative District 29. I'm here to present LB576, a bill to allocate \$50,000 in fiscal year '21-22 and \$50,000 in fiscal year '22-23 to the University of Nebraska. This allocation will provide the Institute of Agriculture and Natural Resources the-- and the Cooperative Extension Program with the financial resources necessary to update the Assessing Climate Change report originally released in 2014. The original version of this report was a product of legislation passed in 2013. That report has provided us with a useful understanding of the scientific impact of climate change on the state of Nebraska. It is now time to update that report. The number of annual extreme weather events facing our nation is increasing, and it's costing us billions of dollars every year. According to NOAA, the National Oceanic and Atmospheric Administration, between 1980 and 2020 the average number of extreme weather and climate events with losses exceeding \$1 billion was seven. The annual average for the most recent five years, 2016 to 2020, is 16.2. Our nation experienced 22 such events in the year 2020 alone, far exceeding the previous annual record of 16 events that occurred in 2011 and 2017. In fact, 2020 is the sixth consecutive year in which ten or more billion dollar weather and climate disaster events have impacted the United States. And over the last 41 years, 1980 through 2020, the years with 10 or more separate billion dollar disaster events include 1998, 2008, 2011, 2012 and 2015 through 2020. Nebraska's experienced an increase in frequency and severity of extreme weather events in line with what we are experiencing nationally. According to Yale University, the most up-to-date modeling projections are forecasting that the impacts of climate change may be even more severe than previously thought. These climate models calculate the physical properties and interactions between the main climate forces, like the atmosphere, oceans and solar input, with other systems like ice sheets, forests, planetary albedo and the biosphere. Every few years, there is a newly released comprehensive international valuation called the Coupled Model Intercomparison Project, or CMIP. The sixth such effort, known as CMIP6, is now underway; and experts are reviewing approximately 100 updated models for a report to be released in 2021. As modeling techniques are refined and the total catalog-- catalog of climate data grows, climate assessments are routine-- are routinely updated and reissued. The United Nations Climate Change Annual Report, the National Flood Risk

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Assessment, and the World Meteorological Organization Statement on the State of Global Climate are all routinely updated. Nebraska is no less deserving or in need of accurate updated climate data. It's imperative that we are measuring and gauging the impact of climate change on our state with accuracy and timeliness. The impacts of climate change will be most severely felt by people in industries that are vulnerable to natural externalities. Nebraska, a state so heavily reliant on agriculture for its economic well-being, must have up-to-date climate data in order to ensure we are making optimal decisions for our future. I encourage you to support LB576 and I'd be happy to answer any questions you might have.

**STINNER:** Any questions? Is the University of Nebraska going to testify? Are they?

**BOSTAR:** The State Climatologist will testify before-- behind me.

**STINNER:** OK, I was actually on the task force that was doing this climate study, I believe this is my first year. And the outcome of that study was supposed to have been a disaster plan, a comprehensive disaster plan. Is that what you envision this to be, the start of or are you just trying to update it to tell us that we had a major flood and drought in the Panhandle? Or I mean--

**BOSTAR:** So--

**STINNER:** --what are we trying to get to?

**BOSTAR:** Right. So this won't be a plan. It won't be prescriptive and it won't make recommendations. It won't make any policy recommendations. It will be to essentially update the plan that was released in 2014 to include and incorporate the-- the new data from modeling that's available, as well as evaluate where our state is, what-- what sort of extreme weather phenomenon or events we've experienced since 2014 that maybe can improve our understanding of the directionality of how climate change is affecting us specifically here. There's a-- there's a great deal of information available at the national global level. What we need is information that is specific to Nebraska so that we can make state-level decisions appropriately.

**STINNER:** Thank you. Additional questions? Senator Vargas.

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**VARGAS:** Thanks for being here. Do you have any idea as to, you know, how many other states are doing things or doing something like this similarly every year? It just seems like 2014 is a long time ago. I've sat on Executive Board here the last two years and we've seen efforts fail in that regard. I'm just curious on sort of where we stand. Are we, you know, ahead of the game? Are we in the middle of the pack? Are we behind on keeping up to date on these types of climate change reports?

**BOSTAR:** So I can-- I can get you a more comprehensive breakdown, but essentially we are behind where many other states certainly are. Several states do this kind of analysis and update yearly; 2014 to now is a-- is a pretty sizable period of time to go without reevaluating where-- where our modeling and projections will put us in the future. But I'd be happy to get you more information.

**VARGAS:** That's helpful. Thank you.

**STINNER:** Additional questions? Oh, Senator Erdman.

**ERDMAN:** Thank you, Senator Stinner. Thank you for-- for being here, Senator. So they get this report. They write this report. We review it. What do we do with that information then?

**BOSTAR:** Well, that's a good question, Senator. And I think the answer is-- I would hope that-- that members of the body would use the information to inform any-- any potential decision making or policy that they felt would be valuable based on the information that comes out of that. But-- but you essentially can do as much or as little with it as an individual as you would like. Again, there is nothing prescriptive coming out of the process.

**ERDMAN:** So I see the first report, if I believe I understand this correctly, was done in '14.

**BOSTAR:** Yes, sir.

**ERDMAN:** Do you know did you go back and look and see once they had that report, what they did with that information?

**BOSTAR:** So I certainly know that that report's been cited extensively within-- within research related to trying to evaluate what, say, extreme weather events will look like in Nebraska. I also think that

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perhaps the testifiers behind me will-- will have a better, because they're the real practitioners of this, will have a better comprehensive view of the-- all of the potential uses.

**ERDMAN:** OK. So the fiscal note shows \$50,000 for the-- for the next two fiscal years. Is that correct?

**BOSTAR:** Yes, sir.

**ERDMAN:** All right. Thank you.

**STINNER:** Additional? Yeah, Senator.

**HILKEMANN:** Senator, you can-- you can-- you know, if we'd have done-- if you had had a steady three years ago that said in February of 2021 we're going to experience temperatures 25 below zero, what would we have done differently?

**BOSTAR:** Well, that would have been quite a prediction, Senator. I think if we knew with certainty that we were going to experience an extreme weather event with specific characteristics, I think there's any number of things that we could have done to try to prepare. I would say that probably that level of predictiveness and granularity is-- would be certainly nice to have, but I'm not sure that we'll get that level of foresight out of-- out of something like this.

**HILKEMANN:** Do you think that if it had come up three years ago that we were going to have this period, that we would have stopped wind power in Oklahoma and Texas where all those windmills have frozen up because of the ice?

**BOSTAR:** Well, I would say that the energy situation we're facing today, it seems to me from what I've been able to-- the information I've been able to get from the utilities is that within the SPP, the largest impact that we're facing right now is a we'll call it variability of supply of natural gas due to residential demand being fairly high, which makes sense. People are trying to heat their homes and then that supply not necessarily meeting the demands across the Southwest Power Pool to provide all of the electrical gas generation that otherwise we may want to enjoy.

**HILKEMANN:** This is what I'm saying to you, I'm 73 years old, and when I was growing up as a kid, we had bad winters, we had cold winters on

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the farm, northeast Nebraska. We had power outages, things of that sort. I mean, I think we need to be responsible for our environ-- and be conservative when we can. I just think that I-- I have troubles when we have-- we think we're going to change Mother Nature by a study.

**BOSTAR:** I certainly have no intent, nor do I imagine those that would be producing this study would intend to change Mother Nature with the report. I think the hope is that it will offer information so that we can be prepared as people.

**STINNER:** Additional questions? Senator Erdman.

**ERDMAN:** Maybe one more. Thank you, Senator Stinner. Can I ask you to take your mask off?

**BOSTAR:** I would prefer not to, Senator.

**ERDMAN:** OK, because I only got about half of what you said, but maybe that's OK. But so following up on what Senator Hilkemann asked is and maybe this is the question is, so do you think when we get this report we'll be able to predict kind of things that happened in February this year?

**BOSTAR:** Not with that specificity, no. I think that the report will help us understand the likelihood and perhaps increase the likelihood of certain kinds of extreme weather events over, say, a multiyear period. But I don't expect that the result will be that we'll do this report and then we'll know, you know, two years from now, in March, we're going to have another flood. I don't think that will be the result.

**ERDMAN:** So following up on Senator Hilkemann's question about the grid, electrical grid, I believe he asked if we didn't have the wind power freezing up in Oklahoma and Texas would we have this issue today? And I think your answer was I'm not sure. What did you say to that?

**BOSTAR:** I think-- I think we would still have a problem today, even if we didn't have wind generation in Oklahoma and Texas freezing it.

**ERDMAN:** I disagree with that. We would have the generation going with-- with coal and natural gas. We would have this issue. So I, you

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know, I didn't get what you said to him so I appreciate that. Thank you.

**BOSTAR:** Thank you, Senator.

**STINNER:** Any additional questions? Thank you, Senator Bostar.

**BOSTAR:** Thank you.

**STINNER:** Are you going to stay for closing?

**BOSTAR:** Absolutely, sir.

**STINNER:** OK. Good afternoon.

**MARTHA SHULSKI:** Good afternoon. My name is Martha Shulski, M-a-r-t-h-a, Shulski, S-h-u-l-s-k-i. I am an associate professor of applied climate science in the School of Natural Resources at the University of Nebraska here in Lincoln. I direct the Nebraska State Climate Office and I serve as your State Climatologist. I teach an introductory level course on the science of climate change. We discuss the science, the symptoms, and the solutions. I am a Nebraska native whose roots are in the agricultural community. I come to you today speaking on behalf of myself and do not represent the university. At the climate office, we exist to track our ever changing weather and climate. We exist to translate complex scientific information so that it can be used in a meaningful way for decision making. We regularly engage with Nebraskans, Rotarians, business leaders, cities, farmers, ranchers, elected officials, the media, public power, water managers, state agencies, insurance, law firms, youth, retirees, researchers, faith communities. You get the idea here. Since 2015, we have provided hundreds of invited talks to thousands of Nebraskans who inquire about our changing climate. We know that our climate is changing. There is no doubt, and the data are solid. Extremes are worsening and they are occurring back to back more frequently: the flood of 2019, the ongoing drought. The most common question that your State Climate Office receives is how these rapid changes in our climate are impacting Nebraska. Understanding climate change is very complex. We are at the climate crossroads of this country here in Nebraska and locally specific data are critical. Keeping up to date on the latest climate trends is a must. This is how current and emerging climate issues are tracked. This is how the most informative and useful early warning

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systems are designed. Our job at the Climate Office is to look at these rates of change as well as translate future climate change scenarios to help manage risk to our changing climate. We assisted the city of Lincoln in understanding our risk to running out of water, potentially due to climate change; assist communities in the Sandhills impacted by rising groundwater levels, more heavy rain events, and a climate that is projected to get even wetter in this area. February is getting markedly colder in Nebraska. What we are currently experiencing during calving season is a reflection of a significant recent climate trend since 1990. Humidity and summertime lows are increasing rapidly impacting our vulnerable populations and livestock. The climate is changing more rapidly now than it has in modern recordkeeping. Changes over the past 30 years are magnified compared to those over the last century. This is why I come to you today in support of LB576. Let's give Nebraskans the most current information available, use the latest data to make climate smart decisions. Let's keep Nebraska living up to our name of the good life. Thank you very much.

**STINNER:** Thank you. Questions? Senator Wishart.

**WISHART:** Thank you so much for being here today. How much do you work with the Department of Natural Resources in terms of the work you're doing? Because one of the thoughts I have is why our Department of Natural Resources isn't doing studies like this to-- to keep us updated every so often.

**MARTHA SHULSKI:** So the primary way we work with the DNR agency is they sponsor weather stations throughout the state. So they are tracking conditions on more of the weather scale. So it's within that way that we engage with them. I believe they use the data for their integrated water management plans around the state and they also work with the NRDs, which we closely cooperate with as well. So it's more on the shorter time frame, I believe, that they-- their primary concerns have been in the past.

**STINNER:** Additional questions? Senator Hilkemann.

**HILKEMANN:** Did you say that, that our-- that our climate is getting our continent is getting colder?

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**MARTHA SHULSKI:** In February, The trend-- Nebraska has gotten about five degrees colder in February over the last 30 years.

**HILKEMANN:** I don't mean to be argumentative on this, but I think we had a vice president at one time that made millions and millions of dollars telling that we're warming and now we're saying we're getting colder?

**MARTHA SHULSKI:** Um-hum.

**HILKEMANN:** Was that a study that was done back in 2000 that said we were getting warmer and now you say in 30 years we're getting colder?

**MARTHA SHULSKI:** Yeah. So this is all due to timescale. So if you look on an annual basis, the globe is warming and Nebraska is warming. But if you dive into the details in February, what is happening because the Arctic is warming at the fastest rate of anywhere on the globe, that's causing kind of a wavy jet stream pattern. We tend to get these Arctic air outbreaks during February in particular, and that seems to be magnified over the last 30 years. So at that point in the year, that's when we, you know, because of changes in the jet stream that's why we're seeing this cooling trend. So it's actually due to the globe is warming, the Arctic is warming. That's causing a change in the jet stream, which causes a change in our conditions in February in particular.

**HILKEMANN:** As I mentioned to Senator Bostar, in the-- my growing up years, I remember cold, cold weather and a lot more snow than we have now in the '60s in northeast Nebraska. Was that the same thing back? Again, I don't mean to be-- I-- the thing that I-- my thing is, is that climate has been changing from the beginning of the-- of our civilization and it will continue to change.

**MARTHA SHULSKI:** Yes, I don't disagree with that. What we are doing, what humans are causing is an acceleration of these changes. We're causing things to change much faster than what they normally would. If you look at solar activity, that's one of the natural drivers of climate change. We should be cooling right now if we look at solar activity. But we're not. And that's because of the human influence. And so I certainly agree that things have always changed and they will always change. But the rate at which we're experiencing changes is, is faster now. It's amplified.

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**STINNER:** Additional questions? Senator Erdman.

**ERDMAN:** Thank you, Senator Stinner. Thank you for coming. So are you saying that man caused the jet stream to change?

**MARTHA SHULSKI:** Because of the warming is amplified in the Arctic, that's the part of the globe that's warming the fastest, that tends to cause a wavier jet stream. Right. It meanders more. And we tend to get-- you probably heard of the polar vortex.

**ERDMAN:** Say that again.

**MARTHA SHULSKI:** The polar vortex.

**ERDMAN:** OK.

**MARTHA SHULSKI:** so it's these-- these Arctic air outbreaks. The cold air that was in the Arctic gets-- filters into the mid latitudes. And so-- so actually, yes, it's a very interesting linkage that what we're doing is causing different parts of the globe to warm differently, which changes the jet stream and it influences our weather patterns.

**ERDMAN:** So-- so the history has said that, that right where we are, there used to be an ice cap, significant ice cap. Would you agree with that?

**MARTHA SHULSKI:** Yes. In geologic time frame, yes.

**ERDMAN:** OK. So what do you think happened that caused the ice to melt when there were no humans here?

**MARTHA SHULSKI:** Changes in the Earth's orbit.

**ERDMAN:** Say that again.

**MARTHA SHULSKI:** Changes in the Earth's orbital parameters, the shape of the Earth's orbit, the tilt of the Earth's orbit on its axis, those are the causes of the cold glacial time periods and the warm interglacial time periods if we look at geologic time frames.

**ERDMAN:** OK, so I think you said the tilt of the earth. So man's influence has made the earth tilt. Is that what you're saying?

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**MARTHA SHULSKI:** Sso what we're doing is enhancing the greenhouse effect, which is a naturally occurring effect. And the more greenhouse gases there are in the atmosphere that influences the global average temperature.

**ERDMAN:** OK. I'm getting about half what you said. So that's-- that's enough. Thank you.

**MARTHA SHULSKI:** Sure.

**STINNER:** Thank you very much. I just want to try to understand. You're talking-- climate change has happened forever. I think you've already agreed to that. It's the amplification, the up and down, the highs and the lows. The amplification has increased relative to what you've seen in the past. And so for the state of Nebraska, the implications are, one, that we're going to have a massive flood, for an example. So if we would have taken the study in 2014 and looked at all the risks that you report, insurance companies, obviously you're talking to actuaries and they're trying to compute what the risks are. We would have more severe droughts as-- as it relates because it's going to get warmer in the west. So we may have more fires. So from a policy side of things, what we-- instead of putting \$5 million into the emergency fund for the Governor, we'd put 6 or 7 million. That would be an example. If we would then take a look at things like storms that we've had right now, massive storm throughout the Midwest, and we can't generate backup power, one would say maybe we should have taken some precautions for that. Those would be policy changes that we could react to in the amplification up and down. And that's what I was talking about. The outcome always has to be disaster planning. If we would have disaster planned in 2014 on a statewide basis, I think we would have handled the flood-- well, we handled the flood really well, but we would have been bang, prepared to do that. And even in the pandemic situation, we may have been better prepared if indeed we would have taken a look at disaster planning. And I believe that's what the state of Colorado did with theirs, is to try to take looks at slices of the risk. What can we do as policymakers to mitigate that if that should happen? Another thing that we talked about is two or three degrees warmer temperatures on average in the state of Nebraska will cause X amount of damage to crops, will also cause my area, which is more of a marginal ag area, to possibly go to different types of crops. Those would be policy changes. Those would be things that you have to think about and put into some kind of risk management from the state side of things. And I

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think that's the outcome of this. Does that reconcile with what you're thinking or saying?

**MARTHA SHULSKI:** Yes, precisely. That's-- that's how we engage with Nebraskans typically is the city of Lincoln came to us saying we are projecting water use out to 2050. Give us the latest climate models, give us the latest trends in Nebraska. We'll put it into our groundwater models and-- and figure out will the Ashland well field suffice? Will it support the residents of the city of Lincoln? So-- so that's our job is keeping up to date with the latest information, the latest trends, the latest climate models, packaging it and translating it for agencies to base their decisions off of.

**STINNER:** OK. In my part of the region, which is way western Nebraska, we're highly dependent upon irrigation water from the Rocky Mountains. If that water isn't there, what kind of crops do we go to? We've got more propensity for fires, those types of things that we have to prepare for. So we have rural fire districts. But in any event, that's some of the thinking that has to take place. I personally am not interested in just updating a climate study. I'm more interested in disaster planning, which would be the outcome is taking climate and what the risks are here, taking it over into some policy decisions so we can do from the state side of things.

**MARTHA SHULSKI:** Yeah.

**STINNER:** Is there additional questions or observations? Seeing none, thank you very much for coming.

**MARTHA SHULSKI:** Thank you.

**STONIE COOPER:** My name is Stonie Cooper, S-t-o-n-i-e C-o-o-p-e-r. If you'll allow me, I'll leave my mask off so that I don't have anybody who can't hear me. My name is Stonie Cooper and I am a climatologist and meteorologist by education, and I'm working as a manager for the Nebraska State Climate Office with the Weather Observation Network known as Nebraska Mesonet. I maintain 60-plus weather stations throughout Nebraska for the Climate Office. I'm intimate with the data and the conditions that it represents. I grew up on a small farm in Perkins County and currently own a farm in Saunders County. As a vested operator in agriculture, my interests lean towards the practical. I am here in support of LB576. Weather information in the

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derived climatological data is a fluid entity. Some conclusions in the 2014 report require additional emphasis, but there are points-- points made that are contradictory to conditions observed since that report was completed. The state of climate models has also been revised and improved by the larger research community. It behooves the caretakers of Nebraskans, you all, to take steps to commit a reasonable expenditure that ensures the planning, preparations and response to whatever the atmosphere above and the soil beneath throws at our stakeholders and residents are based upon the best and most current information. Ignoring the need for an update to the 2014 report would be analogous to using 2014 commodity prices to contract or hedge a 2012-- 2022 harvest. And that's what I have got to say.

**STINNER:** Thank you very much. Questions? Seeing none, thank you very much.

**STONIE COOPER:** You bet.

**STINNER:** Additional proponents.

**KEN WINSTON:** Good afternoon, Chairman Stinner--

**STINNER:** Good afternoon.

**KEN WINSTON:** --and members of the Appropriations Committee. Good to be with you today. It's a blessing to be a member and to live in the state of Nebraska. So-- so my name is Ken Winston, K-e-n W-i-n-s-t-o-n. And I'm appearing on behalf of Nebraska Interfaith Power and Light in support of LB576. Well, you're being handed my written testimony. Did I give you something else?

**STINNER:** You go ahead.

**KEN WINSTON:** OK. I've noticed holes in it. It's like, how did that happen? I guess you punched holes in it. OK, all right. Reality is the truth. OK. Nebraska Interfaith Power and Light supports LB576. Just wanted to state some brief reasons why we support the bill. We think it's a commonsense approach to use scientific and the personnel resources of the university. You've already heard from Ms. Shulski and Mr. Cooper speak about their expertise in this area. I guess I just wanted to talk a little bit about some of the benefits that we can derive from this. One of the things that we could do, in addition to the things that-- that, Senator Stinner, you were talking about, in

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addition to planning to address disasters, we can also look at and say, well, are there some benefits that we can derive from-- from examining climate change? I mean, what benefits are there and what kinds of things can we-- can we drive that would be in a positive way? And also, there are some things that we could look at in terms of not just disaster, dealing with disasters, but what can we-- how can we plan to avoid disasters so we're not in a situation like we're in today? And then we can look at things like as I said, as I indicated, we can deal with-- with disasters. We can avoid some of the things like-- like floods and droughts and cold snaps like we're having today and also the heat waves that-- that we've talked about. And we've experienced all of those things in the last 10 years. There was a drought in 2012, which was a record-breaking drought. There's a flood in 2019, which is record breaking. And-- and so-- and we're having some records have been set in the last couple of days in terms of cold. And then agriculture, as Ms. Shulski indicated, can benefit from-- from proper planning, as also you indicated, Senator. I mean, people can if they look and say, well, it's going to get hotter, what kind of crops can we grow that will benefit from hotter weather or drier weather or differences in precipitation? So-- and also there was the report from the Healthy Soils Task Force last year that-- that also provides some-- some guidelines. And let me talk just a little bit about Nebraska Interfaith Power and Light. And I'm not going to read everything I've written because obviously you can read that. But just to indicate that-- that climate change is an issue that we take very seriously and we look at it as a moral issue. And there are many faith organizations which agree with that statement and I've listed them there. I won't try to read through them all because you can read them yourself. But I guess I just wanted to-- to address one of-- one of our biggest concerns, and that's the impact on-- on low-income people and vulnerable people, and particularly because of the fact that they are more likely to live in areas that are like flood plains, which are more likely to be at risk when there are more severe flooding. When they're-- they're also more likely to live in substandard housing. So fortunately, I live in a fairly well-insulated, insulated house with a good furnace and my house is nice and warm. But there are a lot of low-income people who I'm sure are suffering in this weather and maybe you're in danger. So the more that we can plan and address those kinds of things, the better off we are. And then also more likely to have economic insecurity and food insecurity. And that's particularly heightened in times when there's

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droughts and we are experiencing more severe droughts. So for all these reasons, we just think, let's take a good, hard look, let's update the plan that we did. Let's update the report that we did back in 2014 and-- and-- and use that as a way of building on the work that's been done before. And just to reiterate, yes, indeed, Senator Stinner, you were part of that committee. There were seven members of that committee. This took place in LR455 in 2016. Four members of the committee were-- were rural Republicans and the unanimous recommendation of that committee was that the state adopt the Climate Action Plan. So-- and I have a copy if anyone wants to-- if you-- if you want a copy of it. It's also available online. So it's an official report of the-- to the Legislature in 2016. Thank you. I'd be glad to respond to questions.

**STINNER:** Thank you. Additional questions? Seeing none, thank you very much. Thanks for reminding me of that too.

**KEN WINSTON:** And you folks have a good day and keep warm. Take care.

**STINNER:** Additional proponents? Seeing none, any opponents? Seeing none, anyone in the neutral capacity? Seeing none-- none, is there closing remarks, Senator?

**BOSTAR:** Yes, sir, I'll be brief. Thank you, Chairman Stinner and members of the Appropriations Committee, and thank you to everyone who contributed to the discussion today. I just want to say in closing that it is imperative that as state lawmakers we are informed with the best data and information available regarding the major forces and potential threats that may affect our state. Climate and weather have an outsized impact on our state, in particular because of the special role that agriculture plays in Nebraska. It is time to continue the work started by this body in 2013 and update this report so that state leadership has the most timely and accurate information available. I would again encourage you to support LB576. Thank you all for your time.

**STINNER:** Thank you, Senator. Additional questions? Seeing none, just for points of clarification are these letters of support as opposed to written testimony? OK, thank you, Senator.

**BOSTAR:** Thank you, sir.

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**STINNER:** We do have letters of support: Research Nebraska, Mary Ellen Kilmer [PHONETIC], Nebraska Farmers Union, Shirley Nemer-- Niemeier [PHONETIC] Marilyn McNabb. Opposing is Nora Sandeen [PHONETIC] and Al Juhnke. And that concludes our hearing on LB576. We will now open-- all right. We will wait a moment to let people filter back in. And we will open on which is the next one? We will now open on LB646, Senator Flood.

**FLOOD:** Good afternoon.

**STINNER:** Afternoon.

**FLOOD:** Members of the Appropriations Committee, my name is Mike Flood, spelled F-l-o-o-d. I represent Madison and part of Stanton County, and I may have the only bill in front of the Appropriations Committee that does not ask for more money, believe it or not. Last year you passed a bill in your appropriations bill that allows for scholarships that was proposed by Governor Pete Ricketts. I think it was one of the more substantive bills that we've passed, this body has passed-- I wasn't part of it when it happened-- to make a true difference in the communities across Nebraska. We are losing young people at an alarming rate in rural Nebraska. There is never going to be a day where there's going to be a four-year state-sponsored university or college in my community, my hometown of Norfolk. And there are a lot of communities like Scottsbluff, like Columbus, like North Platte, Grand Island, that want what they see in Kearney and Lincoln and Omaha and even the communities that have private schools. We see a college, but what we really want are those young people that come out of the college. And so the bill that you passed last year allows us to have a program in Norfolk that the state college system has formally adopted. We call it Growing Together. Here's how it works. This is using the money you appropriated with LB1007 last year. We have gone around to all the businesses in our community and in the region and said, what jobs do you have that need to be filled? And a number of those require a four-year degree. Under whether it's IT or business administration or education, K-12 education, or communications, we've gone to the businesses and said, would you be willing to have a co-op scholar your senior year? And over 89 businesses have been contacted. The result is last year with private money, the first cohort of students started their freshman year at Wayne State College. The tuition at Wayne State College is \$5,000 a month. With private money, they got \$2,500 their freshman year, they'll get \$3,000 their sophomore year, they'll get

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\$3,500 their junior year. And their senior year, they will move into downtown Norfolk, they will live in downtown Norfolk, they will work full time and get paid under the wage and hour laws, and they will get a \$5,000 full scholarship, plus \$10,000 to pay for their board. That is how the scholarship program works. Now, starting this fall, the first cohort of students will be attending that program through using the money that you appropriated last year. And instead of 31 students, we'll have 45. The next year after that we'll have 75. So in 2025, there's going to be 75 Wayne State College students that are going to be on one of these Opportunity Scholarships that will be living and working hopefully in downtown Norfolk. We know they'll be living there. This is actually a program that connects the state dollar to the student and then directly connects it to a job. Their parents have to be thrilled. And so if you are a senior at Wayne State and you're in this co-op Opportunity Scholarship program, your senior year, you are not going to classes. You are working full time. The idea is that while you're working full time with 74 of your classmates that are also in the same community, you're going to be celebrating your 21st birthday. You're going to be running up and down our main street enjoying the fact that you are 21. You're going to be creating experiences in a community where you have a professional relationship and a student relationship, and suddenly Norfork becomes an option for young people to stay in. Maybe you have a boyfriend or girlfriend. They work in education, but you work in business administration. Suddenly we're creating the types of experiences that actually keep people in a community. So what does this bill do? When you passed LB1007 last year, you put a limit for any one year on \$10,000 for the state college system and \$25,000 as a limit on the university system. This simply bumps it up to \$15,000. And the reason that that's important is that in the senior year we go to \$15,000 because we're doing the full 5 plus the 10 for board. But you've got to get there first, so the state would be spending \$2,500 their freshman year; \$3,000 their sophomore year; \$3,500 their junior year; and then it jumps to \$15,000 under this program. I think that the scholarship makes a lot of sense because the longer you're in it, the better it gets. And when you're a senior, you're working full time and you graduate in early May. Hopefully you get offered a job and you stick around. We've got to do things like this to keep people in Columbus, to keep people in North Platte, to, you know, Grand Island is calling me. They want to do this there. This is so much cheaper than building another four-year school in any other town. This is actually giving us

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what we need, which is work force and not building buildings and not building student centers and not building huge capital projects. It's about the students. I can't thank you enough for what you did last year. I appreciate the Governor's leadership on this. This program, as you see from the letters, is well, well, well appreciated in Norfolk. And the only change that we need to make is going from 10 to 15, which doesn't spend any more money. And it's far lower than the universities too. Thank you.

**STINNER:** Any questions? Senator Erdman.

**ERDMAN:** Thank you, Senator Stinner. Thank you, Senator Flood. I can appreciate you being concerned about rural people. That's good. So if we increase from \$10,000 to \$15,000, we're going to limit-- there will be less people, recipients of the scholarship?

**FLOOD:** No. The-- the average doesn't change. You know, under the scholarship, the way the law is written now, you could have-- you could do \$10,000 a year for four years and spend \$40,000. But in the case that I've got here, you're-- you're spending a fraction of that because the scholarships are so much smaller in the first three years. So the net out to the state's less than what the maximum is now,

**ERDMAN:** OK.

**STINNER:** Additional questions? Senator Wishart.

**WISHART:** Thank you for being here. I have gotten the opportunity to be on Norfolk Main Street and it's great. So I can visualize how this would be exciting for young people. Is there any-- so I like this idea a lot. My only question is, is there any concern about when you are younger and not making as much money as you would be your senior year, there being an issue with not getting more money up front for the scholarship and the financial barrier for potentially having someone sort of not stay through the entire?

**FLOOD:** Yeah, we talked about that. One of the things that we talked about as a community is that the more investment you have in your own education, the more serious you take it. And we want people that (A) want a scholarship but are willing to figure out between their Pell Grants and what they can raise privately to meet them halfway their freshman year and then have it get better and then have the payoff be

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the senior year. From a taxpayer standpoint, I think we get more investment out of somebody like that. And I will tell you, they have 45 spots for this fall and they have 150 applications. So don't tell me people don't want to live in rural Nebraska. Can you imagine the impact of this program if Chadron were doing it, in some of our communities that need the four years? And the other thing I'll tell you is we have fewer four-year degreed workers than the state average and we have more low-skill, low-wage jobs than the state average. And so the more four-year degreed folks we can get in, the better it, I think, helps our work force. And software IT is one of the areas that I might not have mentioned.

**STINNER:** Additional questions? So you want to take it from \$10,000 to \$15,000 per student maximum amount.

**FLOOD:** Maximum amount.

**STINNER:** And it'll be up to the Peru, Wayne State, and Chadron on how they want to distribute that. So if somebody could get \$2,500 the first year and increase it according to what you're saying.

**FLOOD:** And as it relates to what we're doing in-- in Norfolk, it's the-- it's set at 25. The State College Trustees have set it at \$2,500, \$3,000, \$3,500. And then obviously with this change they'd go to the \$15,000. But we always envisaged it to be \$15,000. I think something that maybe needs to happen next year is that I need to bring this back and get this program set up in state statute so that it goes through the Education Committee and that then it's a fund that can be dealt with by the Appropriations Committee. That's probably a step next year

**STINNER:** Norfolk is the only city right now doing what you say you're doing?

**FLOOD:** Yes. Grand Island is in constant conversation with Wayne State right now. And I know that people in Columbus are looking at something that's modified version. For towns like Scottsbluff that are in the same point, what's so great about this is it avoids the whole conversation of a building, a building. And you walk into a business and you say, what are your needs? And they'll say, we need IT people. OK, well, Chadron State has an IT program. How many do you need? And the other thing is we're making the businesses pay the students so

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they're still going to get paid their senior year, plus they're going to be working, getting credit, and they've got the scholarship. I would love the University of Nebraska to do the same thing with some of its degreed programs. And, you know, the beautiful thing, the reason this works is because the faculty and the administration at Wayne State worked at the speed of business to put this together. And we have a good outcome. I think it's a little bit more challenging the larger the institution. But I know they're talking about it.

**STINNER:** Any additional questions? Seeing none, thank you.

**FLOOD:** Thank you.

**ANGIE STENGER:** Good afternoon. My name is Angie Stenger, that's A-n-g-i-e S-t-e-n-g-e-r, and I'm the executive director of the Growing Together Northeast Nebraska program in Norfolk that Senator Flood was just discussing. Growing Together, in cooperation with Wayne State, has developed this plan to allow students to learn in a very, very hands-on, work-based environment while living and remaining in rural Nebraska. We believe this is one way that we can really reverse the brain drain and actually take a shot at it. As Senator Flood mentioned, last April, Wayne State announced its inaugural scholarship recipients and the first 31 excuse me, it was actually 30 started this fall as freshmen for their three-year track with their fourth year living in downtown Norfolk and working with the local business for that nine-month period. The excitement for the program has really been very high in our area. And as Mike said, excuse me, Senator Flood said, almost 150 people have applied to be in next year's cohort. And next month we will hear the announcement of those 45 and then 45 alternates. During the last 10 months, I have interviewed over 80 businesses to ask them, the owners, the human resource managers, what is it that you need? We did a work force needs assessment. The survey was designed to help us find which businesses would pair well with these Wayne State students in the Growing Together Co-op Scholarship Program. From these businesses out of just these 80-some, 105 co-op positions were identified in IT, business, and communications. Plus, there was desire for additional numbers in education as well as manufacturing and industrial technology. People love the idea of the program because they have the opportunity to work with these students for a full nine months and not just a quick semester. And it's going to be immersive work-based learning experience intended to lead to a full-time job. From these surveys, we also learned a lot of things

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about our businesses. They are committed to expanding the job market and the work force and are excited to mentor these Wayne State students. Specifically some of the themes that emerged from my conversations with these businesses that they want to grow, but they need a larger job pool. They told me that hiring graduates with a local connection is so much easier than trying to attract someone to move to Norfolk from either a bigger community or outside of the state. And most importantly, they told me they would rather educate students to their job needs, whether it through-- through this internship or other opportunities, so kids don't have to leave the area to learn. And all of this fit perfectly with the Wayne State Growing Together Cooperative Scholarship Program. The work force scholarship fund that will allow students to live downtown their senior year while working at this internship in their field of study is essential. It plays directly to the importance of creating more jobs in northeast Nebraska that will entice the next generation to stay in our area. The community of Norfolk is excited to integrate these students into the Norfolk community through company tours, job shadowing, mentorships, cultural events, social activities over the next three years before they move to Norfolk. We appreciate your time today and the opportunity to help us welcome our future Norfolk residents to be a part of our community. And thank you for your support of LB646.

**STINNER:** Thank you. Questions? I never have understood how to-- is it Norfolk or is it folk or is it fork?

**ANGIE STENGER:** Oh, I did not grow up in Norfolk. I am a transplant--

**STINNER:** OK.

**ANGIE STENGER:** --from 21 years ago. And so it always has been the "l" for me. But natives, it's very much the "r."

**STINNER:** OK. I didn't want to offend anyone. Any additional questions? Seeing none, thank you.

**ANGIE STENGER:** Thank you.

**STINNER:** Afternoon.

**AUSTIN PIERCE:** Good afternoon, Chairman Stinner and members of the Appropriations Committee. My name is Austin Pierce, spelled

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A-u-s-t-i-n P-i-e-r-c-e, and I'm testifying in support of LB646. I am a Wayne State College freshman from Brainard, Nebraska, and I'm studying business management as a scholar in the Growing Together program. On behalf of Wayne State College and the northeast Nebraska Growing Together and Career Scholars Program, thank you for letting us talk to you about how Wayne State College, the career scholarship, and the Growing Together programs have impacted my life and those of my fellow scholars. As a one in six children and a first generation student, the idea of attending college was not encouraged by family or close friends. Despite the fact that none of my parents or grandparents attended college, I had my own goals. I wanted to be a role model for my younger brother as well as my nephews and nieces. I want to go to college to prove to myself that I can take on this challenge. I cannot stress enough to you how happy I am that I am attending Wayne State and how much I look forward to my future. Today, I'm here with Wayne State College executive director, Dr. Michael Keibler and two of my scholar colleagues, Summer Schroeder [PHONETIC] and Brogan Jones [PHONETIC]. Although they're not in the room with us, they want you to know that in its simplest form, this co-op program provides a unique and game changing opportunity for rural high school graduates to pursue a college degree and a successful career in northeast Nebraska. It teaches us the skills we need to become successful career-ready graduates, and it prepares us to secure employment after graduation. The first year cohort consists of 30 freshmen from across the state and across disciplines interested in growing and developing their skills. To do so, the Growing Together career scholars mission is to combine classroom education with real work experience for college credit. Our motto is learn by doing, which means getting the hands-on experience and a head start to becoming professionals in our careers. One of the main reasons we chose to attend Wayne State is because of its affordability and because we've heard so many positive things about Wayne State from current students and alumni. Wayne State has a great reputation throughout the region focused on its past, current, and future students. When I found out that I was accepted to this new, prestigious, scholarship-based program, I was fully committed to Wayne State. The Growing Together program gives students a work-focused roadmap to success while earning a four-year degree. Some of the ways this is done is through employer engagement, developing transferable skills, job shadowing, and engaging in semester-long entrepreneur activities. As a result, it all ties to our senior year in Norfolk, where we will participate in a

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year-long paid cooperative education experience relative to our career and continue to lean on each other as a cohort and in the community, all while actively living there. With the addition of a career scholarship, I have the ability to take full advantage of the opportunities offered through the program. In today's work force, prior experience and knowledge are now more important than ever. This year, the co-op will help us stand out among our peers because we will already have a year of professional experience before we graduate. Another reason I find this experience important is because we get to help build the future of not only Norfolk but the entire northeast region of the state. One of the purposes of this cohort is to keep young talent in the region, and I firmly believe this scholarship program is a huge leap in the right direction. This program has already helped me connect with my peers in more ways than I'd ever imagined. Many of us come from rural areas and because of the small town roots, we have strong work ethics and similar skill sets. We all know that employers are looking for young, hardworking employees. Another way we can connect with each other is through similar majors and similar classes where our paths often cross. This opens yet another door for us to communicate and learn alongside one another, as well as grow our friendships. With the pandemic going on, meeting employers has been different but not impossible. We have had multiple employer panels and guest speakers from firms such as Faith Regional, Nucor Steel, I.T. Tech, among many others. We also took a trip to Norfolk where we were, excuse me, where we were able to visit restaurants and meet the owners, sample their foods, and toured throughout the downtown. While there, we met with Senator Mike Flood for the first time, who shared with us his hopes and aspirations for the program, which gave us a shared vision on what our end goal should be. We also met with employers and a representative from the Aksarben Foundation. What makes me most passionate about this program is the fact that we get to be the inaugural class. We are paving the way and leaving footprints for each cohort that follows us. We are setting precedents and finding what works best and what needs to be reimagined. I would say the best word to describe being a part of this program is honored. We're all very committed to this program and to help grow and develop northeastern Nebraska. The continued efforts of the cohort, Senator Flood, Wayne State College, the Aksarben Foundation, the state Legislature, and so many others will certainly prove to be a recipe for success. I cannot thank each and every one of

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you enough for taking the time to listen to me today. And I would be happy to answer any questions you may have. Thank you.

**STINNER:** Questions? Senator Clements.

**CLEMENTS:** Thank you, Mr. Chairman. And thank you for coming. I had a question. What year in school are you?

**AUSTIN PIERCE:** I'm a freshman.

**CLEMENTS:** And what's your field of study?

**AUSTIN PIERCE:** I am a business management major and a sport management minor.

**CLEMENTS:** Sports management.

**AUSTIN PIERCE:** Yes, sir.

**CLEMENTS:** There's a list of different required-- OK, business administration is one of the fields of study. You had in-- did you have to indicate that before when you applied?

**AUSTIN PIERCE:** Yep. So when we applied, it's just through the computer and there is a select field program to study that you can choose what you're studying. And so I chose business administration.

**CLEMENTS:** And do you have to make a commitment? You're going to study that for the whole time?

**AUSTIN PIERCE:** If you wanted to change your major to a different major that's still within the program to make that very easy, acceptable to do that. However, if you were to change your major to something outside of the scholarship, then I believe you would have to drop the scholarship.

**CLEMENTS:** All right. Thank you.

**STINNER:** Additional questions? I didn't catch where are you from originally?

**AUSTIN PIERCE:** Brainard, Nebraska.

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**STINNER:** OK. Any idea, do you want to go back there? Is there opportunities back there?

**AUSTIN PIERCE:** It's a very small town, so there's limited opportunities. But I do want to stay with rural Nebraska. I love the state and what the state has to offer. And I hope those who follow me see the same.

**STINNER:** OK, consider banking. [LAUGHTER] Any additional questions? Seeing none, thank you.

**AUSTIN PIERCE:** Thank you.

**STINNER:** Additional proponents. Seeing none, any opponents? Seeing none, anyone in the neutral capacity? Seeing none, Senator, would you like to close?

**FLOOD:** Briefly. What's going to happen to Austin is he's going to meet somebody in downtown Norfolk, he's going to get married, and he's never going to leave. [LAUGHTER] But in all seriousness, you should also know that I am working with President Carter of the university, who has taken an interest in this in hopes that this same model can be used in other communities with the university certainly in mind and all of yours. And my hope is that what happened-- what's happened, started in Norfolk, ends in a lot of different communities in your districts because it really is connecting the dots for people. And I think it's going to-- it's one of the main reasons that I decided to run again for the Legislature. So thank you.

**STINNER:** Senator Wishart.

**WISHART:** I'd be remiss if I didn't ask this. Senator Flood, in your mind, this is one part of a sort of a growing set of policies in order to attract young people back to our state. And you talk about the Main Street. They're going to live on that Norfolk Main Street. There's some really exciting things going on around Norfolk there. But you have to have that as well as the attraction for young people. So I just from your perspective, this is one part, but you're also working on other initiatives to kind of grow those Main Street areas to-- to also attract young people that way.

**FLOOD:** Well, thank you, Senator Wishart. It's a good question because-- it's a good statement because the-- the state is doing a lot

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for us, getting the student there as a senior. And now the community has a huge obligation to do everything it can to go out of the way to meet that student where they're at, which means being inclusive of their ideas. It means including them in what's going on, paying good wages. Because at the end of the day, you can-- if you get somebody, you know, for cheap, their opportunities are out there. I mean, we have to have a discussion about wage parity and about being the kind of community that they want to live in, which means meeting them more than halfway. And that's the job of our community and not the state.

**STINNER:** Additional questions? Did I see a hand up on this side? The only thing that I have a concern about is you say you'll have 150 of these folks living at some point in time on your Main Street. Is there enough--

**FLOOD:** No. The-- the most that we would have in this program would be 75 at one time.

**STINNER:** Seventy-five at one time, but hopefully they get placed, they have a job.

**FLOOD:** Right. And, you know, just the idea, if you think about what this is to a town my size, 25,000, you put 75, 21-year-olds in a three by seven block area of downtown Norfolk. You take on top of that the fact you've got four bars and restaurants that have outdoor eating spots. And we have a couple other just places for people to hang out. And we've got two coffee shops in the future, one right now. You start putting all those things together and suddenly downtown Norfolk doesn't look and feel like it did before. And no, we're never going to be Dallas and we're not going to be Boston or Austin or Lincoln or Omaha, but we're going to be something better than somebody in Randolph or Neligh or Pierce thinks it is now. And our goal is not to get people to move to Norfolk from Scottsbluff or Omaha. Our goal is to get those young people that grow up in the towns around us and that they're in Randolph. And our goal is to keep them just long enough for them to get married and move as close as they can back to Grandma and Grandpa. It really is a lot about biology, if you think about it. And we have to put ourselves in a position and get a chance at keeping them, but we got to keep our own kids before we try and attract anybody else's.

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**STINNER:** OK. Any additional questions? Seeing none, thank you, Senator.

**FLOOD:** Thank you.

**STINNER:** We have letters of support: the Nebraska State College System. I have one, two, a few letters from Doug Johnson from Midwest Bank; Norfolk Area Economic Development Council. I have a letter from Aksarben Foundation and I also have one from the city of Norfolk or "folk" or "fork," one of those. And that concludes our hearing on LB646. We will now open for the hearing on LB671. We will wait for just a moment till these people have the chance to clear the room and other ones coming in. But you're more than welcome to sit down, Senator.

**MURMAN:** I'll stand awhile.

**STINNER:** OK. Senator, how many testifiers you got?

**MURMAN:** At least five.

**ERDMAN:** How many?

**MURMAN:** Five I believe. Go ahead?

**STINNER:** Go ahead, begin, thank you.

**MURMAN:** Good afternoon, Chairman Stinner and members of the Appropriations Committee. For the record, my name is Dave Murman, D-a-v-e M-u-r-m-a-n. I represent District 38, which includes the counties of Clay, Nuckolls, Franklin, Kearney, Phelps and southwest Buffalo County. I come before you today to introduce LB671, which generally authorizes state funding of \$300,000 for the next two fiscal years for the University of Nebraska Extension to fund the Nebraska AgrAbility program. The AgrAbility program has been around for more than 25 years and funding referenced in this bill is specifically targeted for the need to purchase of assistive technology and equipment, which is not covered or funded by the U.S. Department of Agriculture for the needs of physically challenged farmers and ranchers. Oftentimes, the disabilities are a result of the hazards of farming and ranching. Assistive equipment could include such items as lifts, power chairs, handrails, steps and seat modifications for tractors that greatly help such individuals to complete essential work

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tasks so that they can continue their operations. As proponents after me will testify, the need is greater than the funding requested and the need is more important than ever before. But this would be a good start to help address the needs of farmers and ranchers and their families in Nebraska with disabilities or health conditions that require this type of equipment to succeed within the agriculture community. Thank you for your consideration of LB671. And at this time, I'd be open to questions. But there's many behind me that are more qualified to answer your specific questions about the program and the need for this legislation.

**STINNER:** Thank you. Questions? Senator Clements.

**CLEMENTS:** Thank you, Mr. Chairman. Thank you, Senator Murman. Is this an additional funding to an existing program or is it new funding to a new program?

**MURMAN:** Yes, it is additional funding for an existing program and it'll be explained further behind me. But this program has been in existence since, I think '95. And this funding will actually help the program acquire more funding that is urgently needed.

**CLEMENTS:** Thank you.

**STINNER:** Additional questions? Senator Hilkemann.

**MURMAN:** Yes.

**HILKEMANN:** Yeah, Senator Murman, having grown up on the farm it used to be every-- in the days when he used to pick corn it almost seemed like every year some farmer would lose an arm or something like that from picking corn. Now, does workmen's compensation or something, does that cover those sort of accidents?

**MURMAN:** Boy, I don't know if I'm qualified to answer that question. I assume it would cover the accident, but it wouldn't cover like modifications to equipment, the type of equipment that is needed to continue farming. And that equipment is-- can be very expensive, of course.

**HILKEMANN:** So what this bill would be is not so much to help the individual. It's to develop equipment that helps that individual carry out the farming operation. Is that correct?

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**MURMAN:** Yeah, yeah, to keep farming, keep-- just to keep, help them to stay productive in their farm.

**HILKEMANN:** So it's not, again, it's not for the individual. It's to--

**MURMAN:** It's for the equipment. Yeah.

**HILKEMANN:** OK, thank you.

**STINNER:** My question would be, Senator, the Nebraska AgrAbility program is that run by the University of Nebraska Extension or who-- who actually runs this program?

**MURMAN:** It's administered by Extension. I'll defer to those behind me. I think they'll explain it a lot better than I can. And I can answer at the end if they don't.

**STINNER:** OK. Did I see a hand up, Senator Erdman?

**ERDMAN:** No, I'm fine.

**STINNER:** OK. Any additional questions? Seeing none, thank you. Senator, you're welcome to close.

**MURMAN:** I'll wait for that.

**STINNER:** Any proponents?

**ROD PETERSON:** If it's all right, I'll remove my mask so you can hear me a little better. Hello, gentlemen. Senator Stinner, members of the Appropriation Committee, my name is Rod Peterson. I'm here today to speak to you in support of LB671. I am the Nebraska AgrAbility program manager. But I speak to you today as a Nebraska citizen and a lifelong member of the Nebraska's agricultural community. I currently live west of Doniphan, Nebraska, but my agricultural roots are in Harlan County, where my great-grandfather, Nels [PHONETIC] Peterson, homesteaded. I graduated from UNL and was a teacher and a coach for a few years before moving back to the family farm and where I farmed and ranched for 29 years. And in 2001 my wife and I moved to my current home at Doniphan and have been part of the Nebraska AgrAbility program since then. I'm going to explain to you a little bit about what the AgrAbility program is and what it does. AgrAbility is a program of USDA. It's part of the Farm Bill ag safety section. Its sole purpose

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is to serve farmers and ranchers with disability. The entire national AgrAbility budget is a little over \$4.2 million. Those dollars fund program operations in 20 states nationally and the national AgrAbility project that is currently hosted by Purdue University. National AgrAbility is responsible for the coordination of the state projects and for our training. The last AgrAbility national training workshop where we could actually meet in person was right here in Lincoln at the Embassy Suites in late March of 2019. Currently, we are having virtual educational trainings each week until August. It's important to note that no disability assistive technology is funded with those dollars. It is a requirement of the AgrAbility USDA grant that the funding for the operation be distributed through land grant universities and that each state cooperate with a disability-based organization to operate the program services. In Nebraska, the partners are UNL Extension and Easterseals Nebraska, which is a subsidiary of the Visiting Nurse Association of Omaha. The direct on-farm assessments and services are provided by Easterseals. Emily Freudenberg, who you will hear from later from Madison, Nebraska, who serves the northeastern and eastern part of the state, and I serve the central and western part of Nebraska. We provide an on-site assessment of the needs of a farmer or rancher after they-- after the individual has a disability and assess their limitations and make the assistive technology recommendations required to continue their work. These are items such as person lifts for implements, modifications to implements, implement controls, modifications to shop doors, pasture feedlot gates, shop tools, driving controls for pickups, utility vehicles, and for outdoor mobility. In some cases, the farmer/rancher provides his or her own funding, but in most cases, supplemental funding is required. AgrAbility has a contract with state of Nebraska Vocational Rehabilitation Services, or VR, to provide them with assessments and recommendations. VR has been the primary funder of this assistive technology since the program's inception in 1995. Since 1995, AgrAbility has served nearly 600 clients in every county in the state except Douglas County and downtown Omaha. For the past two years, because of federal cost containment limitations, VR has entered into what is called order of selection, where only the most severe disabilities are served. The recommended assistive technology often exceeds the VR funding limitations to implement the recommended assistive technology. We've gone from a point where VR AgrAbility funded plans ranged from around \$400,000 up to \$890,000 a year to now it is difficult to get any funding approved. We've asked if this

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problem could be resolved by increasing funding from the federal level and learned that VR rules prohibit earmarking funds for specific groups or service lines so that is not an option. That is why we're here today. We're asking for about half what the actual assistive technology needs are for Nebraska farmers and ranchers with disabilities. And we will look to matching grants at organizations such as Farm Rescue to supplement the funding. It is estimated that for every dollar spent on assistive technology for a farmer or rancher with a disability, there's an approximate \$10 to \$15 return in future taxes paid to keep them employed. AgrAbility is a program that works, it's proven, and it's extremely tax friendly. Thank you for your time and we hope you'll consider our request. And I'm very pleased to answer your questions.

**STINNER:** Questions? Senator Hilkemann.

**HILKEMANN:** Mr. Peterson, in your testimony you said-- you said 40 or \$4.2 billion--

**ROD PETERSON:** Million.

**HILKEMANN:** \$4.2 million comes from--

**ROD PETERSON:** Yes.

**HILKEMANN:** USDA.

**ROD PETERSON:** Yes.

**HILKEMANN:** That's on an annual basis.

**ROD PETERSON:** Yes.

**HILKEMANN:** OK. And you're asking, I think in this \$300,000. It's my experience in working with people with disabilities such as at the Madonna facility \$300,000 doesn't, in many cases, doesn't help very many individuals. Is that-- are we looking at maybe we'll-- we'll be able to help 8, 10 individuals with this or what-- what's the normal cost of this?

**ROD PETERSON:** Well, as you know, there's 4 million approximately farmers in the country. Of those, about probably less than half of one percent have disabilities. You'd be looking at helping-- we've served

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600 farmers since 1995, probably in the area of 60 to 80 farmers a year that we serve with severe disabilities. Madonna is one of the people, one of the organizations that refers to us a lot. We-- we typically get referrals from Craig Institute or Craig Hospital in Denver, a rehabilitation hospital that you'll hear from one of our following testimonies. And I currently have on our waiting list the next three cases that we have are paraplegic cases from accidents, one in eastern Nebraska, one in central Nebraska, and one in western Nebraska. Those cases typically run from \$100,000 to \$200,000 in assistive technology to get them up and running again. This is a time in our lives when 40 years ago, these farmers and ranchers would just probably have to hang it up. But right now we have the technology available to get them back into the tractors, get them back into their combines, keep them productive and keep them working. You're going to hear from a couple of those or two or three of those yet today. But your answer to your question is probably in the neighborhood, well, 600 farmers since 1995, it's not a lot, but there's-- but we estimate there's probably a little somewhere between 8,000 and 10,000 farmers in Nebraska with some degree of disability, not all of them. The most severe disability as VR would rank a number one disability, which would be a paraplegic or a stroke or traumatic brain injury or something down that line on down to back injury, arthritis and that thing. Anything-- we serve anyone, any farmer that has a limitation in their ability to do their work. And we make those recommendations to help them to do their work. That's what we're for.

**HILKEMANN:** Thank you.

**ROD PETERSON:** Yeah.

**STINNER:** Senator Erdman.

**ERDMAN:** Thank you, Senator Stinner. Thank you for coming, appreciate your testimony. So the \$4.2 million is a national number, right? It's not just in Nebraska.

**ROD PETERSON:** No, that's a national number. And that runs 20 projects nationally and that also runs the national AgrAbility program in Purdue. And that's not for assistive technology. That's just for program operations. Nebraska, it's based on a-- on a competitive grant every four years. We're in the third year of a four-year grant. We've been successful every four-year cycle since 1995. There's only enough

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money for 20 projects and there's way more states that want AgrAbility programs than that. So this process takes place. I think they-- they stagger it. Ours comes up the year after next will be our turn to reapply for our grant. Our grant in Nebraska is \$180,000 to run the entire program. University and Easterseals Nebraska, that runs the program for the university, split that money and that's for program operations. That is not for assistive technology.

**ERDMAN:** So will this program be run through the Extension office? Do you work with the Extension people? Is that how you do that?

**ROD PETERSON:** Well, the Extension actually owns the program.

**ERDMAN:** OK.

**ROD PETERSON:** USDA filters the money through land grant universities throughout the country. And then each-- each state that has an AgrAbility program, it's a requirement that they partner with a nonprofit, disability-based organization. In Nebraska, that's Easterseals Nebraska, and that's who I work for.

**ERDMAN:** OK, all right, thank you.

**ROD PETERSON:** Yeah.

**STINNER:** Additional questions? Senator Clements.

**CLEMENTS:** Thank you, Mr. Chairman. Thank you, Mr. Peterson. I'm still wondering about the funding. I asked Senator Murman if this is adding to existing funding. Is the state General Fund currently contributing something to this?

**ROD PETERSON:** No, no. This-- our--our-- the funding for our assistive technology since 1995 has basically been through state of Nebraska Vocational Rehabilitation Services. What we do and my partner, Emily and I, we go to the farm, we make the assessment, we decide what that farmer needs to continue his operation. We compile a report. We give that to the state of Nebraska Vocational Rehabilitation, and they then become the funder. The reason we have a job is that very few vocational rehabilitation counselors have any agricultural background. Emily and I both have agricultural background. We have-- we've been trained in the assistive technology for agriculture. So that's why VR looks to us for our reports and our advice as to what they should fund

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and what they didn't. Our problem is that VR right now has had some funding restraints put on them that don't allow for the money, enough money for us to fund the recommendations that we make. And that's why we're here today.

**CLEMENTS:** And what is the amount of funding that you have received in the most recent fiscal year from VR for this purpose?

**ROD PETERSON:** This most-- this most recent fiscal year, that would be well less than \$100,000. I will tell you-- I would esti-- I should have that figure, but it would probably be less-- so far in this fiscal year it would be less than \$50,000. In the years from 19-- from about 2015 through 2017, we were funding VR AgrAbility programs somewhere in the neighborhood of \$400,000, I think \$600,000. I think the highest year we had, the highest fiscal year we had was \$897,000. And then when they went in to order of selection where they only served the most severe disabilities: ones, twos and threes, they went almost a year without funding any-- any clients. And that was a shocker to us, definitely. We went from being able to fund this assistive technology to a huge waiting list, naturally, after-- after this all surfaced. It's getting better now. I'm not here to complain about vocational rehabilitation. They've been a great partner for 25 years. It's just right now that the federal funding constraints that they have on them just don't allow them to do what they actually would like to do. Of course they'd like to fund everyone, but right now they just don't have the ability to do it.

**CLEMENTS:** And were those funds federal dollars then?

**ROD PETERSON:** It comes from Department of Education funding, national Department of Education funding, and it's funneled then through state VRs. And then that's-- that's where the money comes from.

**CLEMENTS:** Thank you.

**ROD PETERSON:** So it is national money.

**CLEMENTS:** OK.

**ROD PETERSON:** Yeah.

**STINNER:** Additional questions? I'm still trying to figure out AgrAbility program was set up, is that a 501(c) or is it?

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**ROD PETERSON:** Easterseals is a 501(3) (c) [SIC] I believe it is.

**STINNER:** 50--

**ROD PETERSON:** Yeah, we're-- we're a nonprofit organization and we contract with University Extension that owns the AgrAbility program, and we run it for them. They provide education outreach on the university side. We provide the direct on-farm services.

**STINNER:** OK, I think I've got it.

**ROD PETERSON:** OK.

**STINNER:** And you're attempting to use the university as a conduit to take the \$300,000 the state, because it's affiliated with the state, we do three hundred. Do they buy the equipment or do they just--

**ROD PETERSON:** That will be addressed by Dr. Yoder and in his testimony, but it will be a pass-through to Easterseals and that funding-- that-- that conduit will be set up and that will be administered then to farmers and ranchers with disabilities. This is not for program operations. We have the USDA grant for program operations

**STINNER:** We may have to visit about how that actually--

**ROD PETERSON:** Excuse me, you'll have to speak up. She--

**STINNER:** We may have to visit about how that actually needs to work. I mean, I like the program, the three hundred, all the rest of the. My angst is giving it to the university, who gives it to a not-for-profit.

**ROD PETERSON:** Doctor Yoder will address that.

**STINNER:** Some hurdle, but we have to get over.

**ROD PETERSON:** Yes. Yes.

**STINNER:** Let's put it that way. I just want to make you aware.

**ROD PETERSON:** We've discussed that. And we have a--

**STINNER:** OK.

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**ROD PETERSON:** I think you'll be satisfied with the answer.

**STINNER:** Is it a work-around?

**ROD PETERSON:** Yes.

**STINNER:** OK.

**ROD PETERSON:** I guess if that's what you want to call it.

**STINNER:** There's always ways, right?

**ROD PETERSON:** Yeah.

**STINNER:** Any additional questions? Seeing none, thank you very much.

**ROD PETERSON:** All right. Thank you for your time.

**STINNER:** Good afternoon.

**EMILY FREUDENBURG:** Good afternoon. Chairman Stinner and members of the Appropriation Committee, my name is Emily Freudenburg, E-m-i-l-y F-r-e-u-d-e-n-b-u-r-g. I am here today in support of LB671. In 2012, I graduated with my master's degree in occupational therapy. Having grown up on a farm in northeast Nebraska, I was passionate about agriculture and safe work practices and wanted to be able to tie my passions together. Since 2015, I have worked for Easterseals Nebraska, with the Nebraska AgrAbility Program as the lead rural rehabilitation specialist. This passion is tied together by keeping secondary injuries at bay, by recommending assistive technology to overcome disability and injury limitations, and allowing them to continue doing what they love every day. When I first started with AgrAbility, I was serving a cattle producer in north central Nebraska. This client had several injuries that led him to not being able to complete his work efficiently and safely. AgrAbility recommended a specialized cattle working chute, along with a tub and alley system and specialized steps to gain access to his tractor. After he received his equipment, I did a follow-up to see how he was doing, and he-- a follow-up phone call, excuse me, to see how he was doing. And he answered and started to cry. And I'm thinking, oh, no, I did something wrong, but it was the exact opposite. He went on to thank me for the recommendations and that because of that, he worked cattle by himself for the first time in almost five years and no longer felt like a burden to his family.

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Another client in central Nebraska was a Vietnam veteran who was shot in the shoulder and never fully recovered. For 30 years on the ranch, he used his only functional arm to do his work and eventually it wore out. AgrAbility stepped in and recommended a hydraulic chute, a feeder for his side-by-side utility vehicle. and an overhead feed storage bin to eliminate-- eliminate high ranges of shoulder-- shoulder motion. When I followed up, his wife came out and hugged me and wouldn't let go. And when she finally did, she said thank you. I no longer worry about him as much as with-- because of all this equipment. He can be efficient and still do what he loves. I could continue to tell you stories, but the two and-- two above are enough to tell you that this program not only benefits the farmers and ranchers, but it benefits their families as well. The assistive technology recommended gives them back their sense of purpose and allows them to continue to work independently. These farmers and ranchers help the state in so many ways by taxes paid and would appreciate you thinking of them also after a farm ranch-- farm and ranch accident occurs and when they need assistive technology to overcome those limitations. Thank you again for this opportunity to comment on this proposal, and I would be happy to answer any questions.

**STINNER:** Any questions? Senator Hilkemann.

**HILKEMANN:** One tough question. Where from northeast Nebraska?

**EMILY FREUDENBURG:** I am originally from Madison, Nebraska. I just moved to Petersburg so.

**HILKEMANN:** Thank you.

**STINNER:** Any additional questions? Seeing none, thank you very much.

**EMILY FREUDENBURG:** Yes, thank you.

**STINNER:** Good afternoon.

**ERIC BECKMAN:** Good afternoon, Senator Stinner and members of the Appropriations Committee. Senators, my name is Eric Beckman, E-r-i-c B-e-c-k-m-a-n, and I have been asked to come before you today to tell you the details of my recovery and testify about my feelings as to the importance of AgrAbility in my life. Here is a condensed version of my story. I never wanted to be anything but a farmer. After graduation from Pender High School, I enrolled in Northeast Community College and

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received my associate degree in agriculture. I moved back to the family farm that has been in my family since 1910 and began farming with my father. I married a special lady, Dana. We have two children: Brittany, [PHONETIC] currently a sophomore at UNL and Aidan, [PHONETIC] a freshman at Pender High. My life seemed perfect, then my life changed forever. Driving my pickup in a rainstorm on May 5, 2007, it hydroplaned on a curve and skidded into the ditch and flipped after hitting a tree stump. My neck was broken at C-4, 5 and I was paralyzed from the chest down. At age 31, I thought my life was ruined. After several days in a local hospital on a ventilator, my family and I researched several places for rehabilitation. We found Craig Hospital in Colorado, which was famous for weaning individuals off the ventilator. I was airlifted to Craig and began a long road recovery. With the help of my family, my wife and all the special people at Craig Hospital, after six months we were ready to move on. During a meeting with my doctors, therapists, and family, I was asked if there was any other career that I would like to pursue. This would be a time I could make a change as there were programs that would assist in helping me. Without hesitation, I said, all I-- all I ever wanted to do was farm. I think my wife Dana almost fainted, not knowing if this could possibly happen. During one of my many visits with a therapist, someone mentioned a group called AgrAbility. My dad contacted them in Colorado and they referred him to Nebraska AgrAbility and Rod Peterson. We all thank God for that referral. The AgrAbility program in Nebraska it was started in 1995. The AgrAbility along with Nebraska Vocational Rehab has been instrumental in helping many farmers since its inception. When they started working with us, they had never helped a farmer with such a high level injury. The first step was to get me to drive. With the help of Rod Peterson and his vast knowledge of individuals who could help me, help me accomplish drive-- with the help of Rod Peterson knowledge of individuals to help me accomplish-- accomplish something that even Craig Hospital thought might be impossible. Rod's comment was, if we can get-- get you to drive, we can get you in a tractor. He found us a used pickup in Wichita, Kansas, that was wheelchair accessible. After we purchased the pickup, Rod referred us to Hubert Van Houlton [PHONETIC] and is wheelchair accessible. After he purchased the pickup, Rod referred-- the mechanical lift, which is installed on the pickup raises 12 feet into the air and could-- and can put me into the cab of my tractor, sprayer, and combine. My new normal life had just begun. Almost a year and a half after my injury in October 2008, I was back in the combine.

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There was not a dry eye in the field that day. That is the short version of my accident. And only some of the people who helped my recovery and virtually gave me back my life. I want to thank the state of Nebraska, Vocational Rehab, Nebraska AgrAbility, Rob Peterson, my family, all the people who have helped in finding special organizations. Words do not seem like enough to express my gratitude with AgrAbility program. People who have help-- need help will not know where to turn. It is this program and people like Rob Peterson that we all need the support the state of Nebraska can give. Please continue to support. Thank you for allowing me to address this committee. Eric Beckman, Dana Beckman, and family.

**STINNER:** Thank you. Additional questions? Seeing none, thank you very much.

**ERIC BECKMAN:** Thank you.

**WILLIAM MEYER:** Chairman Stinner and committee, my name is William Meyer, W-i-l-l-i-a-m M-e-y-e-r. I'm here today in support of LB671. I'm a client of AgrAbility with a T-4 spinal cord injury, which means I'm a paraplegic and have no feeling from the mid-chest down. Not having the use of my lower extremities-- extremities, I thought I would never be able to get back to working on the farm and ranch in which I have been doing since I was a young child. That all changed the day that I met Rod Peterson and he told me about the AgrAbility program. Not only did this program show me that other people with my injury are successfully and independently farming and ranching today, but they also helped me pay for some of the equipment that I now use on a daily basis. Because of the AgrAbility program, I wake up every morning with a job to do and a purpose to get out of bed. Cattle feeding-- cattle eat every day and feeding them is one of my many jobs that I am able to do around the farm with the special equipment that AgrAbility provided me, a program helped me get. The main piece of equipment that I have is a man lift that mounts on my bed of my pickup. It lifts me up into any-- it gets me up in my pickup and then allows me to drive up to any piece of equipment from a tractor, feed truck, to a lawnmower, and into other any-- and get into any piece of equipment independently. Depending on the time of year, you will find me in a feed truck feeding cattle at the feedyard; in the fall operating a grain cart, to helping pick corn; in the summertime swathing hay-- in a swather mowing alfalfa. Not only did this op-- not only do I operate equipment around the farm, I also help around the

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ranch too. With AgrAbility, they helped me get a saddle that helps me get on a horse and it allows me to go out and help move cattle and brand calves in the spring. There are a few, a few other pieces of equipment that I have, but these are the main ones. Because of these pieces of equipment are so specialized and not only are they hard to find, they're also awfully expensive. Without the AgrAbility program, I would not be able to afford half the equipment that I have today and probably would not be doing half the things or labor around the farm, if farming at all. This program has not only given me the purpose to get up every day, but also makes me feel like a productive member of society. And for that I would be grateful forever. Thank you for the opportunity to come to your committee, and I would be happy to answer any questions.

**STINNER:** Thank you. Senator Erdman.

**ERDMAN:** Thank you, Senator Stinner. Thank you for coming today. I appreciate your testimony. So how long have you had this equipment that you've been using this equipment?

**WILLIAM MEYER:** My accident was March 7, 2015. I got the equipment August of 2015 is when I got my first-- my lift for my pickup.

**ERDMAN:** So about five years or more.

**WILLIAM MEYER:** About five years, yeah, a little over.

**ERDMAN:** Great. Thank you for coming.

**STINNER:** Additional questions? Senator Dorn.

**DORN:** Thank you for coming today. What kind of-- you commented in here that they helped you get the necessary I call it equipment or whatever, like for a feed truck or tractor. What-- how-- do they help you retrofit the tractor so that you can be in that or what?

**WILLIAM MEYER:** Most of the equipment that I use is the lift just to get up into it. Most equipment would have hydrostat. I can drive most equipment. It's just some things are safer to drive than others, like it's like a simple lever on a brake pedal or stuff like that. It's pretty simple. For a feed truck, you have to have controls that run the gas pedal and the brake pedal, which I also have in a pickup. But most-- most thing is a lift getting up into them. They're a long ways

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up in the air. But most tractors with an IVT transmission or a combine with a hydrostat I don't need any special equipment. I just need to be able to get up into it.

**DORN:** Thank you.

**STINNER:** Any additional questions? I just have one. Did AgrAbility provide all of those modifications, the dollars for that, or did insurance help you or were there other programs?

**WILLIAM MEYER:** For the lift, AgrAbility paid for that.

**STINNER:** OK.

**WILLIAM MEYER:** No insurance paid for anything-- any of that kind of thing.

**STINNER:** OK. Additional questions? Seeing none, thank you very much.

**HILKEMANN:** Thank you for being here.

**TANYA MEYER:** Chairman Stinner and members of the Appropriations Committee, my name is Tanya Meyer, T-a-n-y-a M-e-y-e-r. I'm here today in support of LB671. My son William is a client of AgrAbility. He's a T-4 paraplegic, meaning he has no muscle control below his chest. Without the AgrAbility program, we or the staff at Madonna would never had any idea where to start to get William back in the saddle, the truck, or a tractor to continue farming as he does today, or the resources to afford all the equipment necessary to make that possible, for which his family and I are extremely grateful. Not only did this program get him back to work in the field of his choice that he loves and is passionate about, they also helped him remodel his home to be handicap accessible that he can live independently. Within days of William's accident, the AgrAbility program was contacted about a potential client that everyone knew to love farming and ranching. It is in his blood from generations back. Farming is not an easy career choice. It requires passion, determination, and perseverance to get the job done daily. William has that drive. He is a recent graduate of the ag program at CCC in Beatrice and had been working for Central Valley Ag as a crop scout technician and farmed with his grandfather. At the time he spent in rehab at Madonna and in physical therapy, gave him the tools to move around but not to work in the industry that makes him thrive. The people at AgrAbility, Rod Peterson and Emily,

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were instrumental in helping him, putting farmers back to work and the connections to know where those resources are, something I never dreamed we would ever need to know and would have taken us forever to figure out. William has a scissor lift mounted on the back of his pickup that extends 16 feet into the air and gets him into any truck, tractor, or piece of equipment that has hand controls. Today, he is willing and able to feed cattle, windrow, rake, bale hay, fertilize pastures, alfalfa and cornfields, shear and pile trees, and the list is endless because of the tools, equipment and knowledge provided through this program. Can you imagine if without the AgrAbility program William might have been dependent on state and federal aid programs for income for the rest of his life? Instead, because of AgrAbility, he is a productive member of the taxpayers of our community. For every dollar invested in this program, it has been greatly rewarded in tax revenue to the government as well as a sense of well-being for our son. Thank you for the opportunity to comment on this proposal. I'd be happy to answer any questions.

**STINNER:** Questions? Seeing none, thank you very much.

**HILKEMANN:** Thank you for being here.

**STINNER:** Afternoon.

**AARON BOCK:** Good afternoon. Senator Stinner and other board-- other senators of the Appropriations Committee, thank you for having me. My name is Aaron Bock, A-a-r-o-n B-o-c-k. I'm a recipient of Nebraska AgrAbility. I am a stroke victim and a type one diabetic. Nebraska AgrAbility has helped me in so many ways. It has truly helped me in my life career. And if it was not for them, I would not be where I am today. They have helped me make tasks easier and less time consuming, and I now can use a cattle working facility complete with a hydraulic chute, OK Corral system, hand tools, pasture gates with latches and a fuel stand just to name a few. Rod Peterson and Emily Freudenburg came out and toured our operation and asked questions about what I needed help with. After a few weeks, I have-- I got the OK that we were going-- they were going to fund me. I think personally, if Nebraska AgrAbility can get funded, it would help farmers and ranchers with disabilities have the opportunity to keep what they love to do and are passionate about, just like me. When you look at where the ag industry is today, we need every farmer and rancher we can get and that's everywhere. I think everyone should have a chance at it if they need

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help or assistance. Thank you so much for your time. Please be sure this program continues to be funded for the betterment of Nebraska agriculture. And if you have any questions, you can do so now. I'm-- I'm open to any questions.

**STINNER:** Any questions? Seeing none, thank you very much.

**AARON BOCK:** Thank you.

**HILKEMANN:** Thanks for being here.

**EUGENE BOCK:** Good afternoon, members of the Appropriations Committee. My name is Eugene Bock, E-u-g-e-n-e B-o-c-k. I-- my-- I'm here. My son Aaron has received funding through the AgrAbility program. I have a couple of side notes that I didn't have in my written presentation. I also wanted to mention that I grew up with. I'm sorry. I grew up with a dad also with disability so I kind of know what you were talking about earlier, about the farmers with missing an arm. My dad had polio, but anyway, my dad went on to be successful and kind of taught us kids that he could do what he needed to do. And I feel that real strongly that if he could have-- if he could have had some help like, you know, my son is receiving now, it would probably, you know, have really done a lot of good for him. But anyway, at 18 months of age, we learned that Aaron had suffered a stroke in utero, I'm sorry, and were told that he would probably never walk or talk. As he grew up, we realized that, in fact, he could both walk and talk. Aaron met almost all of his developmental milestones, some of them just in the nick of time. Fast forwarding to his timeline of high school graduation and deciding what to do for a career, Aaron had always had a very keen eye for cattle and a knack for memorization. As a grade schooler, he could always tell us which cow's ID tag had been lost because of his memorization of the cow's face. His love for the cattle business continues through adulthood. Our association with AgrAbility began with the purchase of a swather that we were not sure Aaron would be able to operate. At that time, I'd actually purchased the swather because our pull type, he had a lot of problem with his right side affected, had a lot of problems with-- with swinging a pull type swather back and forth. So with this purchase, our AGCO dealer contacted AgrAbility and kind of got the process started for helping us with Aaron's needs. At that point in time, Rod Peterson and Emily Freudenburg visited our farm and put together a plan to help Aaron with some of the basic and some very specific items that have been

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very helpful for him to be able to handle his purebred Hereford herd. The funding helped Aaron to acquire a hydraulic chute, portable corral, and some things as simple as hand tools and gates. As a parent, I witnessed firsthand the value of this program. I would ask if the appro-- Appropriations Committee would consider funding to help more farmers and ranchers with disabilities. I thank you for your consideration. I'd also like to make one more side note that I noticed when Rod was talking. In our particular-- in our particular instance, I still own some of the cattle and my son Aaron did as well. So Rod kind of worked together with us as like a cost-share thing. So just so that the committee knows, I don't feel that this is always just one of those that's a "gimme" program. You know, in our particular instance, there was some of these items that were very expensive that I could not afford to have just done. But because part of the cattle were Aaron's and part of the cattle were mine, we worked together and Rod was just more than happy to work with that. And I realized that probably in all farmers, you know, some-- some instances are different than others. But in ours, you know, it was just a really good help for us. So-- so like I said, I just didn't want, you know, the Appropriations Committee to feel that it was, you know, just always a dead giveaway for everyone that the farmers can work together as well.

**STINNER:** Very good. Questions? Senator Erdman.

**ERDMAN:** Thank you, Senator Stinner. Thank you for coming. So tell me, how long have these-- this equipment and the upgrades have been able to use? How long has it been?

**EUGENE BOCK:** I think like '17, 2017 and '18.

**ERDMAN:** OK.

**EUGENE BOCK:** Yeah, kind of a few years after Aaron also went to Southeast Community College. And-- and then when he came home, there was just some things that were really difficult for him to do. And like I say, it just kind of all started with our AGCO dealer with the swather and--

**ERDMAN:** Very good.

**EUGENE BOCK:** Yeah. So.

**ERDMAN:** Well, thank you for coming.

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**EUGENE BOCK:** Yeah. You're welcome.

**HILKEMANN:** Thank you.

**EUGENE BOCK:** Thank you very much.

**JAY FERRIS:** Good afternoon, Senator Stinner--

**STINNER:** Good afternoon.

**JAY FERRIS:** --members of the Appropriations Committee. My name is Jay Ferris, and for the record, that's J-a-y F-e-r-r-i-s. I am the director of political engagement and state policy for Nebraska Farm Bureau, and today I am testifying in support of LB671 on behalf of Nebraska Farm Bureau, Nebraska Pork Producers Association, Nebraska Soybean Association, Nebraska State Dairy Association, and the Nebraska Cattlemen. I would like to thank Senator Murman for bringing this legislation forward. And you've heard many of the stories and background of what the program does and, you know, what I have seen over the years, I've had the opportunity to serve on the Nebraska AgrAbility advisory committee since the program's inception back in 1995. And through those years, I've seen many of the success stories that this program has offered, and you've heard just a few of those today. Often these individuals did not think there was an option for them to continue farming or ranching after they became disabled. With the help of Nebraska AgrAbility, these family operations were able to continue and be productive members of their community and state. Nebraska Farm Bureau has policy that supports LB671 and many of our members have been clients of the Nebraska AgrAbility program. In recent years, funding sources to purchase the assistive technology equipment has been unavailable for these families. This bill will provide state funding for the purpose of purchasing this equipment when other sources are not available. LB671 will allow Nebraska AgrAbility to continue to serve disabled farmers and ranchers and give them the opportunity to continue to work in their chosen profession. We appreciate your consideration of these comments and I'd be happy to answer any questions you may have.

**STINNER:** Any additional questions? Seeing none, thank you very much.

**JAY FERRIS:** OK. Thank you.

**STINNER:** Good afternoon.

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**AARON YODER:** Good afternoon, Chairman Stinner and members of the Appropriations Committee. My name is Aaron Yoder, A-a-r-o-n Y-o-d-e-r. I'm from Plattsburgh, Nebraska. I'm here today in support of LB671. While I'm a faculty member at the University of Nebraska, both the University of Nebraska-Lincoln through Extension and the University of Nebraska Medical Center and their College of Public Health, I don't represent the university today. I'm representing myself as a citizen of Nebraska. And I also serve as the director of the Nebraska AgrAbility program. I grew up on a small farm in central Pennsylvania where I gained much experience with agricultural production, along with my grandfather and uncle. However, I never really fully impact-- realized the impact that disabilities had on agricultural producers until I was at graduate school at Purdue University from 1999 to 2002. Through my studies there, I had the opportunity to work with agricultural producers that had experienced disabilities. I had the opportunity to travel the Midwest and interview these producers to see what their needs were and how they were impacted by spinal cord injuries that prevented them from standing and required them to use chairlifts to access their agricultural machinery. This assistive technology became the focus of my graduate studies at Purdue, and after graduating with my Ph.D. from Purdue, I returned to Pennsylvania and had-- to teach in the agricultural and biological engineering, but also work with the Pennsylvania AgrAbility program. These experiences led me to the University of Nebraska Medical Center, where I work in agricultural safety and health. Since the fall of 2003, is when I moved to Nebraska, I've been working with, and eventually now directing, the Nebraska AgrAbility Program. Through all these experiences I've seen the positive impact the AgrAbility program has made on many individuals' lives. We all know that farmers are doers and they'll complete the task at hand at whatever cost. Unfortunately, many producers will fail-- will fall to a secondary injury because they do not have the appropriate assistive technology to complete the task safely. The current USDA funding for the AgrAbility program in Nebraska provides us with resources to locate these producers and to recommend the appropriate assistive technology, but it falls short in supplying the necessary funding for that assistive technology needed by the producers to safely and efficiently get their jobs done. The funding from LB671 will allow the Nebraska AgrAbility program to provide this important assistive technology to agricultural producers in Nebraska that are in need of it. In turn, it will help them return to a fulfilling-- fulfilling and productive life. So thank you for the

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opportunity to comment on the proposal and I'd be happy to answer any questions.

**STINNER:** Questions? Senator Wishart.

**WISHART:** Thank you for being here today. This is a very inspiring bill and I think Senator Murman for bringing it. When I was listening to William's story, it got me thinking, you know, there may be kids with disabilities who aspire to go into ranching or farming but have never thought it could happen. And are there similar programs, parallel programs in like 4-H or through Extension to help encourage kids knowing that when they get into adulthood, there will be funding available for that equipment?

**AARON YODER:** Sure. So the-- the AgrAbility funding that we get on the University of Nebraska side, we actually do a lot of outreach to 4-H and FFA groups. So one of our-- our workers from Minden, Nebraska, staff members, she works for Nebraska Extension and one of her jobs is to help promote the Nebraska AgrAbility program, and a lot of that promotion is done through 4-H programs. We try to incorporate some safety and health stuff into it, too, to help hopefully prevent injuries that require AgrAbility's assistance. But like you said, some people currently have the disabilities and are looking for different careers, so I would say we do a fairly good job of reaching out to those communities, especially the ag communities, through 4-H and FFA and those types of events. We always have a booth at Husker Harvest Days and some of the other events that go on like that, showing what AgrAbility does. Oftentimes, the guys that came and talked today, they help us at those booths, as well, sort of to be a role model maybe of somebody that may have experienced a disability early in life and still want to be an ag producer.

**STINNER:** Any additional questions?

**HILKEMANN:** Oh.

**STINNER:** Senator Dorn?

**DORN:** No.

**STINNER:** No. Senator Hilkemann.

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**HILKEMANN:** Sorry, Senator Stinner. Dr. Yoder, thank you for being here. I pick up on-- on part of what Senator Stinner said a little earlier. You're a 501(c) (3). Do you have-- do you have private partners that have donated the money to the 501(c) (3)?

**AARON YODER:** So I'm part of the University of Nebraska system myself and the AgrAbility program is funded through the USDA funding, which would be federal funding, as a grant to that. So we currently don't have private partners that give to the university for that purpose. We don't, I believe, have any private partners that give to the Nebraska AgrAbility program either.

**HILKEMANN:** OK.

**AARON YODER:** We're always looking for opportunities to do that, but we haven't at this point.

**HILKEMANN:** They could, but they haven't.

**AARON YODER:** Right.

**HILKEMANN:** Thank you.

**STINNER:** OK, Senator Dorn.

**DORN:** Yeah. Thank you for coming today. Could-- could you explain a little bit about how in the past there hasn't been enough funding? How do you go about or how do you evaluate or what's a criteria of-- do three, four, five times as many people apply, or how do you go through that situation?

**AARON YODER:** So that Easterseals team would be better to respond to that, but-- so the money we get through our grants just does the administration of the program. The funding we used to get through VR, they had a system. So we'd make the recommendations and voc/rehab had their criteria of who gets funding. And that's why we're not getting the funding now, is their criteria are set so high that most of our farmers are functioning high enough that they don't qualify for the VR funding. So there's a system in place based on their need and what they can do. In our program they have to be making an income from farming to get that service, so it's not going to be spent on someone that would never generate the income. So there's a few criteria like that that are in place. If we were to get this funding through the

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University of Nebraska, we would have to make sure that those-- University of Nebraska would be the accountability partner for that, so the state funding that comes from-- from this process, we would have those procedures set in place of how we would distribute this money. And just to-- to tag on your question that was earlier about just a pass-through, we have the opportunity to manage it and distribute it directly from the University of Nebraska or put it to Easterseals for them to distribute it, so both of those channels are still open. And we're fairly new to this process, so we're open to guidance on that as well.

**STINNER:** Any additional questions? Seeing none, thank you.

**AARON YODER:** Thank you.

**STINNER:** Any additional proponents? Any opponents? Seeing none, anyone in the neutral capacity? Seeing none, would you like to close, Senator?

**MURMAN:** Well, thank you all for the consideration of this bill. The success of Nebraska agriculture is important to this state, and this bill addresses a critical need for farmers and ranchers to continue their operations after suffering disability or health condition, which is often work related. For these reasons, I ask your support of this bill and give it timely consideration and move it out of committee. You have any questions?

**STINNER:** Thank you. Questions? Seeing none, thank you, Senator.

**MURMAN:** Thank you.

**STINNER:** We have letters of support from Dustin Franklin; Todd Batterman; William Meyer; Ruth Griess; Tanya Meyer; Nebraska AgrAbility. And that concludes our hearing on LB671. We'll wait to clear the room, but the next hearing will be Agency 48: Coordinating Commission for Postsecondary Education. I remind the committee that we have four agencies and one more bill.

**WISHART:** OK, we're going to go ahead and get started.

**FRIESEN:** What did you say?

**WISHART:** We're going to go ahead and get started.

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**FRIESEN:** Sit down?

**WISHART:** Yeah.

**FRIESEN:** OK.

**WISHART:** So the first agency hearing we have up is Agency 48, the Coordinating-- Coordinating Commission for Postsecondary Education. Welcome.

**MIKE BAUMGARTNER:** Thank you, Madam Chairwoman.

**WISHART:** Thank you, and make sure you state your name and spell it for the record. Thank you.

**MIKE BAUMGARTNER:** My name is Mike Baumgartner, M-i-k-e B-a-u-m-g-a-r-t-n-e-r, and I'm the executive director of the Coordinating Commission for Postsecondary Education. I'm going to be brief this afternoon, as the commission fully supports the Appropriations Committee's preliminary appropriations for our agency and operations. But I do have one concern that I want to share with you and I think requires your attention. Regarding agency operations, we appreciate the committee funding salary and health insurance increases consistent with other state employees. Looking specifically at our financial aid programs. I thank the committee for funding the Access College Early Program at our requested amount each year in the biennium. The ACE Program has been enormously successful in expanding access to low-income, dual-credit students, with consistently over 80 percent of recipients enrolling in college following high school graduation, but its funding has never fully met demand. In FY '20 the program served 2,473 students, which was a record number, but only because students were limited to two scholarships per year. We typically-- typically receive 400 to 500 applications annually that cannot be funded. At an average of \$250 per scholarship, the additional \$1,000-- \$150,000 for FY '22 would mean 600 more scholarships, and the additional \$250,000 for FY '23 would mean about 1,000 more scholarships. All told, we could provide two scholarships per year to about three-- 3,000 students at the current average cost per scholarship. This increase will make a big difference in ensuring equitable access to dual-credit courses across the state, which has proven so valuable to students. I do want to note that introduced LB529, which would set the spending levels for lottery funds for

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education for the next five-- for the next five fiscal years, would provide lottery dollars to the ACE program for the first time at approximately \$500,000 per year. Paired with General Funds and the committee budget, that would provide sufficient funding for 4,000 students to receive two ACE awards annually or, looking at it at three awards annually, 2,700 students, likely somewhere in between those. So I did want-- I did want you to-- to understand that that is in LB529 right now. I also wanted to thank the committee for recommending increased spending authority for Nebraska Opportunity Grant. As you know, this program provides financial aid to Nebraska students from low-income families who attend public and private colleges and universities in Nebraska. You may also know that it's one of the smallest state need-based programs in the country in terms of aid for undergraduate students and as a percentage of higher education appropriations. Last fiscal year, 13,000 students, out of 31,200 eligible, received the Nebraska Opportunity Grant, with an average award of \$1,446. The Coordinating Commission has long requested incremental increases in Nebraska Opportunity Grant funding, and with the committee's support funding has increased, primarily from lottery funds, but also with a very welcome \$1 million increase in General Funds for FY '21. For the coming biennium, the commission requested \$1 million increase from lottery funds, which would come from the NOG fund balance, compared with \$1 million increases in General Funds for FY '22 and another \$1 million increase in General Funds for FY '23. Governor Ricketts' budget included \$1 million from lottery funds, but no additional General Funds. Committee's preliminary budget includes \$2 million from lottery funds for FY '22 and an additional million in FY '23, which would thereby fund our entire request for the biennium but without the new General Funds. We much appreciate the committee's efforts to boost funding for NOG, but the NOG fund balance and future cash flows from lottery cannot be supported to that level of spending, and the fund would be reduced to a minimal level necessary to maintain appropriate cash flow by the end of FY '25. At that time, we would need to receive additional General Funds to make up that difference or reduce spending in the program by about \$3.5 million to maintain funding for the future years. The amount transferred to the Nebraska Opportunity Grant Fund varies year to year, but it averages about \$12 million per year. However, introduced LB529 will reduce the percentage of lottery funds-- I'm sorry. Am I--

**STINNER:** Thank you.

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**MIKE BAUMGARTNER:** OK. The amount transferred into the NOG fund varies from year to year, but averages approximately \$12 million per year. However, LB529, as introduced, will reduce the percentage of lottery funds for education received by NOG from 62 percent to 58 percent, which is about \$800,000 a year. So I'm sorry that I probably muffled this entire thing, but the point being that we are looking at NOG funds coming from the fund that would exceed what's coming in, and we can do that for several years, but at some point the balance of the NOG fund will-- will be depleted to a level that we need to keep-- keep just for cash flow. And at that point, we're going to have to reduce awards or we will certainly seek General Funds going forward for that as well. But I do want to call that to your attention that-- at the level that's in-- in the preliminary budget we're-- we're going to be running into a low fund in the not-too-distant future.

**STINNER:** OK. I'm going to handle this first, simply because you and I have had this conversation. The only difference is you wanted General Funds. We said all cash funds.

**MIKE BAUMGARTNER:** Right.

**STINNER:** We think there is an excess that needs to be spent down in this before we come in and substitute General Funds.

**MIKE BAUMGARTNER:** Yeah.

**STINNER:** That's the position of this committee. That's the analysis of this committee. We always understand that there's variability in the lottery funds, but we also are looking at a fairly substantial cash balance that could be utilized at least over the next biennium--

**MIKE BAUMGARTNER:** It can, it could.

**STINNER:** --to pay down.

**MIKE BAUMGARTNER:** Yeah.

**STINNER:** And that part, I think, you and I--

**MIKE BAUMGARTNER:** Yeah, yeah.

**STINNER:** --concur with. Otherwise, I don't think we have any differences.

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**MIKE BAUMGARTNER:** No, we don't, no. I'm very appreciative of what you've done for-- for the ACE Program and [INAUDIBLE]

**STINNER:** And really this committee would like to see those funds spent on-- on the Nebraska Opportunity Grants--

**MIKE BAUMGARTNER:** Right.

**STINNER:** --more money to go out. And I think, based on what I hear from this committee, we're committed to doing that over a period of time, so.

**MIKE BAUMGARTNER:** OK, certainly appreciate your-- your interest in doing that and your commitment to doing that. We will come back for General Funds probably in subsequent years, because I do want to maintain that, that amount of funding, going forward. But I-- I hear what--

**STINNER:** Yeah.

**MIKE BAUMGARTNER:** --you're saying and I appreciate the committee's position on that.

**STINNER:** The only other thing that-- and this will be a consistent ask, is trying to gauge what COVID has done as it relates to the impact from your vantage point as a coordinating committee.

**MIKE BAUMGARTNER:** Yeah.

**STINNER:** Tell us, did you get funds for COVID? Was there a gap between what the funds are, COVID funds, and what you really did incur?

**MIKE BAUMGARTNER:** We didn't have any--

**STINNER:** You didn't have that kind of an issue.

**MIKE BAUMGARTNER:** --COVID funds coming in. No, we didn't--

**STINNER:** OK.

**MIKE BAUMGARTNER:** --have any issues with-- with that. If you want to-- if I may, a broader issue that touches on what you said, the-- the number of students who have filed a FAFSA for the coming years is-- coming years is down substantially from what it normally is at this

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point. And that-- that is a great concern, which is why I'm very appreciative of the increased funds for the Nebraska Opportunity Grant Program, because we know that there are a lot of low-income students who are at this point not even filling out the FAFSA. Hopefully they're going to pick that up going forward pretty-- pretty quickly. There-- there's still time to do that. But in terms of-- of COVID impact, COVID's impact on low-income families has been-- has been pretty devastating, and we see that in terms of not graduating from high school and in terms of-- of not filling out the FAFSA. And our state has maybe not suffered as much as some of the other states in terms of enrollment decline. But it's-- the-- the financial impact has been-- been great. So, again, I really appreciate very much what you put into the financial aid programs.

**STINNER:** Any additional questions? Seeing none, thank you.

**MIKE BAUMGARTNER:** All right. Thank you.

**STINNER:** Good afternoon.

**PAUL TURMAN:** Good afternoon. Chairman Stinner, members of the committee, my name is Paul Turman; that's spelled P-a-u-l T-u-r-m-a-n. I'm the chancellor of the Nebraska State College System. I appreciate the opportunity to be able to visit with the committee here this afternoon about the state colleges and the great things that we have going on and also highlight some of the things within our budget request as well. In my testimony this afternoon I'll try to focus on four primary areas, first talking briefly about--

**STINNER:** We're not on the state colleges yet. We're still hearing Coordinating Committee [SIC]. Sorry.

**PAUL TURMAN:** I support the Coordinating Commission as well.

**STINNER:** [LAUGH] Yeah, yeah, figured you weren't going to talk on the NOG.

**PAUL TURMAN:** I-- I apologize. I didn't--

**STINNER:** That's all right. That's OK. Any proponents? Seeing none, any opponents? Seeing none, anyone in the neutral capacity? Seeing none, that concludes our hearing for Agency 48. We will now open with Agency 50, Nebraska State Colleges.

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**PAUL TURMAN:** Thank you again. I imagine my staff will have a good time with me when I get back to the office a little bit later this afternoon as well. I'll pick up where I left off. Certainly want to talk about four primary things here this afternoon, focusing on some of the probably success areas that we've had over the last year or two years within the state colleges relating to our strategic planning process. I'll give you an overview of the stimulus dollars that have come to the state colleges, as well as how we utilize those and plan to utilize those into the future. I'll highlight very quickly the-- the biennium core need request and our special initiative request, as well as then end with just an overview of a number of programs and initiatives that we've continued to evolve over the course of the past few years to make sure that we're meeting the workforce needs of the state as well. And so in the opening weeks of the Legislature, I've had the opportunity to visit with a number of the committee members and talk about our strategic planning process. We're currently working to make sure that we're driving and meeting the four primary outcomes that we have. In front of you is a series of data that I'll try to walk through in relation to the four points that I'll emphasize. But on page 2, you'll see up in the upper left-hand corner the-- the primary outcomes that we've identified for the state colleges. We're trying to make sure that we're working to ensure student success and completion, also driving institutional and academic quality for our campuses, driving and meeting the workforce and economic impact needs of the state, while also what I think is probably most critical to the state colleges, access and affordability as your open-access four-year public institutions, so that that is always an avenue for students to be able to pursue. Three growth areas that I'll highlight very quickly, the first is that we continue to see some success in our enrollments. We had dropped slightly the two previous years, but over the last two years we've experienced about a 2.9 percent increase in our enrollment across the system. The goal is not only getting students in, but then also having the capacity to be able to retain those into the second year, so the ability to get a student into year two puts them on the pathway to hopefully completing that degree. Our retention numbers have been in a positive direction over the last two years as well, 71 percent for this last federal cohort that we have. And we had been hovering, and I think what you see in the-- the first figure in the middle of page three, between about 66, 67 percent of our students being retained into the second year. We've set a goal for our strategic planning process to get to at least 72 by the year 2025.

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You can see that we fell just a little bit below that a few years early and we will anticipate continuing to drive that forward. Just as a context point, 71 percent is about 8 percent higher than what the national average is for open-admission institutions similar to the state colleges. So when you compare us to our peers around the country, we're doing about 8 percent higher, which is exactly what I think you would expect out of us. We also have a very high number of Pell-eligible students. An entering class has about 41 percent coming into either Chadron, Peru, or Wayne State. And our gap right now is at about an 8 percent differential between somebody who's Pell-eligible and someone who is non-Pell-eligible. And we strive to try to at least eliminate that gap by half over-- leading up to 2025. And this last year we actually closed that gap completely, and we believe by 2025 we might be able to have that directly in line with a Pell-eligible student, just as likely as a traditional student to be able to come in and make it to their second year. Turning to page 4 and 5, just want to highlight a number of things related to degree attainment. Our ability to continue to feed the workforce for the state means that we need to get students toward graduation. We've set a goal of trying to produce at least 2,000 graduates a year for the state of Nebraska, both graduate and undergraduate. This last year we were at 800-- 1,820. And I think the thing you see is that a student who comes in, gets a bachelor's degree, they're earning potential is about \$22,000 a year above and beyond what they could if they only had a high school diploma. That compounds significantly over the course of their lifespan in the career that they choose. One of the places that we're doing a lot of work is also in the area of transfer students. The partnerships we have with the community colleges, both in the state and in the region, are continuing to grow and expand. And we've set a goal of trying to at least have 600 graduates a year from those transfer programs as well. So it's one thing to have the partnerships and get a student to transfer in. It's just as important to make sure they have the right advising so that they are able to get their degree and be able to have that bachelor's degree program that they need. Page 5 isn't necessarily a growth area that we've seen in the last year, but it's a place that we're trying to emphasize dramatically to improve across the State College System. We had set a goal of trying to make sure that at least 1,400 students a year are engaged in some form of experiential learning, and that would be an internship, a cooperative educational experience, or a practicum, exactly what Senator Flood and the testifiers earlier on the bill LB64-- LB646

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we're talking about. What we've seen is that the total number has actually dropped over the last seven years by about 22 percent within the State College System. Last year alone, we had few-- 98 fewer students that participated in experiential learning than the year before. A lot of that is attributed to the fact that the vast majority of our teacher education candidates are continuing to dry up and we have fewer and fewer students taking and wanting to go into that program. And so a student in their practicum for their sophomore, junior and senior year, we're not seeing as many of those filled. On the bottom of page 5 gives you a statewide snapshot of what teacher education is looking like for the entire state. So this is not just the decline that we've seen in the state colleges. This is the decline of teacher ed candidates in the university system, our system, and all the privates that provide those to the-- the districts around the state. We've seen almost a 47 percent decline in teacher education candidates. We've seen a 12 to-- to 13 percent decline in the number of candidates that complete their degree and we're on a trajectory right now of being well short of even having completers to meet the need that we have out to 2024 for the state of Nebraska. And so continuing to invest in teacher education is critically important. You'll note, as I get the opportunity in a few minutes to talk about the career scholarships, that's one of those places that we have invested those dollars and we'll continue to invest those dollars. Page 6 and 7, I just wanted to give the committee-- I knew that you may have some questions about the stimulus package. You had asked the previous testifier, Dr. Baumgartner, about that. So two different rounds of stimulus dollars have come forward to higher education. The first one, as many of you know, that first stimulus package for the CARES Act, each one of those has a higher education emergency relief fund component of it. The first one for the state colleges, utilizing a formula that the feds put in place, we had \$4.2 million-- or \$4.4 million that came to our system. It was required that exactly half of those dollars needed to be allocated in grant and aid to students, and we distributed those out directly to them in the form of checks and payments to students. The other portion of it was really-- allowed the institution to cover the cost when we pro-rated the student's tuition or their room and board once they had to transition to remote. And so that was eaten up very quickly and the remaining about \$195,000 utilized for other pandemic-related expenses. The most recent one that was-- came across in December, which is outlined on page 7, gave us about \$8.1 million. Twenty-seven percent of that needs to go to direct

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aid to students. The remaining portion can be utilized by the institution to cover the expenses that they've incurred. The unfortunate thing, we're still waiting for clarity as to whether or not we could look back to things in the summer, in the fall as we opened up, and then what we've continued to incur. Right now it's December 27 forward until we get new guidance from the-- the federal government. On the bottom of that page, you can see the range of things that we've identified that we have incurred cost. It's students needing to be quarantined and then having no room in a facility or a dorm or a residence hall at Wayne and needing to rent space at a local hotel to facilitate those. So those dollar costs and expenses built up relatively quickly. And we-- we feel that we'll have enough dollars from the federal stimulus package to help us cover some of those costs. I'll turn to page 8 and 9, which is a snapshot of the core need request, as well as our special initiative request. The-- the table on the top represents the six areas of which we identified fixed costs that we have, the CCP, and approved by our board eventually to the Governor, those become the primary areas: a 2 percent salary increase which we've negotiated with our employees; health insurance increases; utilities. Those that are highlighted in green are what has been supported within the-- the preliminary budget recommendations from the committee. And I'll only highlight the things that are on the table in the middle of that page. You've graciously allowed an additional \$200,000 to cover the property insurance increases that we've seen, just this last year, 86 percent increase in property insurance to our students and to our institutions. Our NAPE salaries, we negotiated a higher rate for the bottom five classifications of our employees to be able to move them up in the pay scale. That was about another \$200,000 over the biennium. And then our liability and cyber insurance coverage has increased dramatically, and you can see an additional \$200,000 there. I only point those out simply to let you know of the ongoing kind of fiscal costs, expenses that we have, and that we're trying to do our best to continue to keep costs as low as possible. Bottom of page 8 highlights what is reflected in your budget and very pleased. A 6.2 percent increase of our core need operating over the course of a biennium pales in comparison to what I'm hearing from colleagues that I have in similar positions around the country. Take that in line with a 3.7 and a 3.6 in the last biennium, you're doing quite a bit to keep that number on the top of that page. Sixty-four percent of the instructional cost to students is covered by the state of Nebraska and it keeps and allows more and more students to continue to go on to

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education and pursue their education. Page 9, the Career Scholarship program, very blessed that at the end of the August session that was approved to continue to move forward, getting that first \$1 million in that program. We had 143 students in the fall across all our three institutions that were able to be able to receive those funds. Even though we had just a week from the point that you approved it and the final signing of the Governor and that we started our semester, we were able to continue to allocate funds and we hope that that will have a strong retention and attrition component for our institutions moving forward. On the bottom, you can see the distribution of those and the vast majority of them, 71 out of the 143, were in education. As I noted on that previous slide, this is critically important to the state colleges, as seen that traditional normal school. We feel that we need to serve the rural states-- or the rural districts in the communities that-- that partner with us. I'll just point out, in my conversations with you, talking through the-- the 20 different performance indicators that we have to meet those four outcomes, we believe that about 65 percent of them, or 13 of them, are positively impacted by continuing to fund that program, so getting the additional \$1 million and then another \$1 million in the next biennium to grow us to \$3 million really does benefit our institutions and allows us to do the great work that you expect out of us. Page 10 and 11, and it will go quick from here, just wanted to, again, thank the committee for the support on LB297 from two years ago. It allowed us to move forward with that math/science project out at Chadron in the Panhandle. The students that in-- that institution, when we have that facility in place, remodeled. and the addition done in fall of 2022, we hope to see the same type of enrollment impact that we did with rangeland science years before, within a five-year period, a 27-- 27-- 8-- or 28 percent increase in enrollment in that program. The same thing if that applies to math and science. We know that we're going in the right direction in serving and attracting students that we need to serve the state. Bentack Hall actually was another kind of construction project that was interrelated when we made the request, but there wasn't enough funds. And so we've been able to utilize 309 Task Force dollars, foundation dollars at Wayne, as well as some cash dollars that the institution had, to move forward with that program. You might recall the Center for Applied Technology building that was groundbreaking and then the formal introduction of that about two years ago. So we moved our industrial technology program over and then we also allowed for the advanced managing-- manufacturing program to

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move out of this space. And the new renovated space will do consumer family sciences as well as our education and counseling programs, so, again, great facilities for the types of students that we want to attract to serve the workforce needs of the state. I'll end by just highlighting on page 12 and 13 a couple of brief things about the things we continue to do in our system to evolve, make sure that we're responding to the pandemic, and also ensuring that we're keeping our costs as low as possible so that we still become the cheapest option for students to get a four-year degree in the state of Nebraska. Right now, at \$15,586 a year is our kind of anticipated cost for a student. That is about 30 percent lower than our peers across the country that-- or within the region that we compare ourselves against. We've implemented a number of different elements, a state college guarantee. Any student who receives a Pell award will come tuition free to the state colleges. We've implemented training programs for teachers to make that transition for K-12, for online learning, free applications, one common rate across the system, in addition to continuing to evolve a number of our programs that many of you are familiar with: the rural R-- or the RHOP, or the Rural Health Opportunity Program, as well as the Rural Law Opportunity Programs, to have students in our rural communities be able to come and learn at our institution and then transition to the university system and then hopefully back to their rural communities. We have new agreements with UNMC for RHOP that allows for continued-- continuation and making sure we're serving the rural healthcare needs that the state has well into the future. The three on the bottom of that page: Rural Business Leadership Initiative is something that's unique out at Chadron in the Panhandle, allows us to do agribusiness-related internships with industry there and-- and match that against the Career Scholarship program; the Peru corrections initiative where feeding students, both short term and long term, into the Tecumseh facility to help address the workforce needs that they have; and then you had the opportunity to listen to Austin [PHONETIC], one of our students at Wayne, talk about the Growing Together initiative here earlier today as well. What remains in the packet that I passed out are just some testimonials for students who are enrolled in those programs that are listed on page 13, how these programs and the opportunities they present have allowed them to make the choice to go on to which-- whichever of the three state colleges that they have and then hopefully be successful in getting-- completing their degree and then ultimately staying here in

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the state of Nebraska. With that, I'd be happy to answer any questions that the committee might have

**STINNER:** Questions. Senator Erdman.

**ERDMAN:** Thank you, Senator Stinner. Thank you for your explanation. It makes sense. I have a question about-- on page 5, on the education candidates coming into the program. Do you have a feel for why that number is dropping off like that?

**PAUL TURMAN:** Senator Stinner, there's a couple of different factors that influence that. Certainly, I think what we've seen, just as the teaching profession has been something that's not as appealing for students, whether that be just the ongoing kind of increased demands that we oftentimes see with how that's evolved over the last decade, in addition to, I think, other pathways that a lot of time-- if I was interested in math and science 10, 15 years ago, it was likely that those individuals would see that going into that as a teaching profession was viable. Now I think we're doing such a good job at kind of career exploration, you can see which pathways are available for you. And I think this actually may be compounded even more dramatically when you think about the type of exposure, so I'm a junior or senior in high school and I see what my current teachers are facing as they have to transition in and out of these different modalities to be successful in helping their students get toward graduation. That will be another thing that has an impact that right now these numbers may not even reflect.

**ERDMAN:** How do you fix it?

**PAUL TURMAN:** I think it's the ongoing investment, showing students that these are path-- there are pathways in giving state funding to help do that, keeping our cost as low as possible so that-- I mean, it still is a very rewarding and also high-skill and high-demand, high--high-wage career in the state of Nebraska, but we need to continue to make investments and also be quite clear, getting our own teachers to be the ones who advocate far more about their profession than what we've seen maybe in the last decade or so.

**ERDMAN:** All right. Thank you.

**STINNER:** Additional questions? Senator Vargas.

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**VARGAS:** Thank you for being here, Chancellor, and I do think it's really helpful at least to see the back as a comparison that people might have, the comparison with all the other higher education institutions, both public and private, for cost for our students. I've been a supporter of all of our higher education institutions. It's a really unique structure for us to have three different types of higher education systems that have different tax and governance systems. And so the only common sort of question is going to be on how-- one of the metrics that you were measuring was first-generation college students and that's-- and I've been very vocal about that. Just wanted to get a sense of what you're sort of seeing as how to sort of reach that goal over the long term, and if you want to talk a little bit about the career scholarships and how you've been able to focus some of those efforts on first-generation students.

**PAUL TURMAN:** And I-- very good questions. I think what we see is a lot of times Pell-eligible and first-generation are very interrelated. And so for our strategic plan, we looked at more of the gap groups with Pell and feeling that if we can find a way to close that gap, then we're certainly getting at a number of those first-generation students. I think what's important is what even Dr. Baumgartner pointed out in his testimony. Having fewer and fewer students complete the FAFSA is going to be more attributed to those first-generation students. And I think one of the things that we've done to try to target that is the-- the Nebraska guarantee program that we've implemented and the Nebraska promises is the element-- it's a state college guarantee. It's a Nebraska promise. You need to complete the FAFSA to determine whether or not you're Pell-eligible and if you are, we're going to help continue to cover those costs. And so it's also important to reinforce that it's so much more than just tuition. Those are the things that oftentimes keep a student from continuing forward. But how do we continue to promote the notion that the return on investment that you're going to get from your bachelor's degree is-- is going to, over the lifespan of your career, be far greater than if you choose not to go to college? And so they tend to be far more loan averse, but I think that first step is getting them exposed to the FAFSA so that they can begin to engage with the people on our campuses who can really communicate to them about the financial literacy piece of continuing to move forward. And I think on the career scholarships, it was a part of the conversation two years ago when I was in front of this committee to talk about should we incorporate a means element

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into this. And I think what we'll see, and the data certainly at the end of this year will attest as to whether or not we have a higher percentage of students par-- participating in that program who actually are Pell-eligible versus those that are not. And so I think our campuses are trying to utilize those dollars as strategically as possible to be able to tackle the net new students, which is exactly what it was designed to-- to bring in, and how you communicate to them about these are the seven different degree programs that we offer that are going to lead you to the best types of jobs that are the high-paying jobs in the state of Nebraska as well.

**VARGAS:** And I appreciate that and hopefully we pass my FAFSA bill. I think it will help with your FAFSA issue and hopefully with teacher retention, as well, or teacher regrouping, so thank you.

**STINNER:** Thank you for that plug. Senator Vargas. [LAUGHTER] Any additional comments? I just have a couple questions and one of them has to do with the COVID-- what I call the COVID gap. You know, you received X amount of money for COVID to offset certain increases in cost plus some operating cost is, what do you think-- if you've got \$12 million worth of COVID money, what was the actual cost associated with COVID, if you put the-- that together?

**PAUL TURMAN:** Great question. We have not put it together completely. And I think you-- the first thing you want to do is set aside the \$4 million that goes directly out to student grant and aid. And there's no restriction for the institutional portion that they preserve in the second round that our-- our campuses can't continue to do that. I think the \$2.2 million that we distributed in the last spring and into the summer, for the number, we surveyed our students, we assessed their-- their ongoing Pell eligibility, the gaps that they have in their support, and the experiences that they articulated in those surveys. We had far more need than we were able to-- able to fill, and I think we're starting to see some of those things, as well, just on calculating the institutional cost. I mean, you take it as an example, summer camps at Chadron, roughly about \$400,000 dollars of lost revenue that feeds our revenue bond system, also supports a number of different activities and support to the athletic programs as well. So that's just a small-- it doesn't take long for those types of things to calculate up, which is why I tried to provide that comprehensive list on the bottom of page 7, to give you a sense of that. Whether or not we would see future stimulus package as better-- would be

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equivalent to this, I think then the question is, will they ask us to give more support to students and actually them freeing up, because in the past we couldn't apply it to the existing bill, so it was going out to students that we may never have seen come back. Our ability to use it to continue to help retain students into the future would be very beneficial, but we'll-- we'll look to get that guidance from the federal government.

**STINNER:** Yeah, I'd like to get with your accountant to put together on a granular approach, you know, what lost revenue looked like, what actual cost, direct cost incurred versus COVID money, and then obviously the subtraction of that would be what-- is what I call a COVID gap.

**PAUL TURMAN:** Yeah.

**STINNER:** And obviously we may get additional money that may come in and need some kind of idea how you're going to backfill some of those costs with that money and just where the-- the state colleges are going to be on a campus-by-campus basis as well.

**PAUL TURMAN:** OK.

**STINNER:** The other thing-- two other questions that I have is the deferred maintenance. We've talked about deferred maintenance. I think we tried to quantify it at some time, so refresh my memory on what the deferred maintenance total looks like for the state colleges.

**PAUL TURMAN:** I believe our most recent estimates are in the range of about \$80-88 million. That certainly may change a year from now because we're now just undertaking our next ten-year capital planning process, and it's normally through that process where we begin to lay out where our priorities are at. But right now, the list that-- that we maintain would be at about \$88 million.

**STINNER:** And did you tell me that the insurance-- increase in insurance cost was \$280,000? Is that what I heard you testify to, or just property insurance?

**PAUL TURMAN:** The property insurance increase for next year was \$200,606.

**STINNER:** OK.

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**PAUL TURMAN:** And it was an 86 percent increase a year ago when we received our rates from the Midwest Higher Education Compact.

**STINNER:** But we did agree to the 2 percent salary increase, the health insurance. I believe that if we haven't, we will agree to the DAS charges. We passed on your utility. You had 4 percent, 4 percent. We actually experienced a 1.5 percent decline. So if we stay right there-- or, I mean, there is room for 1.5 percent increase under the current budget thing. So then we had the 4 percent nonpersonnel expenditures. I think we were at 2 percent, I believe, is what we agreed to. But I'm going to have to check my numbers. But what we wanted to do was to in-- to cover that increase in insurance on property. I think that was our intention. We did pass on your liaison program and we-- I think we also passed on this maintenance thing. We're not going to pay for the janitor to come in. So anyhow, then we agreed to the Career Scholarship.

**PAUL TURMAN:** Yeah.

**STINNER:** So that's kind of how we looked at it. Any feedback or comments or--

**PAUL TURMAN:** I think we believe that you've been very generous in supporting the state colleges. It helps us continue to-- as we look at how would we cover the additional shortfalls, anticipating trying to do no tuition increase this year if possible. I think that's only-- we have a goal in our strategic plan of getting to 70 percent of support from the state to cover instructional cost. That only comes by taking these incremental increases that you provide and also trying to keep those as far down. And this will put it into context. The \$200,000 increase for the property insurance, so for about every 1 percent increase that the Legislature provides us in General Fund appropriation, it's a--we'd have to incur about a 2 percent increase. So this \$200,000 results in not needing to assess students about a 0.7 percent increase in tuition. And so, I mean, it may seem insignificant, but in the compounding over years, it is very significant to students and families who are struggling to cover their educational costs, so--

**STINNER:** Yeah.

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**PAUL TURMAN:** --very pleased with what the committee has-- has recommended.

**STINNER:** Remind me, historically, where have we been percentagewise? You say we cover 64 percent. Is that pretty consistent with prior years or--

**PAUL TURMAN:** We've been as high as 70 percent. And I think it was about two or three years ago when cuts were made and then had to make up the shortfall. It dropped it down. But again, that is a level that you don't see in a lot of other states either, so I think you should be commended for the-- the support that you provide to the state colleges and higher education in general.

**STINNER:** OK. Thank you very much. Any additional questions? Seeing none, thank you.

**PAUL TURMAN:** Thank you.

**STINNER:** I see you've got a lot of folks to speak for your budget, so I better hurry along. Any additional proponents? Seeing none, any opponents? Seeing none, anyone in the neutral capacity? Seeing none, that concludes our hearing on Agency 50, and somebody needs to do a search and find of the community college folks. We will now open the hearing for Agency 83, Community Colleges.

**ERDMAN:** They're standing out there.

**STINNER:** Are they? We'll wait to clear the room, obviously. Community colleges, come on in. We have opened the hearing for Agency 83. Is there anyone that wants to testify? Good afternoon.

**GREG ADAMS:** These masks, Senator--

**STINNER:** [LAUGH] Yes.

**GREG ADAMS:** --us old men with hearing aids, they weren't designed for us. Senator Stinner and members of the committee, my name is Greg Adams, G-r-e-g A-d-a-m-s, executive director of the Nebraska Community College Association, and I am here, to begin with, to take a proponent position on the 2 percent increase-- that is what we had requested for the General Fund appropriation-- and at the same time, ask that the committee consider an increase on the dual credit portion of the

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request, which was another part of our original request of the Coordinating Commission and eventually now with-- with you folks as well. It has been, and I'm sure you're going to hear this from all of education and a whole lot of folks, been an interesting 12 months for our community colleges in about every way imaginable, and certainly from a budget standpoint, because of COVID and building a regular budget and everything else. I would tell you, and I know that my time is limited, so I'll-- I'll make it very simple for you. We have, since the outbreak of COVID, we have physically, physically rearranged classrooms so that we can get students on our campus and continue to have as much education as we can provide, particularly in the technical and career areas where it's pretty hard to do that remotely, to work on that tractor or whatever it may be. We have amended and modified curriculum in whatever way we can in order to keep our campuses active and keep students learning. And I would tell you that right now, we started out the fall, this year we had-- we still have some classes that are done hybrid, combination of in-person and remote; some of them are remote. But all, all of our technical classes are in-person on all campuses. Part of the modification of curriculum, as well, at one point back in March and in April, was when we had to shut down some of our health science classes. Some of those students went right to work in local hospitals. And we-- we-- we made that work as part of their-- as part of their program of study as well. So we've-- we've made modifications. We've-- we've done all the things that we-- we feel like we need to and-- and have to, based on CDC and everybody else, and have a quality education for all those students. In addition, the regular expenses that we have-- we have annually, we have collective bargaining agreements that we need to respect somewhere in the tune, depending on the college, of 3 to 4 percent for collective bargaining, including health insurance. Our property and liability insurance has gone up double digits, double digits, and not just because of COVID, but because of flood damage, storm damage, Scottsbluff, some hail damage, as I understand it, and those things we have to account for, building maintenance, and-- and something that we have to make a judgment call every budget year, and that is updating and maintaining the classroom equipment that we have to in order to meet industry standards so that our students are learning on the best equipment possible, because that's what they're going to be operating on when they move into the workplace. All of those things in total, that's why we need our state aid, and we're okay with that 2 percent, but-- but we need that money to make our budget work. In conclusion, I

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would tell you that our fall enrollments have been static compared to prior year, which is by most standards pretty good. And what we're seeing is that it's in the career and technical-- in the technical areas where we're really seeing a bump up in enrollment. And eventually, it took a while for the public schools to figure out how they were going to operate this year, but as the public schools began to settle into routine, our dual enrollment numbers began to pick up also and-- and add to our numbers. With that, I have three presidents here that are-- are better prepared, if necessary, to answer your questions about specific budgetary. But they are here particularly to talk about dual credit and the benefit of that and where it's been going in the last year since your appropriation last year and where we-- where we think it will be going. So with that, I'll conclude, Senator, and if there are questions, I will try to answer.

**STINNER:** Questions? I'll-- you're saying that the static enrollment across the board for all of them, or is there some up, some down?

**GREG ADAMS:** No, there-- there's some that are more than others, right, right.

**STINNER:** One of the get-- one of the things we have to get a gauge on is the impact of COVID, obviously reduced revenue, reduced students showing up, what that gap is, how much money you received, how much money you ended up spending, and what that shortfall looks like--

**GREG ADAMS:** Right.

**STINNER:** --so we have an idea on a granular basis, on campus-by-campus basis, what-- what happened.

**GREG ADAMS:** Let me give you a higher elevation look. And as these three presidents get up, if you want to ask more definitive questions, and I'm sure they've picked up on your question, they can answer. You know, we received the CARES money and that, that money, was bifurcated. The first half of it had to go directly to students. And whether it was helping them recoup, whatever it might be, whether it was rent or food or computers, whatever it was, it-- it went out right away. And some of our colleges had more needs than others, depending on the demographics and the willingness of students to make-- to say, I need help. All of our food pantries, by the way, were just about emptied out on our campuses. The other half went to the college to

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help-- by federal guidelines, to help recoup some of their losses. You know, if you think about it, something I should have mentioned and now I'll take the opportunity, those colleges that have dormitories, because of COVID, that all had to be reconfigured. We-- we couldn't put the same number, couldn't generate the same kind of board revenue that-- that we would, so we had fewer students, so the CARES money allowed us to recoup some of that-- some of that loss. We also have provided quarantine housing, either-- whether it was on campus or some place that we rented off campus, depending on where it was at, so that it was available. And in some cases we upgraded Internet, some cases we literally had to put more computers in students' hands that couldn't afford them for remote learning. There were-- and-- and I-- candidly, I ask the quest-- I asked the question of the president in my office a little while ago, before we came over here: Did the CARES money offset all of your expenses that you had related to it, whether it was partitions like this in classrooms or-- or masks, sanitize-- sanitization, whatever it was? And they said, no, and they can be more specific when they come up, but there-- there's going to be a gap, Senator.

**STINNER:** Well, we'll probably task them to put those numbers together so we have those available to us and we can take a look at it. There may be more CARES money or CARES [INAUDIBLE]

**GREG ADAMS:** I understand.

**STINNER:** --depending on what they call it--

**GREG ADAMS:** Yes.

**STINNER:** --more money flowing that way. We'll have to understand, too, how the community colleges are going to use that money to backfill some of that shortfall. On dual credit, you mentioned that and you didn't make any request. My recollection was-- is that the request initially was for somewhere in the \$7.5 million range, and the science behind that was-- is that we were projecting how many people participate in it, picking up 70 percent of the cost associated with the program. Is that what the request is now or is there some other number?

**GREG ADAMS:** The-- the-- the request that I put in on behalf of the colleges this year, and-- and-- and Metro, Randy was with me, that we

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presented to the Coordinating Commission and-- and to the Governor, was an additional \$1 million.

**STINNER:** OK.

**GREG ADAMS:** You're right. Our request was higher last year initially. This committee provided us the \$1 million, and this year we did ask for the 2 percent on general aid and then \$1 million added to the dual credit.

**STINNER:** Since you brought it up as a specific item, this must be a priority of the community colleges. Is that correct in saying that or--

**GREG ADAMS:** It-- it-- it was a priority to us. Now, whether it got-- and-- and certainly was, as the Coordinating Commission understood it, if you look at their report, beyond that, I don't know if at-- the sense of priority existed beyond that.

**STINNER:** OK, very good. Any additional questions? Seeing none, thank you.

**GREG ADAMS:** Thank you.

**STINNER:** Good afternoon.

**RANDY SCHMAILZL:** Greetings, Appropriations Committee. Randy Schmailzl, president, Metro Community College, R-a-n-d-y S-c-h-m-a-i-l-z-l, and I'm here to discuss dual enrollment. And, yes, Senator Stinner, it is a number-one priority of the community colleges. A year ago at this time, we requested, like you said, a \$7.5 million appropriation because that would fund at a 70 percent level, you know what that tuition cost is. A million was appropriated, and we're very thankful for that million dollars because it helped stabilize how we pay for the enrollment. We're trying not to charge the students money in the future to attend the community college while they're in high school. They're not eligible for any federal financial aid. They're not eligible for Pell Grants. And so currently, parents, school districts, private donors that we raise money from, and the community colleges' discount of the tuition, and now the million dollars that you've provided community colleges, have been used to supplement the tuition. But that still ends up with the students having to pay. At Metro, it's about \$40-- \$42 a credit hour after we-- and so it's about at the 50

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percent level of what we charge for tuition. And the-- the priority on this is due to the fact that more students are taking college-level classes across the state. And in fact, the handouts that you just received-- there's two of them-- there's a chart with a number of graphs on there. And in the top right-hand corner, it shows that Metro annually serves about 4,000 students in dual enrollment in our four counties, and 92 percent of those students successfully complete a credit hour, and that's an extremely high number when you're looking at high school students taking college-level classes. And the other-- the other-- the other sheet at the-- well, excuse me, let me finish on that. On the Metro sheet, there's also 9-- at the bottom, 92 and 108 is the numbers. Those are the students in the Millard Early College program that started at Metro as sophomores in high school and graduated with their associate degree before they graduated with their high school degree. So 92 in 2019 and 108, and more and more students are heading in that direction, completing 30 to 50 hours while they're in high school. The second handout you have is about our math program, our math readiness program, which is a statewide initiative supported by all the community colleges and private donations. We have a few private donors that step forward, and it allows us to set up a math program for the high schools in conjunction with the community college to increase math readiness so students are able not only to do better in math in high school, but they have a better opportunity to choose in the future what direction they want to go. This certainly prepares them for the H-3 scholarships that the Governor awarded. And I-- I'll let you read that, because the success is phenomenal. And one of the things it did, it helped the community colleges develop a better relationship with high school math teachers and administration and-- and assist in teaching math in a-- in a more coach-like way, instead of just putting you in a class and if you don't do well in algebra, you have to retake algebra. This is truly remedial and developmental education in a-- in a sense for higher-level math. And so the evaluation of this is a third-party evaluator through University of Nebraska-Omaha. It's-- it's a-- it's a fabulous national model that you're going to hear more about, but it's an outgrowth of the importance of dual enrollment for the students. I just want to mention, you know, the-- and answer the question, why community colleges, when you look at dual enrollment, and, you know, in 1974, the Legislature set up a statute that created six community colleges, and part of the deal there was that this was going to be an open admissions institution. There wasn't going to be admissions criteria

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that eliminated people from attending the community college. So it also was to be a trades and career and technical institution for the trades. And I think right now in Nebraska, we all know that the community colleges are the hallmark of teaching the trades. The other thing is transfer education, that the community colleges was to help prepare high school students to take college classes and be prepared for college classes. And at Metro this last year, we-- we transferred courses to over 1,500 colleges and universities across the United States, and they were dual enrollment classes, most of them in our region, but they-- still on the list is Harvard, Yale, Case, Western Reserve, Wake Forest, Texas Tech, UCLA. And when you have a system in the state where people are able to take local education and transfer it wherever they want to go, it becomes a pleasant surprise to parents, school districts, and students. And also, I think, the-- the-- the-- really, the-- the kicker on this is students finally understand that they can do college-level work in high school before they go to college and stop out. So the support that we do at the community college level is by filling the gaps. You know, if you have a gap as an adult, if you have a gap as a-- as a high school student, it's our job to find a way to fill that gap so that you can be a productive citizen and move on to get a higher education. The support of the Legislature is paramount. I think at this time when so many things can go wrong in all of our lives, education is a place that we need to create a safe haven for you to move from where you're at today to where you want to go in the future, and one of the ways to do that is have a successful experience. And, you know, quite frankly, people have struggled with remote education. The classes that we offer, a lot of them are hands-on, but many of them are remote, but the format is a lot different than, you know, you see at a high school level. So parents, high schools, students, the community-- I can speak for Omaha-- we're only missing really one thing, and that is access for all. Right now, most have access, but not all. And so without being able to get any federal financial aid, we have to rely on a number of sources to work together to fund dual enrollment, and so, Senator Stinner, that's why this is a priority. We really believe that this is a difference maker.

**STINNER:** Thank you. Questions? I'm going to ask two things, three things. One of them is-- is, what is the difference between what you incurred because of COVID, either in lost revenue or cost, versus what

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you've received so far? I'm just trying to find the COVID gap and-- and--

**RANDY SCHMAILZL:** And when you talk about receive, you're talking about CARES Act money?

**STINNER:** CARES Act money.

**RANDY SCHMAILZL:** You know, the problem with CARES Act money, there was really many, many rules that didn't allow us to spend the money as we needed. We had to give students cash to buy food. Our preference would have been to have the Food Bank of Omaha, we purchase that and they come to campus and get the food. We had to set up a laptop loaner program, but we couldn't use the student money because you had to give the student cash to go by the loaner, to buy the laptop. So much of the money we got, although it supported students, it didn't support the students in paying for their tuition. It paid for expenses outside of the education. So from the college end, we was able to, at Metro, spend about \$2.5 million on what I call things, meaning laptop for loaner programs, set up chemistry packets for, you know, COVID, to be home when you can't be on campus, do anything that is required of education to help you be educated by not coming on campus. And so, you know, if we could have taken that money and supplanted it with-- to match our lost revenue, that would have been a great thing. That would have been a super thing that if we lost \$4 million and used the CARES Act money to replace that \$4 million, we'd have been whole, but that's not how it worked and--

**STINNER:** It's going to be hard to really kind of define all the cost associated with COVID, but I'd like to try to get as close as we can so we've got an inkling.

**RANDY SCHMAILZL:** We can certainly do that because we have to report it to our auditors. And, you know, they're already requesting audits, but they didn't give us the rules to be audited on, so we're still waiting on our audit. But, yeah, we have that all-- we have all \$5 million outlined as to where it went and who it went to, so that would be a spreadsheet that, you know, is a pretty big one, but it's-- it's boiled down to as small as we can get it so you could understand it, so we have that already.

**STINNER:** Very good.

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**RANDY SCHMAILZL:** They can do that.

**STINNER:** Percentage-wise, how many students actually are in the trades that you're working with versus students that are going to go to a four-year school? Do you have a kind of [INAUDIBLE]

**RANDY SCHMAILZL:** In terms of dual enrollment--

**STINNER:** No, actually--

**RANDY SCHMAILZL:** --or just at Metro?

**STINNER:** --actually not, in terms of total and then in terms of dual enrollment.

**RANDY SCHMAILZL:** At Metro, it's about 40 percent are in the trades and about 60 percent are either on a path to something other than a degree, you know, maybe workforce-related issues or transfer credit or dual enrollment, so-- but we have awful high number of-- of people in the trades. When you look at 27,000 people that'll come through the doors of Metro and 40 percent of them are involved in a trades class, that's-- that's pretty high numbers.

**STINNER:** And if we looked at dual enrollment, would it be a larger number going to the four-year school then?

**RANDY SCHMAILZL:** I think there was-- they're-- they're the-- the career academies that we have are low in numbers, you know, in terms of just size-wise, so you're going to probably see about 75 percent of the dual enrollment students in transfer classes or classes that they would get started on to come to Metro. And then about 25 percent of that 4,000, about 1,000 students, are in our 22 career academies, because when you take 22 career academies and you got about 200 students in each career academy and you do that twice a year, that's about 1,000 students.

**STINNER:** OK, and then on the request, I-- I heard from Senator Adams that said he'd like to have-- went \$35,000 and then go up another million.

**RANDY SCHMAILZL:** You know, the-- the reasonable request is a million last year and a million this year, you know, don't forget about us. The reality request is \$7.5 million to make this program work.

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**STINNER:** OK.

**RANDY SCHMAILZL:** And we're realists and it-- that's a pretty big jump. But the one thing about this that's different than normal community college funding, this is not property tax. This is not tuition. This is income tax, state money that we're requesting here, and so it doesn't affect property tax in any way. But this support is going to be needed in order for us to get to the "all" factor, for all students to be able to participate in this, because there's just-- just-- there's some big gaps in terms of finances, more than ever now for the middle class. In fact, I think there's, you know, 10 percent of affluency, you know, 10 percent hardcore poverty, and 80 percent in the middle that's not doing very well right now across Omaha, and that can be, you know, a-- a deciding factor on whether you're even going to get to go to college. And our economy is never going to be the same. It's going to be a new normal, and our new normal is more students taking part time, more students trying to get into a job. We were lucky enough to have the Governor supply some money for unemployment and we served over 6,000 people in our-- to get back unemployment or get unemployed-- underemployed up, and they landed up getting jobs in Omaha. And I think that was a real indicator that people want education, but right now they're just not able to come and get it due-- for a variety of reasons, not just money, just a variety of reasons.

**STINNER:** Very good. Additional questions? Seeing none, thank you very much.

**RANDY SCHMAILZL:** Thanks a lot, really appreciate it.

**STINNER:** Good afternoon.

**CARMEN SIMONE:** Good aft--

**STINNER:** Good to see you again.

**CARMEN SIMONE:** Good afternoon, Senator Stinner and members of the Appropriations Committee. My name is Carmen Simone, C-a-r-m-e-n S-i-m-o-n-e, and I'm the president of Western Nebraska Community College. I actually just finished my first year as president of WNCC this past month, and I'm appreciative of this opportunity to visit with you today. First and foremost, I'd like to thank you for your

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past support of our community colleges. With those resources, WNCC serves 17,000 square miles and 90,000 people in the Nebraska Panhandle. By headcount, we are the smallest of the Nebraska community colleges. We serve approximately 1,600 students each fall semester. Over 80 percent of our students are local to our 12.5-county service area, and half of them have deep roots in Scottsbluff County. Nearly one-third of our students are actually high school students who are taking dual credit coursework in a variety of areas, from English and math to welding and medical terminology, and we are very proud to have built relationships with nearly all of the 25 school districts throughout the Panhandle of Nebraska. One of the primary challenges with dual credit courses is the cost of the tuition and fees that's charged. At Western, we charge residents \$124 per credit hour, so a typical three-credit course costs \$372, so taking just one class each semester during their junior and senior years in high school would cost the family of that student nearly \$1,500. But because dual credit students do not qualify for federal financial aid, many families simply could not afford this opportunity for their students. And so to begin addressing this issue, the community colleges, including WNCC, began discounting dual credit tuition several years ago. With over 500 dual credit students each semester, we're absorbing substantial financial losses to support this benefit for our students, so additional state aid for dual credit students would greatly help us serve this very important student population for us. So you might ask, why support dual credit? Why is that so important? Why have the colleges taken that step to discounting tuition? Well, we all know that Nebraska is facing a skilled workforce shortage and we believe that the community colleges are key in addressing this issue. One of the main reasons that students enroll in dual credit courses is to reduce the length of time that it takes to complete their certificate or their degree. And when they do that, their families appreciate the cost savings and the opportunity to avoid student loan debt. So for Western in particular, there are some other reasons too. Many of our rural students would never try college without our dual credit programs. They lack the confidence to go to college and they simply have never considered themselves college material. And without role models encouraging them, they cannot see different possibilities for themselves and that cycle of poverty continues. So oftentimes these students will begin a class with little hope, little confidence, and in just a few months they earn success. Right? And for some of them, a fire is ignited and when that happens, we all benefit. So in rural

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Nebraska, we know the importance of growing our own workforce, our own teachers, our own diesel mechanics, our own nurses, and we know that our high school students are our future and they deserve that investment. Without financial support, costs can become an insurmountable deterrent, separating the students into the haves and the have-nots. Money or lack thereof should not dictate opportunity. And every student has potential and every student deserves the opportunity to succeed. So an increase in dual credit funding for Nebraska community colleges is an investment in our young Nebraskans and in our future. So I'd like to thank you for listening and for your ongoing support of the community colleges. And of course, I'm happy to answer any questions that you might have.

**STINNER:** Thank you very much. Any questions? Seeing none, did you bring some of that warm western Nebraska weather with you?

**CARMEN SIMONE:** I left it there. The cold has been following me east, but I promise I'm leaving today.

**STINNER:** Well, thank you very much.

**CARMEN SIMONE:** Thank you, Senator Stinner.

**LEAH BARRETT:** Is there a booster seat in the house?

**STINNER:** [LAUGH] Afternoon.

**LEAH BARRETT:** Good afternoon, Senator Stinner and members of the Appropriations Committee. I am Leah Barrett, L-e-a-h B-a-r-r-e-t-t, and I'm the president of Northeast Community College. As the president of Northeast, I speak today in support of LB380 and the request to support an annual increase of 3 percent for the community college general appropriations budget. Three percent is the amount of the original request that was forwarded by the Coordinating Commission for Postsecondary Education, as is shown on page 1 of the attachment that will be going around to you momentarily. This request is aligned with LB894 that was presented and spoke of previously by my colleagues, that was presented to the committee last year requesting \$7.5 million to the community colleges to offer dual enrollment at a discounted rate throughout the state. Although that proposal was not fully funded, we are appreciative of the initial support of \$1 million. Dual enrollment is an opportunity to level the playing field for all high

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school students. Between academic year 2015 and 2019, the growth of enrollment in dual credit offered by the community colleges here in Nebraska grew by 48 percent, as is shown on page 2 of the attachment. This reflects our priority to serve our service areas and improve the college-going culture, especially for low-income students who lag behind non-low-income graduates by nearly 20 percent, as also shown on page 2 of the attachment. Dual enrollment is an opportunity to experience success in college while enrolled in high school. It provides an experience that builds confidence in our students who come from low-income families and may be the first in their family to go to college. The students begin to develop relationships and, as Carmen said, it starts a fire. They develop relationships with those instructors who provide a quality education and serve as mentors and encourage our young people to continue to get on the path that will provide them economic mobility and stability. In addition to the general education courses that students can take for dual credit, which saves families thousands of dollars in future college tuition, students can also take career technical courses, giving them important exposure to careers that they might not otherwise get in high school. In the newly constructed Career and Technical Training Center in West Point, for example, more than 150 students from six high schools at ten courses in welding, transportation, nursing, information technology, construction, and manufacturing. In a recent analysis of the dual enrollment program at Northeast Community College, we learned that 90 percent of the students that took dual enrollment courses in 2018 and '19 enrolled in college. That could be at Northeast, Wayne State, University of Nebraska, or one of the other community college, 90 percent. We need to improve access to dual enrollment, especially for low-income students. We want to decrease the gap between low-income and non-low-income students going to college. We ask for your support of the full 3 percent annual budget req-- increase with a little more than a million dollars per year going directly to support our dual enrollment efforts. The pandemic has highlighted the importance of the community college-school district partnerships in our rural and urban regions. Attached to my testimony are letters from superintendents through Northeast's 20-county service area and the leader of Educational Service Unit number 2. Our role is essential to our school districts because we employ the teachers who have the master's degrees or who are technically trained to provide the courses where students fulfill their high school requirements and earn college credit simultaneously. Our superintendents want to see their students

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matriculate to college. These partnerships are providing opportunities to thousands of children who will become the adults of Nebraska, employed and contributing to our vitality and our tax base. We want them to get a taste of higher education in Nebraska as high school students because we know when this occurs, they enroll. In addition to the support for the dual enrollment allocation, we ask for your continued support of the community colleges by supporting the 2 percent increase of our state appropriation for the next year-- two years. We have escalating personnel costs through our negotiated agreements, increases in property, casualty, and cybersecurity insurance that have more than doubled in the past few years. We have increases in technology costs and buildings that need repair. And as you know, we have significant pressure to limit property tax growth. Community colleges are intentionally positioned to support our communities and our states, especially during tough economic times. Access, affordability and pathways to good-paying, high-demand jobs, that is what we do, it is what we do well, and it is what the state expects us to do. I ask for your support of our original budget request, which equates to a total of 3 percent, with 2 percent going to the general aid support and the remaining 1 percent of the request dedicated to our efforts to further support our service areas through discounted dual enrollment. Thank you for listening and I will take any questions.

**STINNER:** Thank you. Questions? Senator Hilkemann.

**HILKEMANN:** Quick question, Dr. Barrett. I'm from up in northeast Nebraska. Do you-- do you have good participation from some of the smaller schools within, like-- how far of a radius do-- would you get the students?

**LEAH BARRETT:** Well, we go through the 20-county service area, so we have students from Atkinson and Ainsworth, as well as Ponca and then South Sioux City. You know, in our backyard of Norfolk, we have Battle Creek. So we reach all-- we try to connect with as many students as we can and we do a lot of the classes both in person, and then we also have virtual opportunities for students to engage, which has been more popular during COVID.

**HILKEMANN:** So in other words, your professors or your teachers will go out to those areas rather than those students coming in.

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**LEAH BARRETT:** It's a variety of options. We have a variety of options available. Because of COVID, it has just been more difficult for students to come to our campus. We have a wonderful, robust program called Fridays at Northeast, which both in South Sioux, West Point, and-- and in Norfolk, where students come-- high school students come to our campus and experience career and technical education. We've not been able to do that at the same levels that we did outside of COVID, so we look forward to bringing them back to our campuses. But when we do teaching or support for-- a place like Ponca would be a great example. If they don't have a teacher that's available, we can teach virtually, which is different than online education. I want to be clear.

**HILKEMANN:** Right.

**LEAH BARRETT:** So the teacher is there in the front and-- and engaging with the students during a course period during the day. What we've learned also is that if we have students in Ponca that want to take that class, we might have students in Atkinson that want to do as well, so we can provide that to both of those school districts simultaneously with the technology that we have become better at using because of COVID.

**HILKEMANN:** Thank you.

**LEAH BARRETT:** Yes.

**STINNER:** Additional questions? Seeing none, thank you very much.

**LEAH BARRETT:** Thank you. Nice to meet you.

**STINNER:** Additional proponents? Seeing none, any opponents? Seeing none, anyone in the neutral capacity? Seeing none, that concludes our hearing of Agency 83, and thank you very much for coming in. And you'd better drive careful, young lady.

**CARMEN SIMONE:** I will, sir. We're flying "Ws."

**STINNER:** OK. Well-behaved committee now. Thank you. We might get done before midnight. OK, that concludes our hearing of Agency 31. We will start with Agency 51. Come on in.

**TED CARTER:** [INAUDIBLE] you've been waiting for all day.

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**STINNER:** Oh, boy, it's been a long process, believe me.

**TED CARTER:** Well, good afternoon, ladies and gentlemen, Chairman Stinner. I know it's been a long day for you because I've been watching you, and I appreciate the time with you after a long day. My name is Ted Carter, T-e-d C-a-r-t-e-r, and I'm president of the University of Nebraska. Thank you for the opportunity to be with you today to share a little bit about the university's fiscal planning and the request we have brought forward for the upcoming biennium. Thank you especially to you and your staff for continuing to safely do the people's work even in these challenging times. Nebraskans are grateful for your service. It was almost a year ago that COVID-19 turned all of our worlds upside-down. I was only a few months into the job when we were faced with the sudden challenge of moving 52,000 students online, asking faculty to reimagine their coursework for a remote environment, and canceling sports and concerts, all while protecting our campuses and communities against a virus that we knew actually very little about. It was a difficult and uncertain period. An institution could be forgiven for choosing to hunker down, wait the crisis out, and try to return to normal once the pandemic was over. At the University of Nebraska, that was never an option. Our students are too important. The needs of our state are too urgent for us to simply wait and see what would happen. We knew there would be no normal to go back to once this is over. Higher education was changing even before the pandemic. COVID-19 is only serving to accelerate that change. The institutions that are unwilling to adapt, unfortunately, may not survive. On the other hand, those that are willing to find a new way of doing business will thrive. Here in Nebraska, we have an opportunity to define what the future of higher education will look like, but only if we're willing to act decisively, even in the face of imperfect information. We immediately made a series of decisions to guide us for the year ahead. I think these actions and steps have put us in a strong position, stronger indeed than many other institutions around the country. As we look ahead to the post-COVID world. This body deserves a great deal of credit because without your leadership we would not be able to do many of the things that we are doing. Number one, we made enrollment our highest strategic priority. The early national projections around how COVID-19 would impact college enrollment were dire, double-digit losses with low-income and underrepresented students especially vulnerable. We couldn't afford to have that happen here. A double-digit decrease in enrollment would have had a dramatic

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impact on our budget. More devastating, it would have put a doughnut in the workforce pipeline that would take decades to recover from. We created the Nebraska Promise, guaranteeing free tuition for Nebraska students with family incomes of \$60,000 adjust-- adjusted gross income or less. Seven thousand students applied. We announced a two-year, across-the-board tuition freeze, one of the first in the nation to do so, a nearly unprecedented step in our history. We reduced the cost of our online courses to maintain access for students balancing jobs, families, or military obligations, and we were one of the first universities in the country to declare that we would be open for the fall semester, giving predictability and hope to Nebraska students and families. In a few months' time, our incredible faculty and staff made it happen. In fact, this fall, the University of Nebraska led, led out of 14 institutions in the Big Ten, in in-person educational opportunities, and we have done it safely and responsibly, delivering on our educational mission while avoiding the major outbreaks that have forced other institutions to reverse course. Our efforts paid off with enrollment growth across the University of Nebraska system, including a 2 percent increase among Nebraska students and growth among minority and first-generation students. As a matter of fact, this year the University of Nebraska has its most diverse student body ever in our history, with minorities making up 21 percent of our enrollment, this even as higher education enrollment nationally declined 4 percent, with underrepresented students disproportionately impact [SIC] in many public institutions by more than 10 percent enrollment drop. There's no doubt in our minds Nebraska Promise has been a driving factor. Take UNO, for example: Enrollment of first-generation students grew 31 percent this year and among Nebraska Promise students, 91 percent have returned for the spring semester. I don't need any other statistic to remind me of the power of this program. We also recognize that the pandemic would have significant financial impacts on our university. We faced a \$50 million shortfall right out of the gate as a result of athletic cancellations, housing refunds, and other unexpected losses. And there would be more. We immediately began developing short- and long-term plans to meet the challenge. Our philosophy was simple. We weren't going to spend money we didn't have. We would look for every opportunity to modernize our operations, become more efficient and effective, and we would take a conservative approach in our planning with an eye toward being the best possible stewards of the precious dollars that you entrust to us. We froze hiring, held back spending, and made the difficult decision

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not to award salary increases to employees outside the bargaining units. My administration at Central Administration made a 10 percent personnel cut, and the chancellors and I built a three-year system-wide budget plan that would address the shortfalls created by COVID-19 while laying the groundwork for future growth. Our plan calls for \$43 million in internal reallocations. We are rigorously holding ourselves to these cuts in spite of positive enrollment news, a relatively bright fiscal picture for the state of Nebraska, and an infusion of CARES Act funding that help replace some of the dollars we lost early on. We don't see any of this as a reason to walk back our plan. This is still an uncertain time and we believe it's important to make room in our budget for strategic investments that will put us in a position of strength for the long term, investments like Nebraska Promise, modest salary increases for our talented faculty and staff, and other priorities determined by the chancellors. A key element of our plan was a modest request for 2 percent funding increases from the state for the next biennium. We know you're facing fiscal challenges and uncertainties of your own. Our goal is to be a good and responsible partner to you as we navigate this period together. These funds would cover some, though not all, of our compensation expenses. All other compensation, as well as utilities, operations, and any other expenses we incur, will be funded through our self-imposed \$43 million budget reduction process. We're grateful to this committee for funding our request in your preliminary budget. Your investment clears the way for our two-year tuition freeze and your support for extending the Nebraska career scholarships will expand access for students in areas critical to Nebraska's economic growth, including engineering, math, IT, and healthcare. We began rolling out the Nebraska career scholarships this semester across our campuses, and I'm pleased to tell you that we've awarded 28 scholarships already. Finally, I want to thank you for funding an increase in our workers' compensation expenses. This is a pass-through cost assessed by DAS was not included in our 2 percent request. But with your support, this is \$1.2-- \$1.2 million we won't have to find elsewhere in our budget. The turn of the calendar has brought a great deal of hope for all of us. We're still very much in a COVID-19 world, but vaccines have arrived and there's reason for optimism. This year, the chancellors and I will be completely focused on delivering more of the results that you expect of us. We're working to implement additional elements of our five-year strategic plan, including expanded internship opportunities for students, a four-year graduation guarantee, and redoubled focus on

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Nebraska Promise and student affordability. We are also developing plans to deliver the full range of Nebraska career scholarships in fall of 2021, which will move the needle even further on workforce development in our state. In December, we had the pleasure of hearing from Warren Buffett deliver commencement remarks to our graduates. He said that despite the current uncertainties, there's never been a better time to be a student graduating from the University of Nebraska. I couldn't agree more. Your partnership is one of the key reasons that we have such momentum. With your leadership and support, the University of Nebraska is not simply getting through this crisis, but we are growing, we are moving forward, and we have exciting opportunities ahead to work hand in hand with you to create an even stronger future for our state. Thank you again, Chairman Stinner and members of the committee, for your support for affordable, high-quality education for the people of Nebraska. I'd be pleased to answer your questions.

**STINNER:** Questions? Senator Wishart.

**WISHART:** Well, thank you so much, President, for being here. You spoke of internship opportunities, and Senator Flood had a bill earlier on--talking about Norfolk's collaboration with Wayne State. So I'd love if you would just tell us a little bit more about those goals.

**TED CARTER:** So I did hear Senator Flood's testimony today, and I applaud the work that's going on to bring those type of scholarships to Norfolk and other rural parts of Nebraska. We want to make sure that every student at the university who wants an internship can get an internship, preferably in Nebraska. Let's make sure that they get the internships and they stay here in Nebraska. As a lot of you know, a lot of the big Fortune 500 companies here in the state have very, very mature internship programs that work quite well. But we need to go further than that if we're really going to grow the state and grow the workforce. And by the way, this is the number-two priority in my five-year strategic plan when you take a look at that, is developing the workforce. We have to create something different, something that we haven't done before. And Senator Flood kind of touched on that, but we have to do it at a much larger, grander scale. I mean, we graduate 12,000 students a year from the university, and yet we still have a 34,000-person gap in filling those high-need, high-tech, high-pay jobs. So how are we going to do that? Well, we've never really had a digital platform by which to create internships. If I'm a student at

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any one of the campuses at the University of Nebraska, I'd probably need three opportunities for internships somewhere in the state, and then I'd pick one of them. And I need to do it earlier in my college undergraduate career, not when I'm going into my senior year, but probably when I'm going into my sophomore or junior year. So kind of think of an eHarmony-type approach where the employer and the future employee get to meet, and it's almost like a two-way interview. These in-- these internships should be paid, but they don't have to be. And these internships could be in the high-tech community, IT, farming, agriculture, manufacturing, nursing, pharmacy, the whole range of jobs that we have here in Nebraska. And I know, just as you and just as I came here, once you do and you get into the workforce and work with the people, you'll fall in love with being in this state and you'll stay in this state. So this is new. This digital platform is being offered to the community college, as well as what we're going to do. And this is my priority for 2021. Now we also have a responsible-- responsibility with the Nebraska Career Scholarship program to do this, and we need to do it at another level. I mean, that's part of what the attraction to that Career Scholarship program is, and I have no doubt that as we're starting to fill those scholarships, that we're going to bring, you know, more than two to three high school students that want to get into those career scholarships. But we have a responsibility to the state to report back on how we're doing with those internships, so those are our clear focus to make sure we get those right, because we're being given money from the state specifically for that. But I need to do this bigger and better across the entire state. I would tell you that with my vision for what we want the University of Nebraska to become as we're going to grow our enrollment from today, 52,000 students, to my vision, getting to 60,000 students over the next five to eight years, this is how we're going to get to start to fill this workforce gap is through internships.

**STINNER:** Senator Kolterman.

**KOLTERMAN:** Thank you, Senator Stinner. Welcome, President Carter. I appreciate you being here. You alluded to the fact that, you know, higher education is changing constantly, and unlike many institutions, we've-- we've actually grown some, which is quite the blessing, really, if you look at it. How do we as a university system stay ahead of that curve, not just now but over the next 5, 10, 20 years? I mean,

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it's-- it's going to take some accomplishment. Part of it's by growing. Sixty thousand is not a small--

**TED CARTER:** Right.

**KOLTERMAN:** --challenge, but how do we do that? What-- what do you see as the future in that regard?

**TED CARTER:** Well, Senator Kolterman, I appreciate that question. It's an excellent question and it's one that I appreciate, especially when it's looking that far forward, 5, 10, or 20 years. As the, you know, the strategic plan that I gave you focused on the next five years, it's kind of a more near term. But based on my experience and having been in higher ed at the military, you know, War College and at the Naval Academy, I-- I started to see some of the shift in higher ed at those institutions. And when I came here, I believed that higher ed was going to need to pivot. Higher ed across our nation's become too expensive, becomes unaffordable. As I listened to some of the community college presidents talk, you heard some of that about how so many people just don't see a college education even in their future, and for a lot of other different reasons. So what this pandemic has taught us is it's forced an acceleration of how we're going to shift to the future. So the first thing we've got to be able to do for the future of higher ed is figure out how to make education affordable. It's probably the most important thing, affordability and accessibility for everybody. We're a really fortunate place here in Nebraska because where you're talking community college, state college, or the university, we are the best value compared to our peers across the board. We're one of the best values of any university in the country, let alone we are the best value in the Big Ten. In fact, if you look at the-- the amount of student debt that average University of Nebraska-Lincoln student leaves with, it's about one half the cost of a new car in Nebraska today. I read that today: \$40,000 dollars is the cost of a new car in Nebraska. Our students leave with about half of that debt, on average. We can do better than that. That's-- that's OK, but we can do better than that. But that's not all that matters. We've got to be able to understand the desire and the wants to have an online education. I mean, we were growing by 9, 10, and 12 percent in dedicated online asynchronous, meaning not in line with a course being taught live, you know, in the years preceding me coming here. And then, of course, COVID-19 accelerated that to another level for a lot of different reasons. Some people didn't want

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to be in the classroom. Some people wanted to do a little bit of both. The future classroom is going to be very different. We're going to have to understand that there are students that want to be anywhere, all around the world, that may want the educational opportunity that we have. It's one of the reasons that we reduced the cost of online education here. When I say reduced the cost, we knocked it down significantly, one of the biggest reductions in the-- in the country. At UNL we knocked the cost per credit hour down by 7 percent, at UNO by 9 percent. And if you're wondering, well, where did you come up with those numbers? I didn't want there to be a single penalty for anybody taking an online course. It actually cost more when I came here to take an online course than to do it in person, and there's some reasons for that. There's some technical things you have to be able to do and there's some fees that get associated with that, but we have now fixed that. So the future classroom in my vision is going to be a classroom that can host 20 to 50 students live. It's going to have all of the technology in here, so smart books, a faculty member up there that can in-- insert themselves into the classroom with smart books, smart whiteboards, and then inside that classroom there's going to be multiple cameras so that you can bring anybody from any place. Think about another thousand students worldwide that are dialed into that class, taking it live, with the same benefits and the interaction of actually being there. To me, that's the very definition of what hybrid education is going to be. And lastly, we've got to be more efficient. Let's face it, the University of Nebraska is a giant bureaucracy. We're huge just in the number of people that we employ, 16,000 faculty and staff, and I already mentioned the number of students. This has forced us to look inside to ourselves as we've gone through this period and just looking at the budget cut that we're forcing on ourself, we reduced our full-time-equivalent jobs across the university by 500 positions, 500. Now some of that was incentivized by getting some of the more senior faculty to retire with incentives, and we didn't backfill their jobs. We didn't backfill vacant jobs. I cut my own personal staff by 10 percent. I led that effort. So we've got to be as lean as we can and still be able to carry our mission. The universities that can think like this take care of their infrastructure, inspire their faculty to, you know, become tenured, stay, teach, and can draw those students; in other words, you've got to focus on enrollment. So that's why I need to grow the enrollment. If we're not growing, then we're going backwards and we're atrophying, and that's why I'm so proud of what we've done this year.

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I mean, we-- we reversed our own internal trend. We were in a decreasing enrollment over the last three years. You heard in my prepared statement we increased Nebraska enrollment by over 2 percent. And the only reason we didn't go up higher is because we lost about 18 percent of our international student body. That was unavoidable. And as I'm looking into the future with the things that we've put on the table, I'm happy to report to you today at this very moment, compared to where we were at this time last year, we're up over 6.5 percent overall in our applications, 12.5 percent at UNL alone, 10.5 percent at UNK. These are remarkable numbers and I can't predict what that will turn into in enrollment, you know, when it comes time to actually put your foot on the campus, but I'm optimistic that we're going to grow again in the fall of '21. So we've got our eye clearly on what the future of education is going to be, and we are going to lead in this space, not just within the Big Ten but within the country.

**KOLTERMAN:** Thank you.

**STINNER:** Senator Hilkemann.

**HILKEMANN:** President Carter, one of the times you presented before this board, you were-- you were sharing-- you were going to start a-- like an intersess-- semes-- semester program between December and January. How did that go?

**TED CARTER:** Well, it was kind of forced to have a longer winter intersessional because as we did our own analysis of how we thought COVID-19 was going to occur-- and it's interesting you asked that question because we were ahead of all the pundits that said there was going to be a rise in the fall. We did work with our UNMC partners, our professionals there that gave us some good look into how this pandemic was going to evolve, and we actually have a calendar committee that meets with all the campus leadership. And we made a determination early on. We were one of the first ten campuses in the nation to make a decision to bring our students to campus early this year for fall semester. at UNL, in particular, our flagship, we brought students aboard a full week early. Now that was online at first only, and then they came in person on campus. What that resulted in was we finished all exams and in-person education at UNL by Thanksgiving, minimized travel over the Thanksgiving break so they didn't come back and then go back for Christmas. And we did kind of the same thing, although not exactly the same at UNK and UNL for our

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larger population of undergraduate students. So what that allowed us to have was kind of two, three week winter interims, if you will. And-- and, you know, as we're looking forward to creating kind of a four-year graduation guarantee-- and by the way, that guarantee is critical to reducing the overall cost for our students. If you graduate in four years, it's going to be a heck of a lot less expensive than if you graduate in six years or, God forbid, further on, like seven or eight. But this year, for UNL, first time in their history-- they just celebrated their 152nd year founding yesterday. First time ever, they had over 4,000 students take 175 different courses and 10,000 credit hours, a remarkable amount of course [INAUDIBLE] over that winter interim. And even at UNK, 600 students took over 1,500 course credit hours, a remarkable response to how to make the most out of that time. Now we're going to look forward to make sure that as we continue to do this, we're going to go through probably one more set of pilot semesters to make sure that we've got the right data for what the future academic calendar should really look like. And we're going to try to line that up so that all three of our undergraduate campuses are operating on about the same schedule. But I'm a fan of this longer winter intersessional, because if we're going to really push these internships, that's also another good period to put our students into internships or take coursework.

**HILKEMANN:** Were the students able to take like-- what would be the average number of hours that those students took, three hours in each of those periods?

**TED CARTER:** Right, each. A lot of these students took on average two courses, two three-credit courses. I mean, it's a-- you know, it's-- it's just another leap into where they're going. And we've seen another trend. You know, we've talked about this relatively modest percent of enrollment growth, but where we've really grown is in the course credit [INAUDIBLE] that our students are taking. It's up over 9 percent compared to this time last year. So they get it. They know this is the time to take more credits and create a faster path to 120 credit hour graduation for the undergraduate program.

**HILKEMANN:** How did the faculty feel about their-- the amount of time that they had to present the material for their courses?

**TED CARTER:** Well, this is probably something I should have talked about more. This is where I just can't be more proud of our faculty.

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They're the ones that stepped up. They're the ones that created over 100 different courses specifically designed for this period. They made that happen. You know, Chancellor Ronnie Green at UNL did the, you know, the heavy lifting on this and the faculty stepped up and did it. I mean, it's what made it successful. So it just shows how much our-- our faculty care about our students.

**HILKEMANN:** Thank you.

**STINNER:** Senator McDonnell.

**McDONNELL:** Thank you, President Carter, for being here. Thank you for all your hard work. A few months ago, you announced a search for a new full-time chancellor for UNO. How's that-- how's that search going and what's the-- the time frame, do you predict, for having a person in place for that position?

**TED CARTER:** Yeah, I'm really proud that we've been able to manage this time frame. Chancellor Jeffrey Gold, who has been stepping up and doing dual duty as a double chancellor at UNMC and UNO, I mean, that's a-- that's a Herculean effort to be able to do that and we should give great credit to Chancellor Gold for what he's achieved. And because he's gotten UNO in such a good place-- and by the way, they were up 5 percent in enrollment just as a single campus on their own going into the fall. This is what's given us the opportunity to let Jeff step aside, let us go for a national search for a new chancellor at UNO, somebody that will be representative of the student body, somebody of national prominence, and it's being done with a fantastic 14-person member search advisory committee in conjunction with AGB Search. And I can tell you that AGB, who's been in close communication with me, has told me that this search is one of the best in the country right now. So I am very optimistic for what this is producing. The committee adopted a leadership profile, essentially the job description for the position, and emphasized ten core leadership pillars, or absolute must-haves in our next chancellor. The pillars are the foundation on which the committee is building its assessment and interview questions. The committee encouraged applicants to submit their materials by the target date of January 29, which has obviously already passed, and is now reviewing application materials. So after this review, the committee is going to invite qualified applicants meeting the core leadership pillars to participate in a preliminary Zoom interview with the committee. After the preliminary-- preliminary

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Zoom interviews, I've asked the committee to provide me an unranked list of finalists out of that group. Now, after I've had the opportunity to seek feedback from the search advisory committee and interview the applicants forwarded to me, I will follow the process detailed in state statute. So what that means is I'll provide public notice of a priority candidate and make available the employment application, resumé, reference letters and school transcriptions of the priority candidate. I'll provide public forums at UNO for the public, including the media, students, faculty, and staff to meet and ask questions or provide input regarding the priority candidate. And only after the 30-day vetting period and after taking into consideration the input provided through the public forums and the online submission mechanism, I'll consider whether the priority candidate should be recommended to the Board of Regents for appointment as our next UNO Chancellor. So I'm hoping that process will come together as early as late March. And, you know, we've got a little room there. Obviously, I want that position ready to be filled by June, July time frame.

**McDONNELL:** Thank you.

**STINNER:** Additional questions? I have a few and I'd like to get back to budget. First of all, you've indicated \$50 million right off the bat in COVID expenses or lack of revenue that it cost you. As you look over the last year, can you define how many dollars you received in COVID money, CARES Act--

**TED CARTER:** Right.

**STINNER:** --versus the total expenditures that you incurred? And I call that the COVID gap.

**TED CARTER:** Right.

**STINNER:** How much of that do you have to fill?

**TED CARTER:** Yeah, I-- I've heard all the other, you know, presidents and the leadership of the other academic institutions here talk to you about that. And obviously, you know, we're at a much different scale. And I-- and I want to try to hit this. These are going to sound like big numbers. But, you know, this will give it to you in the type of, I think, detail that you want to understand. First of all, you know,

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when you take into account the lost-- in just athletics, it's a pretty big hit, especially for UNL, the percent of students that we have and the losses that we had in things like parking, housing, food, fees. I mean, we-- we did not push back on any of the students asking for those refunds, so those numbers added up pretty big. In fact, if you go back and look through the period March of 2020 through January of 2021-- that's what this data entails-- we're talking between the four campuses, to include UNCA [SIC] out in Curtis, so I'll say five campuses-- we're talking a total loss of \$138 million. That's the losses that we have during that period. If you take the CARES Act money that we have seen now to date through two separate acts, and I'm going to siphon out the half of that money that had-- was dedicated, go to students.

**STINNER:** Students.

**TED CARTER:** I'm going to just talk about the money that came to us. That total represents about \$51 million, and that's shared across the four universities. Now, if you were to say, well, what did you spend that money on? I would tell you on testing. Now, some of that testing was done by Test Nebraska. But as you've seen, we're doing other types of testing to do quicker turnaround, particularly at UNL. We've had to do refunds. And some of those auxiliary is where the majority of our losses were, as well as special events and athletics. If we were to anticipate what the Biden COVID plan will do, I'm anticipating another \$45 million that will come to the university, so that will still leave us, at the end of the day, \$42 million in the hole. So the bottom line, if I were to just highlight it, the big picture, the COVID money is welcome. It's helped. It's especially helped our students in need, but it hasn't covered all of our losses, not by a long shot. In fact, UNL, which is a little bit different because of its heavy, heavy budget on athletics, actually has a disproportionate loss to that. It's over \$77 million that'll still be in the hole after this next anticipated COVID CARES money. So that's a big roll-up. I know that's a lot of numbers that I threw at you. But I'm thankful for that stimulus money. And because we've done a good job and acted quickly, we're not talking about losses in the \$200 to \$300 to \$400 million, as I've heard from some of our other Midwestern universities.

**STINNER:** Sounds like Bill Moos has a big job ahead of him, right?

**TED CARTER:** He does--

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**STINNER:** Just kidding.

**TED CARTER:** --no question.

**STINNER:** When you talk about the hit in parking, food, fees, room, you're talking bond issues. How-- how-- what kind of shape are we at in terms of bond performance? Have we violated any bond covenants? Give me some feedback on where we're at.

**TED CARTER:** We're-- we're-- we're OK. You know, our Moody's bond rating is still high. We haven't moved from our 1-AA status. You know, in reality, we probably look a little bit lower, but we're holding very strong. And this has a lot to do, as you know, where there-- with how many days of cash we have on hand, and sometimes we like to look at what our strength is, you know, that rainy-day fund. So if you were to go back, and some of you have been in the Legislature going back to 2016, you may recall that we talked about how many days of cash we had back then. It was 161 days. And then you go to, you know, 2019, pre-COVID, we had built that rainy-day days of cash on hand to 194 days. Pretty proud of that. I mean, that shows how good stewards we are of holding our budget and our bond rating and how many days of cash we had on hand. Now, through this current period that I just described to you, OK, going through this January of 2020, we've dropped down to 182 days, so that's a drop of about 6 percent. And of course, you know, we're not putting any fans in Pinnacle Bank Arena. We're still dealing with some losses. Our dorms are not quite as full as they could be. So I'm anticipating my guesstimate will be that we'll go to 167 days by the end of fiscal year 2021. So that'll be another 8 percent drop and, again, compare that number, go back to 2016, and we're just a little bit better off from where we started. Now that's rainy day money. That's not money we want to spend unless we absolutely have to. And I think the fact that we are still holding on that strong is a good statement of-- of how we've done financially.

**STINNER:** Have-- have we had a bond rating recently or after COVID or during COVID or is that-- I presume they're going to hold off for a period of time--

**TED CARTER:** They probably will.

**STINNER:** --to reassess.

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**TED CARTER:** And I-- and I would tell you, as we compare ourselves to the other Big Ten institutions, we're-- we're-- we're probably about in the middle in terms of, you know, some of the institutions. When you compare us to like Michigan, they're a little bit bigger than we are. But because we haven't spent money that we don't have, we're in actually a very strong position.

**STINNER:** The \$43 million you talk about, internal reallocations, are those actually cuts? And on-- can you give us a little more feedback on that, on a more granular approach as it relates to campuses and what-- what actually is being cut?

**TED CARTER:** This is where I'm really proud of our chancellors. You know, \$43 million is a lot of money. It's big money when you look at our budget. And that doesn't include some of the other losses, for example, Chancellor Ronnie Green has had to occur because, you know, he typically gets \$10 million from Husker Athletics for scholarships because they usually do so well. That money didn't go to him this year, so that's not included in this \$43 million cut. He has other cuts that he's had to incur. In fact, in his-- his State of the University Address yesterday, he talked about his own university cut, which is closer to \$38 million, which is not anywhere near the amount of money that I put in here. So let me just give you some insight as to what is in this \$43 million. This \$43 million has allowed us to put a two-year tuition freeze on. We built that into this self-imposed cut. It allowed us to pay for Nebraska Promise, which we projected would be about \$5 million cost to ourselves, about a thousand extra students over the previous program called College Bound Nebraska. Turned out that, even though we had a significant number of students apply, about 7,000, the number actually rose to about 700 more than we had seen previously, so that price tag wasn't quite as bad as we anticipated. And this also had allowed us to come before you and ask for a very modest 2 percent budget increase, as opposed to some of our friends that have come to you and asked for 3 percent. I wanted to come here and be as modest and conservative on our budget increase as possible. That was baked into this. So, you know, that's about \$20 million of the \$43 million that's set aside that hasn't even been sent over to, you know, the other campuses to give them their targets by which they have to go at. Now they're using a collaborative, deliberative process with their faculty and their budget committees to determine exactly what they're going after, but the process is pretty simple. Just as I did in Varner Hall, we go after administration

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first, so let's try to minimize the administration, the administrative bloat. We led with that. The other institutions are doing the same. But let's face it, our budget is 80 percent of faculty salary, healthcare, other insurance costs, so you can't have these type of cuts without having some impact on people. And that's why we incentivize some faculty to retire early. We have not backfilled a lot of those. I mentioned 500 FTE that have been opened up over the course of this progress, so I'm really proud of that. You know, we've been able to execute that. We're underway. This is going to be over the course of the next three years. And with this budget, that we hope you will support, I know that we're going to be OK. Won't cover all of our costs, but we have that already baked in here.

**STINNER:** OK. Whenever you get some of those numbers put together, would you share that with us on the committee? Is that-- or what's the time framework for the cuts? Is it going to happen this year, next year, gradually during two to three years or--

**TED CARTER:** Yeah, we're-- we're leaning into it in a smaller level in this first fiscal year and then a little bit bigger in the next year and then finishing off, so it's kind of like an accelerator, if you will, so we don't feel it as bad on the first year. We do have a lot of that detail. I didn't want to walk through. That would be about a 45-minute brief on the details. But we do have that level of detail and I-- and we can provide that separate.

**STINNER:** OK. I will work with you on that, and I've got the deferred maintenance question coming up, so I won't even go into that. Is there additional questions? Seeing none, thank you very much.

**TED CARTER:** Thank you.

**WISHART:** Any other proponents? Good evening.

**JAVIN MOORE:** Hello.

**WISHART:** If you will state your name and spell it for the record.

**JAVIN MOORE:** Good afternoon, Chairman Stinner and members of the Appropriation Committee. My name is Javin Moore, J-a-v-i-n M-o-o-r-e, and I am the student body president at the University of Nebraska at Omaha. Thank you for the opportunity to speak with you today. I am here on behalf of the 52,000 students of the University of Nebraska

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system: UNO, UNL, UNK, and UNMC. I join President Carter in thanking you for supporting the University of Nebraska's budget request, which will help protect the quality and affordability of higher education for current and future generations of students. Let me tell you a bit about myself. I was born and raised in Omaha. I am the second oldest of four, and I am the first person in my family to go to college. Being a first-generation college student has its challenges, but I am motivated by the fact that I am making a huge step not only for myself personally, but I am forging a path for my entire family and opening a door to a new normal where earning a degree is no longer a foreign concept. At UNO, I am studying business, real estate, and entrepreneurship, and after I complete my bachelor's degree, I hope to get a master's in public administration. In addition to student government, I am involved in the Thompson Learning Community, the Black Student Union, and I lead a black campus ministry and I am part of the NU Student Alliance. As I reflect on everything that my family and I have gone through, it's kind of surreal that I am here today. This dream that my parents have had for my siblings and I caused a lot of stress and anxiety because there is no way they would be able to send four kids to college while living paycheck to paycheck. I am where I am today because of individuals and organizations who help to bridge the gap between opportunity and access. I was awarded a scholarship from the Susan T. Buffett Foundation, which helps cover the cost of my education. Most students at the University of Nebraska, like myself, receive financial aid. Our tuition costs are some of the lowest in our peer groups. I know that because the Legislature values higher education and we as students are very thankful for your support. That being said, if it weren't for the extra support to help me achieve my dreams and aspirations, I probably wouldn't be in front of you today. I can tell you that the cost of college is one of the leading reasons that students don't continue education. Most students work to pay their bills, sometimes multiple jobs, while still making time for our classes and campus activities, which can in-- which can be incredibly difficult to maintain at this point in our lives. That's why your support is so important. Funding from the state helps the university keep tuition low so that students can afford their education, be involved on campus, and graduate on time and enter the workforce with little-- with as little debt as possible. In fact, under the budget that you are proposing, the University of Nebraska will be able to move forward with a planned two-year tuition freeze that President Carter mentioned earlier. I can tell you how much this

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means-- I can't tell you how much this means to students, especially during these difficult times. The tuition freeze means Nebraska will be able to recruit and retain even more talented students at a time when the uncertainties created by the pandemic have caused enrollments to decline at other institutions. National data shows that underrepresented students, including students of color and first-generation students, are disproportionately impacted by these trends. I don't want to see that happen here in Nebraska. With your budget, you are sending a strong message of support to all young people in Nebraska that you value them and want them to stay here and pursue their education. On behalf of the entire student body, I thank you and I would be happy to answer any questions you may have.

**STINNER:** Questions? Seeing none, thank you for-- for coming.

**JAVIN MOORE:** Thank you.

**STINNER:** Any additional proponents? Seeing none, any opponents? Seeing none, anyone in the neutral capacity? That concludes Agency 51-- excuse me. We have letters. How many letters is it? Fifty--

**WISHART:** Thirty-- 39.

**STINNER:** Thirty-nine? Thank you. OK, you have it. [INAUDIBLE] 39 letters of support for the University of Nebraska's budget. With that, that concludes Agency 51, University of Nebraska. We will now open with LB588, Senator Wishart.

**WISHART:** Thank you, Senator Stinner. We'll give you a moment to head on over. Good evening, Chairman.

**STINNER:** Good afternoon, Senator Wishart. I'll try to speed read at this hour. How's that? And fellow members of the Appropriation, for the record, my name is John, J-o-h-n, Stinner, S-t-i-n-n-e-r. I represent the 48th District, comprised of all of Scotts Bluff County. LB588 would extend existing appropriations for deferred maintenance under the University of Nebraska's facility program until 2062 and the state college facility program an additional ten years, until 2040. The bill would increase the appropriation to the University of Nebraska by \$2.5 million, to be matched by the university to renew, renovate, replace, or repair existing facilities. Included under the bill is a requirement that the university establish a revolving

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facility maintenance fund with a 2 percent allocation of all construction funds expended to mitigate further backlog and provide for a long-term ongoing selection for deferred maintenance. Reporting requirements for the university and state colleges would also be included. As Chair of this committee, I've taken a keen interest in the management of both the universities and state college physi-- physical infrastructure, not only because there's a significant portion of state-owned property under-- under their control, but because of the significant financial liability their portfolios possess if we do not have a long-range strategy to maintain them. As you remember, in 2019, I-- I introduced LB562 to allow the university to extend three appropriations for facilities until 2050 to assist deferred maintenance needs. I'd like to thank the committee for supporting that effort and laying the foundation for the proposal I bring for you today. From my evaluation of the financial reports and-- and facility analysis becomes clear to me that this committee and the entire Legislature play a significant role in maintaining the facilities of the university and state colleges. As part of our effort to produce an educated workforce, these institutions are key economic drivers for the state. With close to a combined total of nearly 1,000 university and state college buildings across the state, from research laboratories to health clinics to lecture halls and extension centers, the university and state college facilities are significant assets to our state. This requires maintenance and modernization if we want to save money in the long run. For instance, in 2020, the university leadership has worked extensively with the elected Board of Regents to develop a long-range deferred maintenance plan that seeks to address now a \$800 million backlog of maintenance. The university has taken a conservative approach to ensuring long-term sustainability by maintaining existing structures. As you will hear later on, the reason this approach was taken was to find a solution to this problem by taking advantage of bond financing markets in 2021. Interest rates are at a historical low and the cost of capital presents a unique opportunity to help the university and state colleges maximize state funds and solve this problem. While this bill makes a long-term commitment for de-- for deferred maintenance, it also requires significant buy-in. As part of the strategy, LB588 requires the university to establish a revolving facility maintenance fund and annually allocate 2 percent of the construction funds expended to address the backlog issue. This safety mechanism will require a new level of discipline and prioritization from the university

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administration compared to the previous 30 years of facility appropriations. Lastly, LB588 will require that both the university and state colleges issue a biennium deferred maintenance project report and project reports of five to ten years, respectively. This ongoing reporting mechanism will provide the committee and the Governor's Office with a blueprint of projects and priorities across the state every time we craft a new budget. This oversight is critical to the Legislature's ability to determine whether funds are being expended strategically in concert with statewide needs and priorities. This proposal has taken years to develop and fine-tune. I could not be prouder of the partnership developed with both the university and state colleges addressing such a major policy challenge. I'm confident that the safeguards under this proposal will minimize the risk and the liability. I also have a technical amendment for your consideration as a committee amendment, AM206, which is being passed around now, which would harmonize existing timelines under the green copy of the bill, which should read 2063, not 2060 You'll hear more from the university, State College System, about the details of their planning. LB588 will help solve the def-- deferred maintenance backlog that has plagued our postsecondary education system, providing them with the long-term-- and providing them with a long term funding mechanism. Thank you, Vice Chair Wishart and members of Appropriations. I will now open for questions.

**WISHART:** Senator Kolterman.

**KOLTERMAN:** Thank you. So, Senator Stinner, it's a-- it's a big amount of money long term. That kind of deferred maintenance, it's necessary. If we're to implement this program, would that have a positive influence on our bond ratings, or will it have any kind of an in-- influence at all?

**STINNER:** I think we did a calculation-- in fact, I know we did a calculation with the CFO to make sure that we were well within compliance to maintain at least our AA rating. We're pretty confident that that's the case. Extending the maturity out to 40 years and the amortization associated with that extends it out further, and we think we can get less than 3-- 3 percent or less on-- on an interest rate factor. Over-- and what it does is it squeezes down. We're going to try to get this deferred maintenance under control. If it's \$800 million, the bond issue will take care of most of that. I'm going to say \$700 million or maybe 650, somewhere in that neighborhood. So that

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takes care of the short term. The beauty of this thing is funding depreciation. That's what I call it. You know, you got a 50-year building; you got 2 percent is 50 years. That's the magic of the 2 percent. So if one campus does \$20 million worth of repairs, then they have to, that campus, allocate a 2 percent to \$20 million, which is about 400-- what is that-- about \$400,000 dollars a year to be placed into the deferred maintenance fund. That will grow over a period of time because hopefully they've taken care of the deferred maintenance over, say, the next ten years, so ten years times that will give them a fairly good-sized fund in which to continue to address deferred maintenance issues. That's a short-term solution through the bond issue, long-term solution through the 2 percent maintenance fund. That's the only way I was going to do it. We have it in statute, so they have to comply.

**KOLTERMAN:** And correct me if I'm wrong, but the amount-- the amount that the dollar amount that you're talking about, that \$800 million or-- is it-- that's across all five of the campuses, isn't it?

**STINNER:** Yes. Yes. That's the university system.

**KOLTERMAN:** Including Curtis?

**STINNER:** You know, I'm not sure Curtis in that-- that analysis.

**KOLTERMAN:** They're saying it does.

**STINNER:** I do not know that. I know it's across the four-- the four major schools.

**KOLTERMAN:** OK, thank you.

**WISHART:** Any other questions? Senator Clements.

**CLEMENTS:** Thank you, Senator Wishart. Thank you, Chairman Stinner. A question, I see the state colleges are mentioned, is any of the \$2.5 million going to the state colleges?

**STINNER:** No, this is all University Nebraska is the 2.5. I did not include the state colleges in the 2 percent either. So the state colleges, because they're not as robust financially, I felt like if we just gave them the-- the privilege of going out, they got about an \$80 million number that they have to-- by extending or allowing them to go

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to the market in today's 2 percent, 3 percent world, they were able to secure some bonding and utilize that to-- to confront their deferred problem, the existing problem. I did not institute that because-- simply because they just don't have that financial capability. They're not as deep as the university system. But I'm-- we're-- what we're trying to do is really kind of install a really-- a financial discipline within the university that the Regents have agreed to so that they've kind of got a mechanism now to-- ongoing to-- to address the deferred maintenance problem. And I will say this, Committee. One of the things is, yeah, you look at the dollars that we're committing, the \$2.5 million, let's be proportional. I mean, if we add it to the 11.5 we have, we'll be at \$13 million. But over a period of time-- now we're sitting with a \$5 billion annual revenue budget. Growing at 4.5 percent, it doubles in 16 years, and that's even before. So if it goes to \$10 billion, when you look at the 13 over the 16-year period of time, it becomes a more insignificant number in terms of total revenue, but still taken care of and taking-- really kind of taking deferred maintenance off the table as a-- as a talking point.

**CLEMENTS:** Thank you.

**WISHART:** Any other questions? Thank you, Senator. Any proponents for LB588?

**TED CARTER:** Well, good afternoon again, everyone. Madam Vice Chair Wishart and members of the Appropriations Committee, hello again. Thank you for allowing me to speak to you twice in one day for the record. My name is Ted Carter, T-e-d C-a-r-t-e-r, and I am president of the University of Nebraska system. Mr. Chairman, I want to thank you for your excellent opening remarks and your leadership in bringing LB588 forward. As you mentioned, this has been a true team effort. We've been honored to partner with you, and I could not be more pleased with the proposal that you have before you today. As university president, I'm often asked, what are the issues that keep you up at night? Many nights it's the state of our physical plant. Senators, I'm going to be candid with you. We have an \$800 million challenge out in front of us. We are not unique in this regard. Most colleges and universities around the country are dealing with rapidly aging infrastructure. The bad news is that this has been a problem for us for far too long. The good news is that here at Nebraska, we have a plan to do something about it. LB588, the result of many months of collaborative work between the university, our Board of Regents, state

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leaders is a smart, responsible, action-oriented plan to take care of some of the state's most valuable building assets. It will ensure that our students and faculty have world-class facilities in which to teach and learn. It provides rigorous accountability, guardrails for our stewardship of Nebraska resources. And by taking advantage of the historically low interest rates that Chairman Stinner mentioned, our plan to repair and renew our buildings over the next 40 years represents major savings to the taxpayers to the tune of \$1.5 billion. I'm going to say that again. This plan saves Nebraska taxpayers \$1.5 billion. In short, this plan changes the trajectory of how we address deferred maintenance at the University of Nebraska. I believe it's a win all the way around for our university, for the state, Nebraska taxpayers, our faculty, our current and future students, not just the 52,000 who are enrolled today, but for many generations to come. So let me back up and give you a brief history of how we got to this point. If I were in your chair, the first question I would ask is how the university's deferred maintenance backlog could have grown so large. I want to assure you, I've spent a great deal of time studying this issue over my past 14 months. The simple answer is that, like many other institutions, we experienced somewhat of a building boom in the 1960s and 1970s. More than a third of the university's buildings are 50 years old or older. And by the way, that is the life expectancy of an academic building. Another 20 percent are 25 to 50 years old. Put another way, more than half of the University of Nebraska's 900 buildings were constructed before today's college students were born. These buildings are simply reaching the end of their natural lives and the repairs needed to keep them safe and functional for the 21st century education and research that have outpaced the available dollars. Certainly we've been able to make some dent in the backlog, a credit to your leadership and vision. We've enjoyed a productive facil-- facilities partnership with the state for over 30 years that has resulted in some remarkable successes for Nebraska. Consider Discovery Hall at the University of Nebraska at Kearney, which recently opened and will educate the next generation of our state's STEM workers, or the remodel of the engineering facilities at UNL, which will position us to become a premier engineering college in the Big Ten and produce many more highly skilled graduates for our workforce. These are true success stories for all of us, and I hope they demonstrate to you that we have been good stewards of the resources that you've entrusted to us. Even so, the fact is there is a significant need to do more. In a few minutes, you'll hear from one of

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our students who will share with you why high-quality facilities are so important to the student experience. I consider facilities to be a crucial part of our recruitment and retention strategy. I think the past year has reminded us just how valuable the on-campus, in-person learning experience really is. Yes, online education, as I talked about earlier, represents an exciting opportunity to expand access for certain student populations. But students have told us again and again how much they enjoy being together on campus, living and learning with each other and working side by side with our faculty. The brick-and-mortar college experience isn't going away. An investment in a building is an investment in the future leaders of our state. More than that, any way you look at it, the plan before you makes good business sense. Chairman Stinner has articulated the business case to you very well. Interest rates are at the lowest we have seen in our lifetimes and not likely to go lower, only go higher. In likelihood, they do have nowhere to go but up. If we act now, we have the opportunity to get the most purchasing power out of our dollars and save future Nebraska taxpayers valuable money. On the other hand, if we do not act, our \$800 million problem will simply get more expensive every year. So we can pay now or we can pay much, much more later. In fact, we've run the numbers. If we do nothing-- in other words, if we let our current deferred maintenance partnership expire as scheduled in 2031-- we estimate our backlog will grow to \$2.3 billion by 2062. And if we were to follow the same strategy as we have in the past, issuing bonds over ten years, every ten years, to address our capital needs, we'd still have a \$1.5 billion problem in 2062. But if we act as proposed in LB588, we reach a completely different outcome. By extending our existing partnership through 2062, 2063, as Chairman Stinner addended-- we have \$2.5 million in new funds to be matched by the university-- and requiring the university to create a 2 percent depreciation fund for new projects, I am confident that we could address most of the university's deferred maintenance needs, about \$700 million over this 40-year period. In the process, we'll save taxpayers \$1.5 billion, as I said before, while creating a long-term, sustainable building maintenance funding model to prevent us from ending up in the same position at the same point down the road, and we will do it all in a way that preserves our commitment to transparency on how we spend taxpayer dollars. This is a high personal priority for me. LB588 requires the university to produce a biennial report on proposed construction projects and five-year capital construction plans that will ensure regular opportunities for the

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Legislature, the Governor, and all Nebraskans to review our work and provide feedback. Furthermore--

**WISHART:** President, we're following the light system. I will ask you just to wrap up here.

**TED CARTER:** OK, yeah, I'm just-- a minute left. Furthermore, the required 2 percent assessment means the university will be held to a high standard of diligence and care in how we deploy our capital dollars. We'll use own-- our own money for the 2 percent fund, ensuring skin in the game for the university, as well as internal-external accountability for our spending. I know we're talking about a lot of money and a long timeline. This is a big payoff and I am very, very excited for the future. Now is the time to do something different. Mr. Chairman, Madam Vice Chair, thank you again for your leadership in sponsoring this important proposal, and thank you to the committee for this commitment to our 52,000 students. I'm more than pleased to take your questions.

**WISHART:** Thank you. Senator Kolterman.

**KOLTERMAN:** Thank you, Senator Wishart. President Carter. This-- this is a huge undertaking, but at the same time, it's probably, you're correct, it's well worth the money that could be invested. Just so I'm clear, when-- when you build a new facility, so like we just-- a year or two ago, we finished the Business College and we got the brand new facility up there. You know, we aren't going to have a lot of deferred maintenance with that for a while. Do you fund-- do you fund future maintenance and future aspects of that building when you build that building going forward, or is that type of thing going to also be included in this long term?

**TED CARTER:** Senator Kolterman, we have not done that in the past, and that is not what is necessarily on the table here, but it is something that we are exploring for how we make sure that when we put money towards any new building, that we're investing in its future with a sustained maintenance plan. To be clear, this plan, by the year 2063, takes the state of Nebraska out of funding us for maintenance sustainability. We become self-sustainable. There's no other university in the country that's even thinking like this. And this will save taxpayers, you know, literally hundreds of millions of dollars for the next generation after generation after generation to

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come. I get it. It's a big amount of money that comes up-front to do this. But this gets us out of that every-ten-year game and it gets us out of this backlog. I think it's the best business case model I've ever seen for how to build a sustainable plan. I will share this. In my previous institution, at the U.S. Naval Academy, where we were funded by federal dollars, we're-- we're in a chase-your-tail plan right now that's costing the federal government hundreds of millions of dollars because they didn't do this. So, you know, with my team and Senator Stinner's business acumen, I'm really proud of the idea that we can get ourselves out of this and not go into this spiral of deferred maintenance.

**KOLTERMAN:** Thank you.

**WISHART:** Senator Dorn.

**DORN:** Thank you for being here and visiting about this. Explain the 2 percent, I guess, a little bit more, or give a little more details. Every time-- the nuts and bolts is every time you build a new building, 2 percent will go into a fund.

**TED CARTER:** Right.

**DORN:** How will that be access or how will that be built up or what-- what's the qualifications for that, or the guidelines?

**TED CARTER:** Yeah, I'll-- I'll give it to you in this way. We're basically talking about banking \$12 million within the university system per year once we enact this, and that, over 40 years, we'll have a big enough fund so that we will now be able to sustain our physical plant. That's the simplest way to answer that.

**DORN:** But when will you be able to, I call it, use those funds, or are they just going to sit there and build up for a period of 10 years, 15 years, or what does that part of the program look like or don't you have that, I guess, planned out yet?

**TED CARTER:** Right. Right. I want to be clear that this is not a 2 percent depreciation on new buildings. This is on sustained maintenance, so that's where the 12 percent on a depreciation of the overall infrastructure comes in. We would use the money that is built into the state, so we're talking about \$13.5 million a year, plus the \$4.4 million that's already in the bill. We would match that at the

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university level all the way through 2062 going into 2063. At the end of that, now we have this depreciation bank of money that will now be ready to take over all of those monies that come in previously.

**WISHART:** Senator Hilkemann.

**HILKEMANN:** So, President Carter, am I to understand this is sort of like a 401(k) for the university as far as its building project?

**TED CARTER:** That's-- that is not an inaccurate assessment. That is--

**HILKEMANN:** OK.

**TED CARTER:** --probably closer to accurate in terms of how we get out of this by making sure that we've got a savings account that can cover our deferred maintenance costs.

**HILKEMANN:** Yeah. OK.

**WISHART:** Senator Clements.

**CLEMENTS:** Thank you, Senator Wishart. Thank you, President Carter. I had a question about the \$2.5 million match. You've already talked about big cuts. And are you sure that you have that put in your budget to fund it?

**TED CARTER:** If the 2.5 additional money didn't come, is that what you're talking about?

**CLEMENTS:** No. If-- if this is approved, it requires a \$2.5 million match by the university.

**TED CARTER:** Right.

**CLEMENTS:** And are you prepared to match it?

**TED CARTER:** Yes. It'll take a little more discipline, and we know that that's not an easy task, but we're committed to this, yes.

**CLEMENTS:** And are the Board of Regents involved in this directly?

**TED CARTER:** They are. I have given them a detailed brief on this. They fully support. You'll be hearing from Regent Bob Phares, who's got a long-term position as a Board of Regent to talk a little bit about the

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history. And I-- I probably ought to be clear. I talked about the challenge of the problem here. I would give a lot of kudos to the Board of Regents because, given the situation, they've actually done a good job, given the funding that we have, to make sure that we've been able to take care of the most immediate needs, the deferred maintenance. But over time, this has built up to an \$800 million backlog.

**CLEMENTS:** And I missed asking a question on your previous testimony. You mentioned being about \$130 million short of revenues. How much of that was from athletics or not from athletics?

**TED CARTER:** Yeah. You know, I know Athletic Director Bill Moos has spoken to the press recently. I heard a number that was in the \$40 millions. My data shows that it was closer into the \$70 millions. Now there are some other offsets that come that are-- haven't all been realized yet, and that's usually through the Big Ten Network, so we've been very fortunate with some of the TV revenues that come in. So that may be offset when it's all said and done but, as you know, I mean, on athletics, we're not putting anybody in any stadium right now. I'd like to think we may be able to put some people in a baseball stadium when we start playing. And we don't even know what the fall is going to look like. I'd like to sit here and tell you that we're going to have a half, three-quarters, or a full stadium, and I guess it'll depend on the vaccine. But we've got to be thinking through this long term because Husker Athletics is-- even though it runs on its own merits, not on the state tax dollars, it does have other implications to the overall university and particularly UNL.

**CLEMENTS:** And back to-- you said that brick and mortar is not going away.

**TED CARTER:** Right.

**CLEMENTS:** But we've seen a lot of movement toward online classes. You mentioned worldwide online students. Are you thinking about maybe retiring some buildings rather than repairing them?

**TED CARTER:** Well, we certainly will retire some buildings when we need to. And of course, we just recently did a significant one, the Otto Olsen building out at UNK, built in 1954. I mean, 1954, that building was supposed to be out of service in 1974, and yet we're-- we haven't

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razed it yet. So, you know, we put up Discovery Hall for a \$30 million price tag to replace that. And that's a smaller building, but it's more purposeful for what it'll do as a classroom of the future. I will tell you that if you were to look at, you know, the Chronicle of Higher Education surveys that are done for students nationwide, for all of the roughly 5,000 public and private universities in our country today, three in four students say they want to go to campus. And by the way, that's accurate right here in the state of Nebraska. It's one of the reasons that we worked so hard with UNMC and our partners and made that declarative statement in May of last year that we'd be open in the fall. And I would tell you, that's one of the reasons our enrollment grew, because students want to go through that critical time in their life. This is a period of time when a 19- to 24-year-old is not going to just grow intellectually or grow emotionally. They're going to grow socially, and you can't grow socially and emotionally through a screen. So our students, our families, they want our students to have that true, full experiential education. So I would tell you that brick and mortar is not going to go away. And remember, when I talk about 900 buildings, roughly about 600 of them are in this category that are academic buildings. By the way, UNL owns 600 of the 900, just to give you an idea of the size and scope that we're talking about here, but 600 are buildings that we don't call auxiliaries. Dormitories, athletic facilities, those get funded through different means. These are just the academic buildings in which we teach and learn. So, you know, having a sustainable plan is important because I can tell you there is no family that walks a campus that doesn't look at the infrastructure and the facilities, and if it's crumbling or it's bad, they're going to make a decision and it's going to be with their feet.

**CLEMENTS:** Thank you.

**WISHART:** Any other questions from the committee? Seeing none, thank you, President.

**TED CARTER:** Thank you all.

**WISHART:** Any other proponents for LB588? Good evening.

**BOB PHARES:** Good evening. Vice Chair Wishart, Appropriations Committee members, I'm honored to be with you today. My name is Bob Phares, B-o-b P-h-a-r-e-s. My parents obviously didn't know how to spell, you

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know, when they did that. I represent District 7 on the University of Nebraska Board of Regents, which covers the western portion of the state. I also had the privilege of serving as the vice chair of the board this year, and in the immediate past year the business and finance committee, which is responsible for oversight of the university's budget, financial, and business matters. I'm here, along with President Carter, to express our support for LB588 and to share with you why I think this plan makes good sense. I'm grateful to Chairman Stinner for bringing this proposal forward and for his leadership and wisely stewarding taxpayer dollars. Mr. Chairman, I think you said it best when you said, let's try to stretch every dollar as far as we can make it go. And from one financial planner to another one, I think this plan will do that. Let me tell you a story that happened in my district not too long ago and I think really illustrates why deferred maintenance is such an urgent, ongoing, and sometimes unpredictable need at-- at the University of Nebraska. In Curtis, we have what I call a fifth campus on our university, the two-year Nebraska College of Technical Agriculture, and at NCTA we're helping to educate the next generation of Nebraska's ag workers. And I can't miss the opportunity here to tell you that NCTA is ranked number one in the country among two-year colleges for career outcomes. Now they measure that on the basis of job availability and starting salaries, and that's the kind of results we want to deliver in our university system. Well, last winter, the steam tunnel that provides heat to the dorms at NCTA suddenly collapsed. Last winter wasn't as bad as this winter, gratefully, but that's an emergency. We can't allow students to go without heat. So the vice chancellor made a call and we acted quickly and became the purchaser of a large number of space heaters that we tried to get going to keep our students in the dorms warm. Senators, deferred maintenance is a real issue, and it matters not just to the quality and competitiveness of our students' learning and their living environment, but also their safety. Those of us who are homeowners certainly know all too well the kinds of unexpected repairs that seem to pop up-- dealing with one at my house right at the moment. Now we multiply that across the entire university system and we've got a physical plant worth some \$5 billion. We've benefited greatly from your deferred maintenance partnership-- partnership with us over the last 30-plus years, but as President Carter mentioned, the needs simply exceed the available dollars. It's not a new problem. I've served on the board since 2006. Deferred maintenance has been a challenge that we've been fighting with and

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working with that entire time. The board has wrestled with the issue over and over again, looking at different ways to maximize our dollars, get the best return on our capital investment. Our administration, I think, has done great work. But it's clear to me, after 15 years, we're not going to solve this whole problem without a bolder, longer-term plan. Just so you understand-- let me divert from this just a second and say that we have been setting aside deferred maintenance funds in two categories of buildings that we build on our campuses. One is parking facilities and the other, dorms. And those are places that generate their own revenue, and so we've taken a portion of the building and-- cost and set it aside. And then we take a portion of the revenue that comes in and set that aside in order to be able to come back in those dorms and parking garages that we've built in the last little bit. We didn't-- we haven't always done that. So we have some that are older, don't have those funds, but we have some where we do have some funds available, so it isn't something that we have totally ignored. I think this is a good plan. I share Senator Stinner's mind-set about making every penny count, and I think it's a major investment, but I think the reward is incredible. The risk of doing nothing is just too great. I think President Carter's put out a very bold five-year strategic plan, and that plan calls for the development of comprehensive capital plan that's going to include facilities, infrastructure, and going to include deferred maintenance so we can bring things up and make them aware and we can deal with them as we go along. If that robust planning had been in place, at least the steam tunnel that I talked about earlier would have been on everybody's radar. It might not have avoided it, but hopefully it would have. Taking care of this as a key element of the plan and we certainly need to get at it. Ted's sets us out in a new direction. I think it's a win for our students. It's a win for the taxpayers. And I think it provides accountability for the administration and our board to you and to the citizens, so I think it's a visionary proposal. I'm delighted to be here to say I'm in support of it and the board that I represent is as well. Thank you. If there are some questions, I'd be glad to deal with those.

**WISHART:** Any questions from the committee? Senator Hilkemann.

**BOB PHARES:** Yes, sir, Senator Hilkemann.

**HILKEMANN:** No question, I'm just going to make a comment.

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**BOB PHARES:** Sure.

**HILKEMANN:** I just-- yesterday I happened to be on the campus of Arizona State University. I hadn't been there since 1995 when we had that wonderful event called the-- the Fiesta Bowl or Tommy Frazier ran all over Florida. You would never believe that campus today that it was from-- was 25 years ago. And it is all the new buildings that they've done and it's the-- as President Carter had mentioned, if we don't keep up with, we're not going to be competitive.

**BOB PHARES:** Yeah.

**HILKEMANN:** And I-- I'm amazed what we've done here locally over the-- over the years that-- but we've got a long ways to go and we've got to-- and we've got to compete with these universities, so--

**BOB PHARES:** Agreed.

**HILKEMANN:** And it brought back awfully wonderful memories. [LAUGH]

**WISHART:** Any other questions? Seeing none, thank you, Regent.

**BOB PHARES:** You're very welcome.

**WISHART:** Additional proponents?

**VERONICA MILLER:** Good--

**WISHART:** Welcome.

**VERONICA MILLER:** Good evening, Chairman Stinner, Vice Chairwoman Wishart, and members of the Appropriations Committee. My name is Veronica Miller, V-e-r-o-n-i-c-a M-i-l-l-e-r, and I am the student body president and student Regent at the University of Nebraska-Lincoln. I'm from Crete, Nebraska, and I am double majoring in political science and Spanish. Thank you for the opportunity to speak to you all today. I am here on behalf of the 52,000 students of the University of Nebraska System, from UNL, UNO, UNK, and UNMC. We attend different campuses, we are in hundreds of different areas of study, and we all spend our time on campus in different ways, from learning in large lecture halls to working collaboratively in smaller classrooms, to practicing in performance venues, to spending time with friends in the union, to completing research in a lab. What we have in

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common, though, is a desire for safe, modern, high-quality buildings where we can learn, study, and grow. That is why I'm so excited about the proposal from Chairman Stinner that you are considering today. This plan is going to benefit students like me for many generations to come, and it has the potential to attract and retain even more students and faculty who would give a second look to the University of Nebraska because of the strong partnership between the state and the university to keep our buildings competitively up to date. From a student perspective, I can tell you that the overall student experience, especially the actual look and feel of the buildings on campus, is a major factor when young people decide where to go to college. When students visit a campus, they want to see where they will be living, taking classes, studying, and meeting friends. They want to know that buildings are accessible and safe. They want to see facilities that match the world-class education they have been promised. They want to know that the buildings where they'll-- they will be doing lab work, research, and experiential learning are up to date and appropriate for educating future nurses, engineers, teachers, and artists. I know faculty have the same considerations in deciding where to work. To put it simply, our facilities matter. Speaking as a UNL student who works closely with my Big Ten counterparts, I know that facilities are an important part of our ability to stay competitive in the Big Ten, and the same is true for our world-class Medical Center, our metropolitan university, and our residential campus. From a Regent perspective, I want to echo what President Carter said about the strong business case for this plan. During my time as student Regent, I've had the privilege of sitting on the board's business and Finance committee, which has given me a front-row seat into how the board and administration make business decisions. Anytime a proposal comes to us, the question we always ask is, is this a good use of our resources? We have a high standard for what we approve and support. As a student, it has been gratifying to see how carefully decision makers evaluate business proposals and how students always come first. I have total confidence that the university would exercise the same care, the same level of care in determining the best and most impactful use of these valuable dollars. I think LB588 is a smart plan to take care of urgent needs at our university, as well as a smart investment in the future leaders of Nebraska. As students, we are so thankful that you work hard to make sure we get an affordable and high-quality education. Your support of a proposal like this would send a strong message to students as they make decisions about their

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future. Thank you again for your time and I would be happy to answer any of your questions.

**WISHART:** Thank you for joining us. Any questions from the committee? Seeing none, thank you.

**VERONICA MILLER:** Thank you.

**WISHART:** Any more proponents? Good to see you for your third time out tonight,

**PAUL TURMAN:** Third time, and I'm at the right time. That's-- that's what's important.

**WISHART:** Welcome.

**PAUL TURMAN:** Well, good evening, Vice Chair Wishart, members of the Appropriations Committee. Again, Paul Turman, spelled P-a-u-l T-u-r-m-a-n. I'm the chancellor of the Nebraska State College System. Appreciate the opportunity to be able to testify in support of LB588. I think it's quite evident that the Legislature of the State of Nebraska is continuing to really support the state colleges in our ongoing efforts to make sure that we have strong facilities and facilitating maintenance and repair of those facilities over the long haul. One of the things that references, and I just give you a little bit of context to the various bills that are tied within there and the history of that, so LB957 was something that was supported in 2016 that funded three different projects within the State College System, and it was actually an extension of LB605 from 2006. And so it was our football stadium complex at Chadron, as well as the performing arts center renovations at Peru, and then the opportunity for us to be able to put the Center for Applied Technology at Wayne. So LB297 is also something I spoke to you earlier this afternoon about, which is an extension of LB198 from 2013, where we were able to utilize those commitments to support the math-science facility that we are working to have ready for students in 2022. And so these projects are critical. And I think you see that pattern that as we have bonding expire, we identify our priorities, articulate those priorities to the Legislature, and get-- and ask for, at least, ongoing support to recommit those to what those priorities are into the future. I think one of the advantages that we had when we brought forward LB297 two years ago, was that the intent originally was to delay our ability to

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go out for bonding until actually this biennium. And we worked with the committee to go out earlier, have Chadron provide the first year of the bond payment. That actually allowed us to get out into the market at a very good time and generate additional revenue beyond what we had expected. And I think you're hearing those-- those comments with the testimony today that the savings potentially for the state or our ability to actually utilize more of the state's dollars for a greater investment in our students comes through with this particular proposal. Right now, I think you see this 1,000 number in the testimony from Chairman Stinner. A thousand buildings within the state colleges and the university system, 105 of those within our environment as well, so \$516 million worth of replacement cost for those facilities. It's about 363, 364 things that are outside of the revenue bond portfolio, but a great number of facilities that continually need to be updated, and I think you see math-science is a very clear example, a building built in the late 1960s that we waited almost 50 years to then remodel and do an addition in so that students really could get a very alternative look at the way that teaching and learning is transpiring right now. Not only does-- do we have a backlog of about \$80 million in that sequence of buildings that's in alignment with what the university system-- we're about 10 percent of their building structure, 10 percent of their total allocation for the General Fund, and we're seeing that within our own maintenance and repair structure as well. And so what we would continue to argue is our ability to continue to invest allows us to do basically four things. It provides that critical outreach facilities that the Panhandle, that northeast and southeast Nebraska need to go to our campuses to get ongoing engagement, education, and our ability to recruit those students. You need facilities to do that. I talked to you earlier about increase in enrollment that we get from a new facility. Rangeland science is a prime example. We expect the same thing from the CAT. We expect the same thing from the-- the-- the Chadron facility here soon. It's also important in faculty and staff recruitment, something that hasn't been discussed today. The ability to-- to bring in faculty and show them new facilities is one of the ways to attract them, but also to retain them at the institutions once we've gotten there. We find that to be very difficult in a place like Chadron that we lose oftentimes our faculty or have an inability to attract them, and I think just simply upgrading those new teaching and learning activities. I think the one thing I would caution-- we're very supportive of this proposal and what it could mean for our

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ability to invest in a number of projects. Senator Erdman, I had the opportunity this last fall to visit with you as you toured Chadron and the impact that you can see with like the 309 Task Force, there is not a building on that campus that funds from that great program that the state has invested in, has continued to touch and allow us to do so many great things, I would hope that we'd still be able to come forward with those types of requests on top of this as well. And we anticipate that in the future we may have additional facility requests that we would not feel that this should negate us from being able to do that. But I'd be happy to answer any questions that the committee might have from the State Colleges.

**WISHART:** Well, thank you. Any questions? Senator Hilkemann.

**HILKEMANN:** I'm just going to-- I'm just going to make a comment, and I thank you for your comments. And having seen that science building out there when I first-- the first trip I went out there, I thought, how do you recruit any science students here, because it was that-- it was in that bad shape. And I-- and you will see an increased number of them. I've been on this committee for six years, and this is a compliment to President Carter and those who have spoken for the university. I appreciate the optimism and the can-do attitude that I'm seeing from the university here now. That certainly wasn't the way when we first-- when I first got here. It was more, we've got to have, we got to have, we can't make all these cuts. I appreciate that, you know, with LB58, with the testimony we've had with Agency 51 today, makes me feel good and I'm glad that you're presenting an optimistic picture because the best is yet to come. And-- and I'm glad that you're thinking long term on this and that you're coming up with a plan that the university can and-- or the state colleges on that. Education still is the best investment that we can make-- with the university and with our state colleges and in our community colleges, that the state can make.

**PAUL TURMAN:** Thank you.

**HILKEMANN:** Thank you.

**WISHART:** Any other questions from the committee? Thank you so much.

**PAUL TURMAN:** Thank you.

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**\*BRYAN SLONE:** Senator Stinner and Members of the Appropriations Committee, my name is Bryan Slone, President of the Nebraska Chamber, and I'm here today on behalf of our members in support of LB588. The University of Nebraska is an important partner in the economic future of our state and the growth of our skilled workforce. Operationally, the University has a serious deferred maintenance backlog on its facilities. These facilities are state assets, and the state of Nebraska has a vested interest in ensuring these facilities are maintained both efficiently and effectively. Due to inflation, this problem gets more expensive to address with every year, so it is important to have a common-sense plan that avoids excessive long-term burdens or budget surprises. University President, Ted Carter, has highlighted that a long-term solution is needed to address facility challenges statewide in his 5-Year Strategy. Accordingly, LB588 allows the University to take advantage of low interest rates to avoid some of these inflation challenges and extends and increases deferred maintenance appropriations for 40 years with a dollar-for-dollar match from the University. LB588 also requires the University to establish a 2% revolving fund to make sure that this deferred maintenance backlog does not occur again moving forward. The bill applies business principles of reducing risk and liability through disciplined fiscal management and long-range planning. It also ensures that the Legislature and taxpayers are provided regular reports to provide oversight and transparency which is essential. The Nebraska Chamber believes higher education in Nebraska is vital to its economic development. But the Nebraska Chamber also encourages greater attention to cost effective funding for post-secondary institutions, with appropriate transparency and accountability measures and opportunities to improve the operating effectiveness of those institutions. LB588 appropriately funds the University of Nebraska, provides for operating effectiveness and institutes accountability measures. For these reasons, we support LB588.

**WISHART:** Any more proponents for LB588? Any opposition? Any neutral? Chairman, would you like to close?

**STINNER:** I'm going to pass.

**WISHART:** So--

**STINNER:** I think we've covered enough for today.

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**WISHART:** We do have 11 letters of support for LB588, and that closes  
our hearing for this bill and our hearings for the day.