

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 24, 2022
Rough Draft

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

ERDMAN: My name is Steve Erdman. I represent District 47, which is nine counties in the Panhandle.

CLEMENTS: Rob Clements from Elmwood, District 2, Cass County and eastern Lancaster.

McDONNELL: Mike McDonnell, L.D. 5, south Omaha.

HILKEMANN: Robert Hilkemann, District 4, west Omaha.

STINNER: John Stinner, District 48, Otoe, Scotts Bluff, Banner, and Kimball Counties.

WISHART: Anna Wishart, District 27, Lincoln and Lancaster County.

KOLTERMAN: Mark Kolterman, District 24, Seward, York, Polk County.

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

DORN: Myron Dorn, District 30, which is all of Gage County and part of Lancaster.

STINNER: Assisting the committee today is Tamara Hunt, and to my left is Clint, our fiscal analyst, Clint Verner. Our page today is Justin Wendling. At each entrance, you will find green testifier sheets. If you are planning to testify today, please fill out a sign-in sheet and hand it to the committee clerk when you come up to testify. If you will not be testifying at the microphone, but you want to go on record as having a position on the bill being heard today, there are white sign-in sheets at each 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. To better facilitate today's proceedings, I ask you to abide by the following procedures Please silence or turn off your cellphones. Order of testimony will be introducer, proponents, opponents, neutral, closing. We ask that when you come up to testify that you spell your first and last name for the record before you testify. We also ask that you be concise-- concise. It is my request that you limit your testimony to five minutes. Written materials may be distributed to the committee

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 24, 2022
Rough Draft

members as exhibits only while testimony is being offered. Hand them to the page for distribution to the committee and staff when you come up to testify. We need 12 copies. If you have written testimony but do not have 12 copies, please raise your hand now so the page can make copies for you. With that, we'll begin today's hearings with LB1072.

McDONNELL: Thank you, Senator Stinner and members of the Appropriations Committee. My name is Mike McDonnell, M-i-k-e M-c-D-o-n-n-e-l-l. Represent Legislative District 5, south Omaha. I'm here to introduce LB1072. COVID has impacted low-income populations harder than anyone. The health and disparities and economic impacts on low-income individuals has unfortunately been even harsher during the COVID situation. That is why Congress highlighted aid to these individuals by qualified census tracts in the American Rescue Plan Act. LB1072 would assist these populations by investing in a financial success program. LB1072 would appropriate one million ARPA dollars for a contract with a post-secondary institution that is partnering with FQHC to implement a financial success program. An integral piece of this program is providing healthy foods to participants. The ARPA funding would be used for the cost of the food to these impacted individuals. Creighton University offers a financial success program to low-income individuals. This is an established program where participants have seen a 20 percent increase in salary, reduction in smoking and reduction in avoidance of needed medical care due to cost. Creighton University received two million grant from the Diabetes Care Foundation to extend the program to a larger group of Nebraskans. The target enrollment will be 300 participants in this program. This program is proven and targets the population hit hardest by COVID. This is one-time request and not an ongoing cost to the state. I believe the results of this program will be beneficial to the state through reduced health care costs and upward income mobility. I'd like to-- I'd like the committee to know that there was a number of people that would like to testify, and we had a number of people contact us, but we asked for only three testifiers today based on, we know there's been a number of long hearings this committee sat through.

STINNER: Thank you very much for that. Any questions? Seeing none, thank you.

McDONNELL: I will be here to close.

STINNER: Afternoon.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 24, 2022
Rough Draft

GINA TOMES: Good afternoon, Chairman Stinner and committee. Thank you so much for this opportunity to be here today. My name is Gina Tomes, G-i-n-a T-o-m-e-s, and I am the co-founder and director of a maternity home in South Omaha called Bethlehem House. Bethlehem House serves women who are pregnant and homeless that fall below the poverty line. We've been in existence for 17 years and we have never been stronger. Part of the reason why we have never been stronger is because of this financial literacy program. We have collaborated with Creighton and the Collaborative for nearly 10 years. It is a strategic program that digs deeply and not afraid to have uncomfortable conversations with families who have found themselves hopeless, who are chronically homeless for their life, who suffer from addiction, who are plagued with multiple-- multiple barriers. Bethlehem House is a one of a kind maternity home that strategically partners with these sorts of curriculums. I have witnessed with my eyes and with evidential proof that this program works, so much so that the University of Notre Dame is collaborating with us to provide even more causal evidence that we can share with the nation because of this financial literacy program. Eighty-six percent of our clients that transitioned successfully out of Bethlehem House end homelessness forever. They're maintaining their housing. They're finding jobs where they're able to support their families. They are no longer on government assistance and they are thriving. It is by far my-- my over 30 years of experience creating programs that affect families in a positive way, the number one program. We do not have enough education in our schools and in our communities, talking and dealing with families that are operating in crisis. They deserve better. This program is the answer. When we are creating our statistics and outcomes that will also be in this document that we'll pass out, I can firmly tell you that the honest to God truth is that this program makes a difference. What program in the United States even can say that they have a 86 percent success rate with financial outcomes? In our state, the great state of Nebraska and the best country in the world, there are opportunities and there are resources that are rich, and this program is one of them. It's intensive, it is nurturing and it provides child care. It provides healthy foods. It's having uncomfortable conversations and it's having resources that bridge these families into complete financial success. It's not easy. It's ongoing. There's aftercare options, but it truly works. And I see it with my own eyes and our families deserve this. They truly, truly do. So thank you so much.

STINNER: Thank you. Questions? Senator Hilkemann, I'm sorry.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 24, 2022
Rough Draft

HILKEMANN: Tell me what's the length of stay for some of your residents?

GINA TOMES: At Bethlehem House, the average length of stay is one year. They bridge successfully into our aftercare program and those services are offered for life.

HILKEMANN: And what's the length of time that they're doing this financial program of it?

GINA TOMES: Nine weeks.

HILKEMANN: Nine weeks. And you-- and you're using Creighton University as their-- as a resource?

GINA TOMES: Exclusively, only, yes.

HILKEMANN: Thank you.

STINNER: Any additional questions? Now is the Bethlehem House just a local or is it national?

GINA TOMES: It's local, but we've got to get it national.

STINNER: OK.

GINA TOMES: That's the next step. Thank you.

STINNER: Thank you.

NICOLE WHITE: Good afternoon.

STINNER: Afternoon.

NICOLE WHITE: Chairman Stinner and members of the Appropriations Committee, my name is Dr. Nicole White, N-i-c-o-l-e W-h-i-t-e, and I'm appearing in support of LB1072, a bill relating to appropriations of ARPA funding to support a financial success program for residents of Nebraska with financial instability. So I'm here today on behalf of Creighton, and I'm the co-director of the Cure Project, which is a project that was established to address financial instability and food insecurity in patients with type two diabetes in the Omaha metro area. The program works to mitigate both the economic harm and health disparities, which have been exacerbated by the COVID-19 pandemic in low-income households. Programming includes nine weeks of group financial education classes, followed by 12 months of one-on-one

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 24, 2022
Rough Draft

financial coaching. All participants also receive healthy food assistance that's delivered to their homes twice a month. A decade of research supports this novel program as an intervention to improve financial stability and the health of low-income families. Program participation has been shown to increase income by an average of 20 percent in one year. Ability to save money and pay bills on time. Participants also reduce the number of late paid bills, overdrawn bank accounts and receipt of utility shut-off notices. Over time, we realize the impact of this program is not just limited to finances. Program graduates report less financial stress, were more likely to quit smoking and less likely to avoid needed medical care because of its cost. We also know that nutritious meals that are provided to families with food insecurity improve their health and decrease their medical costs. A recent study from the Geisinger Health System out on the East Coast found that patients with diabetes who receive healthy food experience significant improvements in their A1C and blood glucose levels, both markers of diabetes control. We also found that families who are receiving these healthy foods has a significant reduction in their medical costs. Geisinger estimated that to be about 80 percent. So there's a tremendous need for this type of programming in Nebraska. The economic impact of the COVID-19 pandemic is falling more heavily on the shoulders of low-income families who, in addition to being among the hardest hit, are also the least likely to be able to handle the financial shock. Job loss, pay cuts and lack of financial cushion are all more prevalent in lower-income households. Recent Pew Center research indicates that 52 percent of lower-income households experienced a job loss or pay cut as a result of the COVID-19 pandemic, compared to 32 percent of upper-income adults. Fifty-three percent of families with lower incomes report inability to pay bills, compared with 11 percent of higher incomes and only 23 percent of families with lower incomes have a rainy day fund that would bridge them three months in an emergency situation, compared to 75 percent of upper-income adults. So these pandemic-related economic harms leave low-income households with diabetes less capable of paying for their medical needs. Their medications that they need, the testing supplies, the needed screenings. The increased financial stress also leads to more coping behaviors, so more alcohol, more tobacco use, more sedentary behavior and poor diet. As a result, risk for heart--heart disease and diabetes only increases. And this is very important in something that has increased as a result of the COVID-19 pandemic. The diabetes-related death in the United States has increased by 17 percent since 2020. That's higher than any other of the leading causes of death in the United States. We also know that about 40 percent of

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 24, 2022
Rough Draft

the death that we've seen related to COVID-19 has an underlying condition of diabetes. So the problems that are-- have been exacerbated by the COVID-19 pandemic in low-income households are almost certain to persist after the pandemic abates. Poor health is associated with decreased productivity, lower earnings, less saving, greater medical spending and delayed or inadequate treatment, further perpetuating this cycle of chronic disease in low-income adults. So LB1072 provides an opportunity to change the financial and health trajectory of Nebraska residents with lower incomes. The bill would allow us to expand our program through a one-time allocation of funds to reach a greater number of Nebraska residents who have been disproportionately impacted by the pandemic. The program recruits from clinics serving patients who reside in qualifying census tracts in north Omaha. Furthermore, the program is focused on promoting economic recovery and improving public health, both intended uses of the ARPA funding. So Creighton stands ready to partner with the state of Nebraska and Legislature for a quick and swift recovery from the COVID-19 pandemic and we welcome any questions or inquiries.

STINNER: Any questions? Senator Clements.

CLEMENTS: I did have one. The previous testifier talked about Bethlehem House, which make it sound like people residing in the Bethlehem house, but you sound like they're residing at their own home, which is it?

NICOLE WHITE: We have a number of community partners and Bethlehem House is one of the-- one of the groups that we've partnered with historically to provide the programming. So the individuals at Bethlehem House can reside at Bethlehem House. But we also take individuals who are living in their homes and through other community organizations in the Omaha metro area.

CLEMENTS: Oh, OK, thank you.

NICOLE WHITE: Um-hum.

STINNER: So this is a class situation. Do you have-- how many people do you have in a class at one time?

NICOLE WHITE: 15 to 20 people is the number that has been historically found to be the most conducive to the group learning in the nine weeks of the initial education and then the one-on-one financial coaching

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 24, 2022
Rough Draft

occurs the rest of the remainder of the year, and so it does go from a group setting to one-on-one.

STINNER: Okay, thank you. Senator Wishart.

WISHART: Has there been any conversations with energies with the-- with our treasurer who has a pot of money available for financial literacy and college savings and the opportunity to collaborate there?

NICOLE WHITE: I wasn't aware that that was available.

_____ : Didn't know that was available?

NICOLE WHITE: Yeah.

STINNER: Senator Kolterman.

KOLTERMAN: Again, how many-- how many people do you serve on an annual basis?

NICOLE WHITE: Well, so we-- the money that we receive from the Diabetes Care Foundation that's starting a new project with the focus on patients with type two diabetes is targeting 300 individuals over the next four and a half years. But historically, you know, the program has been in place for over 10 years, and I would say about 100 people is the target most, most years they're able to get through the program.

KOLTERMAN: Hundred people a year?

NICOLE WHITE: Yeah.

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

NICOLE WHITE: Thank you.

AMBER WADE: Hello. Thank you for having me. So my name is Amber Wade, A-m-b-e-r W-a-d-e. I am a crisis response specialist. I am also a graduate of both the Bethlehem House and financial literacy class. I'm here today as living proof that these programs work that I'm representing today. Before the Bethlehem House and Financial Success Program, I was currently homeless. I was asked before how many times-- how many homes I had lived in, and I could not answer that, but I could answer that I have never had a stable home. Since graduating successfully from the Bethlehem House and taking the tools-- the

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 24, 2022
Rough Draft

financial tools in education I've learned from the FSP class, I have lived in one home for the last three years. I pay all my bills on time. I have employment that I love and I'm parenting a healthy son. I have no debt and I know this is confidential but my credit score is 761. I'm not here to brag, but I am currently hitting a home run in life. I went from being on government assistance, ADC, food stamps, child care assistance to now making enough income not to rely on the government for assistance at all. I was an addict for 15 years of my life and since these programs, I have built a support system that helps me stay sober and be present in my son's life to be able to live the life God had intended me in this state and wonderful country of the United States of America. I am honored, blessed and privileged to speak on behalf of the men, women and children that will come before me-- that came-- that came before me and will come after me. And that's it.

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

AMBER WADE: Thank you.

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

McDONNELL: I'd like to thank the people that came down to testify today. A little clarification. Bethlehem House is funded 100 percent by individual donations, private sector. We also feel if you look at the fiscal note, we're looking at a \$2 million match from the private sector. This, combined with some of the past history, we think it can make a difference. We think it definitely qualifies for-- for ARPA and we ask for your consideration. Thank you.

STINNER: Thank you. Any questions? Senator Erdman.

ERDMAN: Thank you, Senator. Thank you, Senator McDonnell. Great testimony today. I appreciate that. The fiscal note said that the grant program developed under LB1072 would require appropriate staffing and infrastructure and to support the grant program until 2027. So what happens when this million dollar is used up?

McDONNELL: One time, hopefully that we can show success and then look for possible financial stability in the future to keep it going. But that's what we wanted to look at with the two million that it's mentioned in the-- in the-- the fiscal note, if you take a look at it from the private funding what's going on so far. This is a one-time

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 24, 2022
Rough Draft

spend, but I believe based on showing success like there has been in the past, we can look at private money for the future.

ERDMAN: Do you know what the budget is today?

McDONNELL: I do not.

ERDMAN: Okay, that's fine.

McDONNELL: I can find out.

STINNER: Additional questions? Senator Kolterman.

KOLTERMAN: Thank you, Senator Stinner. Thanks for bringing this up, Senator McDonnell. Has anybody reached out to the Department of Health and Human Services to talk about instigating something like this into their curriculum? Are you aware of anything like that?

McDONNELL: I am not.

KOLTERMAN: Like the Bridge to Independence, things of that nature.

McDONNELL: Yes, an (INAUDIBLE) too.

_____ : We are going to do a pilot with different people on Medicaid this year. Also I've run the financial success program. And so we're going to see if that all comes together.

STINNER: Just a moment, please. Would you come up to the-- and actually, I need you to sign-in. We take this testimony--

McDONNELL: You want me to-- do you want me to get the information, is it OK?

_____ : I could give--

KOLTERMAN: No, I can ask the question and I'll get the information from you.

McDONNELL: Thank you. Thank you, though for--

STINNER: We have-- we have recorded testimony, so anybody that responds has got to spell their name for the person who's transcribing.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 24, 2022
Rough Draft

KOLTERMAN: You know, the only reason I asked that question is because I served on HHS for four years and this is an opor-- this looks like a successful program that works, and we ought to be investigating more.

McDONNELL: We will get that answer in writing and get it to all the members of the Appropriations Committee.

KOLTERMAN: Thank you.

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

McDONNELL: Thanks.

STINNER: We do have one letter of support. No-- no opposition and no neutral. And that concludes our hearing on LB1072. We will now open with our hearing on LB1063. Senator Morfeld, you have changed.

JULIA HOLMQUIST: Thank you. I feel a little bit younger.

CLEMENTS: Improved.

JULIA HOLMQUIST: Thank you, Senator Stinder-- Senator Stinner and members of the Appropriations Committee. Senator Morfeld is finishing up a bill in another committee so he suggested I come down and visit with you. For the record, my name is Julia Holmquist, J-u-l-i-a H-o-l-m-q-u-i-s-t, and I'm here today on behalf of Senator Adam Morfeld to introduce LB1063, a bill to increase Nebraska's trained workforce by increasing the number of registered apprentices in the state. First of all, an apprenticeship is a formal method of job training. Unlike other training methods, apprentices learn a trade or craft through a program of on the job training an actual classroom instruction. Apprenticeships lasts from three to six years typically, and during this time, the apprentice spends 12 to 8,000 hours in training. By the end of the apprenticeship, an apprentice has developed skills and knowledge that are applicable throughout an entire craft or trade. LB1063 appropriates \$5 million in federal funds allocated to Nebraska from the Federal Coronavirus State Fiscal Recovery Fund to the Nebraska Department of Labor for the purpose of increasing the number of apprentices through the registered apprenticeship system. The bill further directs the department to focus on those individuals who became unemployed or underemployed due to the COVID-19 public health emergency. It also requires premium paid to existing apprentices who are registered and eligible pursuant to the federal American Rescue Plan Act of 2021. The COVID-19 pandemic has exasperated the need for skilled workers. There was a skilled

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 24, 2022
Rough Draft

labor shortage prior to the pandemic, and it has only gotten worse. It is clear that a bill like this is eligible for ARPA funds because of the workforce issues that were created over the past few years. This bill aims to put funding into apprenticeships with the goal of adding more skilled workers in our state. Many manufacturing companies, I.T. and skilled trades require extensive training in a world dominated by technology. Nebraska can become a hot spot to attract these industries and jobs to the state. As the Governor has noticed-- noted in the past, a skilled workforce is imperative for Nebraska to be competitive and a critical need for our state at the present time. Offering incentives for businesses who provide high paying apprenticeships is a great way to ensure that Nebraska is ready. Apprenticeship training programs ensure a properly trained workforce, which leads to better work outcomes, higher wages and affordable career. Making Nebraska's-- Nebraska workers more competitive and creating a climate to attract high paying jobs is the purpose of this legislation. I-- Senator Morfeld is also happy to work with the committee and stakeholders on ways to reduce the fiscal note and/or ensure funding is more targeted where it is needed. I urge your favorable consideration of this bill and I would not be happy to answer any questions. (LAUGHTER) Thank you.

STINNER: Do you have any questions, anybody? Thank you.

JULIA HOLMQUIST: Thank you very much.

STINNER: Are there any proponents?

JON NEBEL: Good afternoon, committee. Thank you for having me here today. My name is Jon Nebel, J-o-n N-e-b-e-l. I'm here on behalf of the IBEW Local 22 in Omaha, Nebraska. I think we can be supportive of this bill and I just want to make sure that we guide it in the right way to get two successful programs that are accountable to these apprenticeships and success rates. I want to thank Senator Morfeld for recognizing there was hardships in the construction trades over the last few years. A little bit of history about our industry is, we typically take in about 25 percent of the applicants into an apprenticeship each year. I think the message has gotten out that the trades are shorthanded and it's a good place to go find a career. So we do have a lot of people coming in, but capacity was maxed out probably in about 2018. So we decided to add on to our apprenticeship and try to double that capacity. So those hardships came once the pandemic came, and we could use these funds to outfit those training facilities and make sure that we could double our capacity and get

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 24, 2022
Rough Draft

more people into the trades with these programs. The main thing I want to do is get these funds into the already established programs that are showing success. They're self-funded programs, and we just would use them to supplement during this time to make up the worker training fund. Worker Training Board is a good place to put it. And when you talk about Department of Labor registered apprenticeships, the ones that really have the teeth in them, they would hold everyone accountable and have these good success rates are the federally registered programs. They put people in the classrooms right away, they put them on the job right away and-- and to make sure everyone is advancing in the program, the boss is on the job would evaluate the apprentices quarterly and monthly and take that information to the training directors to make sure everybody's working hand-in-hand. And that's why we do have that over 90 percent success rate in completing our apprenticeship and retention throughout Nebraska and having those careers. So that's where I would advise the funds to go. Any questions I can sure answer.

STINNER: Questions? Senator Dorn.

DORN: Some of these programs are out there now. Generally speaking, is there a match or something from the company or the entity that's going to have those apprentice?

JON NEBEL: So yes, our-- our program, I can speak for IBEW is self-funded. We have a labor management committee that would-- the contractors themselves contribute to it and us as electricians contribute to it as well, I think 30 cents an hour, is what we contribute to it.

STINNER: Very good. Senator Hilkemann.

HILKEMANN: Quick clarification. You said you think we can support this.

JON NEBEL: If they are directed in the right way. What I don't want to do is get in a situation where we're propping up apprenticeships that aren't that successful. I know ours is successful and I know that we wouldn't be in a situation if we were to get these funds that we would be coming back to ask for them to keep our apprenticeship going. We are stop it going, this would just be to supplement the last couple of years and make sure we can keep that expansion up.

HILKEMANN: OK. Thank you.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 24, 2022
Rough Draft

STINNER: Senator McDonnell.

McDONNELL: Jon, your history of success is hundred years?

JON NEBEL: One hundred and thirty.

McDONNELL: One hundred and thirty years. So you're getting the hang of it.

JON NEBEL: Yeah, I think we got a good outcome.

McDONNELL: Thank you for being here.

JON NEBEL: Um-hum.

STINNER: Additional questions? Senator Wishart.

WISHART: So was Mike McDonnell-- Senator McDonnell around when you started? (LAUGHTER)

STINNER: Any additional questions?

WISHART: You don't have to answer that.

STINNER: Thank you very much.

JON NEBEL: Thank you.

STINNER: Additional proponents?

ERIC KELLETT: Hello, my name is Eric Kellett, E-r-i-c K-e-l-l-e-t-t, I am with the Carpenters Training Institute. Thank you for your time today. I would like to just give you my testimony, if I could. So we support the ARPA allocations of five million to the Nebraska Department of Labor for the apprenticeship for workforce development. However, as carpenters, we believe the money should be targeted as a premium paid directly from the Nebraska Department of Labor to registered apprentices. Our last count was 4,710 apprentices, or 4,710 would put the premium pay around \$1,000 per apprentice. We request that this allocation of the ARPA fund to the Nebraska Department of Labor be distributed directly to the federally requested apprentice for their expenses. These funds would go towards obtaining tools and equipment these apprentices need for work to earn a living. Equipment like cold weather gear, quality work boots, quality tool belts and tools. These expenses-- or expenses for these items can be a heavy burden for an apprentice, so they often buy what they can and go

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 24, 2022
Rough Draft

without some of the things that they do need, like cold weather gear, especially on days like today when you're-- when you're working outside. All of them have worked during the pandemic. They were regarded as essential personnel. So this is similar to the bills for nurses and other essential workers, premium pay. During the pandemic, they continued to work on projects that kept the community running. They built bridges. They worked on expanding hospitals like UNMC, Emanuel and Children's, just to name a few. They worked on fire stations like Firehouse 34. They worked on schools such as Papillion, La Vista, South High School, OPS on 60th and L, and Carriage Hill Elementary. During the pandemic, a lot of the country began to attend school and work online. Our apprentices continued to show up day in and day out to work diligently on data centers like Vandalia and SRP, which helped sustain high internet volumes. Our Millwright apprentices, they worked to keep energy plants operation-- operating to sustain the increased needs of our community. They worked on power plants such as the Mid-America, Alliance and Fox Energy, just to name a few. They also worked diligently for food distribution centers like Papiio food and D&D food. We believe the legislator should have the department send the money to the apprentices directly since they are all individually registered with the department. Thank you for your time.

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

ERIC KELLETT: All right, thank you.

STINNER: Afternoon.

MATT SCOTT: Good afternoon. My name is Matt Scott, M-a-t-t S-c-o-t-t. I really just kind of want to echo what Eric was talking about here. This would mean everything to the apprentices. We are a proponent of this bill, but we would love to see the Department of Labor distribute that out to our apprentices directly, a \$1,000 apiece would make all the difference in the world to these guys. They travel to and from Omaha every day. They travel from Omaha to Lincoln every day to get jobs that cost them a lot of money. They don't make as much as what they should be making on the check. They're already a little bit underpaid, and sometimes their health insurance and benefits are paid at the full fringe rates. So getting them a little extra help of gas money, to buy a decent set of tools, a good harness, anything like that is going to help these guys out a lot. And so those wins-- our proponent.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 24, 2022
Rough Draft

STINNER: Very good. Any questions? Seeing none, thank you.

FELICIA HILTON: Good afternoon, Senators. Thank you for hearing the testimony today. My name is Felicia Hilton, F-e-l-i-c-i-a H-i-l-t-o-n. I'm with the North Central States Regional Council of Carpenters and I'm here speaking in favor of the bill. I'm speaking in favor of the bill, but I would like to address what my brother's over there we're talking about when it comes to the essential workers. When I've looked at the fiscal note on the bill, it basically says that most of this money will go to the Department of Labor to hire temporary staff. Hiring temporary staff for an issue that we think the DOL and the federal DOL are the gold standard when it comes to apprenticeships. They lay out all the standards, the apprenticeships, the apprentices that-- that learn under the apprenticeship programs that are governed by the DOL. They are top notch. That is what we consider in the industry for all of the trades, including if it's culinary or whatever type of apprentice you are, it's the gold standard if it's registered out of the DOL registration. So we think that it would be short-sighted to hire a bunch of temporary staff people to create something that the DOL already does. They already govern a ton of apprenticeship programs. We are governed by them. I don't think there's a reason to reinvent the wheel. I do think if there are employers that want to make this an investment that our employers make in the joint labor apprenticeship, labor management apprenticeship programs that we have, those contractors or businesses that make that investment in their employees, they make that investment for a lifetime. So if you're a four-year apprentice as a carpenter, that is them investing in you for your four years of tuition free education you earn while you learn. But you're also immediately with a job. So that's one thing that I think is overlooked by folks when we talk about apprentice-- apprenticeships. It's one hundred percent job placement. One hundred percent job placement. So there's no reason to reinvent the wheel when we're already doing this. But we do think that the gold standard that we believe the deal, the-- the apprenticeship programs and the DOL that we believe they are, we think that there's no reason to re-- to redo it. We feel that paying for eight full-time employees that are temporary to create another temporary program that isn't really going to help in the sense of what we're already doing, is just somewhat not what I would consider the trust-- the treasury guidelines for the ARPA money. Our apprentices worked during the pandemic. We had a number of people that ended up getting COVID, sick on the job. And as the Carpenter's Union and our contractors, we came up with COVID protocols. We have a test that everyone has on their

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 24, 2022
Rough Draft

train card. We all had to take it to know how to work during COVID, just like we would any other safety measure that we'd have to make for any other dangerous work-- working condition. So I think showing the apprentices that the state of Nebraska recognizes all the work that they did during the pandemic would be a great start for a number of young people to come into the trade. But I think recognizing their willingness to work through the pandemic is something that I think we should do for all of the essential workers. But I think that young apprentices being recognized in this way would be a great service to them and to encourage them to continue their education, encourage them to continue to be willing to learn and to be the next skilled person for the next generation. And so I would just-- I'd be willing to work with Senator Morfeld or anyone else on possibly amending the bill so that it isn't just paying for temporary workers to do something that we already do. And I think that the apprentices would put that money to great use because as you heard from our brothers, cold weather gear, steel-toed boots, a number of tools, I mean, a good hammer is 75 bucks. And a lot of our retirees donate their old tools, but if the apprentices could use this ARPA money, and since everyone is focused on apprentices, I think the DOL having the list of all the apprentices already registered, they have the direct access to really give the apprentices this money first, to hands on. So thank you for thinking of the apprentices and thank you for being willing to consider them and the work that they've been doing throughout the pandemic. But I think they would be really grateful to have this thousand dollars in their pocket, honestly. I think it would go a lot-- a long way than just paying temporary workers to reinvent the wheel. Thank you.

STINNER: Thank you. Questions? Senator Clements.

CLEMENTS: Thank you. Thank you. Ms. Hilton. When you say DOL, do you mean Nebraska Department of Labor or Federal Department of Labor?

FELICIA HILTON: The Nebraska Department of Labor.

CLEMENTS: State of Nebraska.

FELICIA HILTON: Yes.

CLEMENTS: And you think your experience is that they would have the ability to distribute this?

FELICIA HILTON: Yes, they have a list of every last single apprentice that's registered in the-- I think it's called the rapid system, but

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 24, 2022
Rough Draft

they have every single apprentice that's registered in the state of Nebraska and the state of Nebraska is doing great. I mean, we see 4,700 apprentices. It wasn't that high a few years ago. So we're all out there recruiting young people and trying to get them to take a different path. If they're not a student that can do the four-year college, we want them to know that you can do four years in an apprenticeship program. We're math on the ground. If you go into any of our training centers, you're going to see math that I mean, I definitely don't understand that, especially when it comes to Millwrights. I'm sure you'll see the same thing with electricians. So the math that they learn, it's top notch and we teach you that.

CLEMENTS: Thank you. That was all I needed.

FELICIA HILTON: Okay.

STINNER: Thank you. Additional questions?

FELICIA HILTON: Thank you.

STINNER: Seeing none, thank you. Additional proponents? Any opponents? Anyone in the neutral capacity? Afternoon, director, how are you?

JOHN ALBIN: I'm good. How are you, Senator Stinner?

STINNER: We're getting by.

JOHN ALBIN: Getting by, all right. Chairman Stinner and members of the Appropriation Committee. For the record, my name is John Albin, J-o-h-n A-l-b-i-n, Commissioner of Labor, and I appear before you today as the commissioner in neutral capacity on LB1063. As drafted, LB1063 would allocate \$5 million in federal funds to the Department of Labor to use to increase the number of apprenticeships through existing apprenticeship system and to increase premium pay to existing apprentices. Department of Labor recognize the value of apprentices and fully supports the Earn-- Learn While You Earn model. Department is committed to continuing to work with employers throughout Nebraska to expand the number and quality of apprenticeship opportunities available to Nebraska employees. However, the department faces challenges when attempting to oversee a rapid increase the number of high quality apprenticeship opportunities available to Nebraska workers. Apprenticeship creation and implementation is employer-led with the department playing a supporting role. The design and implementation of a high quality apprenticeship opportunity is a time and resource intensive process for the employer. While Nebraska

employers are supportive of the apprenticeship model, the level of employer investment needed to create a registered apprenticeship creates a constraint on the rate at which the department can expand these opportunities in Nebraska. In 2019, the department received \$840,000 in funding from the United States Department of Labor to support enrolling new registered apprentices throughout the state over a three-year period. The department has prioritized engaging and supporting employers across the state, leading to a significant growth in the number of registered apprenticeships, the development of new-- a new apprenticeship programs around Nebraska. However, despite these efforts and successes, as of December 31, 2021, 452,497 of the federal funding remains unspent. The department remains committed to expansion of the apprenticeship model and appreciates that Senator Morfeld recognizes the value of apprenticeship. However, experience teaches at the level of employer investment required will constrain the rate at which the department is able to increase the number of apprenticeship opportunities available in Nebraska. As drafted, LB1063 is funded through ARPA and all ARPA funds must be spent by December 31, 2024. This not seem feasible for this amount of funding to be appropriately spent on ARPA eligible apprenticeships in less than two years. Additionally, LB1063 allows for the funds to be used for premium pay for existing apprentices. Because this is funded through ARPA, it must comply with 31 CFR Part 35. In your federal regulations, only eligible workers could be given the premium pay to existing apprenticeships proposed in LB1063. Eligible workers are workers needed to maintain continuity of operations of essential infrastructure sectors, including health care, emergency response, sanitation, disinfection and cleaning work, maintenance work, grocery stores, restaurants, food production and food delivery. Pharmacy, biomedical research, behavioral health work, medical testing and diagnostics. Home and community-based health care assistance with activities of daily living, family or child care. Social services work, public health work. Vital services to tribes. Any work performed by an employee of a state, local or tribal government. Educational work. School attrition work. And other work required to operate a school facility. Laundry work, elections work. Solid waste or hazardous materials response and cleanup work requiring physical interaction with patients. Dental care work, transportation and warehousing, work at hotel and commercial lodging facilities that used for COVID-19. Mitigation and containment. Work in a mortuary. Work in critical-- clinical research, development and testing for the COVID response. Most of the existing record-- record-- registered apprenticeship programs in Nebraska do not fit in this definition, or department is not taking a policy position on

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 24, 2022
Rough Draft

using ARPA funds to award premium pay. It will be difficult to expand the full amount proposed in LB1063, and that concludes my testimony. I'd be happy to answer any questions.

STINNER: Senator Erdman.

ERDMAN: Thank you, Senator Stinner. So I've listened to your comments and I've concluded from those that you're not at all pleased with this bill, is that true?

JOHN ALBIN: The department has no position on the bill.

ERDMAN: You just read your opinion. You do have a position on this bill. You just said that ARPA funds do not qualify, this does not qualify for APA funds.

JOHN ALBIN: No, I don't think that's what I said. What I said is that there are limits. There's a long list of apprenticeships that can be-- receive the premium pay. What I am saying is that when we researched the number of actual registered apprenticeships in Nebraska, there are not a lot of registered apprenticeships in that-- those particular fields and so you couldn't spend-- you can't just give that money to anybody unless there's are actual registered apprenticeship program there. And we're saying there's such a limited number, though we think it would be difficult to expend \$5 million on that amount, I assume if you're going to appropriate money, expect us to spend it within that year and a half that we have left under the fund and we really don't have-- don't think that it's feasible in that time period with the limited number of registered apprenticeships that fall within that premium pay category to get those funds expanded.

ERDMAN: OK. So what you're saying is if we pass this bill and you get \$5 million, you wouldn't be able to spend that-- spend it by the time '24 came. Is that correct?

JOHN ALBIN: We would do our darndest, but I think it's not highly likely given our experience with the apprenticeship expansion grant because we-- that grant offers most supportive services and funds to employers to create apprenticeships. We have marketed. We've had up to three people working on it at one-- at any one time. Three FTEs working on it at one time, and we have not been able to expand 840,000 over three years, so I don't see how we would be able to expand five million over 18 months, if it must end. You never know. I mean, it's the way the program is set up. People have to actually apply for the

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 24, 2022
Rough Draft

money. And you know, we've been soliciting and offering money, and we haven't been able to expend the 840,000, so I just don't know how the five million seems feasible.

ERDMAN: So the longer you talk, the better my argument becomes. You're opposed to the bill. You should have come in opposed instead of being neutral because if we implement this, you've told us there's no way you can spend the money. So it would make sense to me that when a-- when an agency has a problem with a bill, come in and just tell the truth that you're opposed to it.

JOHN ALBIN: OK, I think I have told the truth today, and that is that we don't have a position on the bill. We have tried to point out, in fairness to the committee, that we think there are some challenges ahead to fully implementing it asked, but it's not in opposition. I've got people working full-time on creating apprenticeships, so it's not like we have any issue with apprenticeships.

ERDMAN: That-- that's your opinion, that you're neutral. I'm on this side of the table. My opinion is your opposition.

JOHN ALBIN: You're entitled to have your own opinion.

STINNER: Senator Clements.

CLEMENTS: Thank you, Mr. Chairman. Thank you, commissioner. Some of the testifiers were asking us to just distribute this directly to the current apprentice employees workers. Is that a possibility?

JOHN ALBIN: I think the bill is set up, there are not a lot of parameters on what the department could do and how the department could spend the money. If there are enough existing apprenticeships that fit within that category that I read to you at length, probably longer than you care to look-- or wanted me to, but if there were enough workers within that list, could you-- and they all applied for it, could you do that? Yes, it's going to still take some administrative costs to get that done because the taxpayers expect to be able to account for who got what and when. It would change the-- you know, there would be administrative expenses involved. But can it make direct payments? Sure we could make direct payments under our current apprenticeship expansion grant and we're still waiting. I mean, it's been really, really difficult. Most of the expenditures that we've been able to incur to date, even though we offered supportive services, offered to help pay the costs of creation, have

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 24, 2022
Rough Draft

been in turn-- have-- and that's all been gone by the wayside, with people not picking it up or not exercising that option.

CLEMENTS: Okay, thank you.

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

JOHN ALBIN: Thank you.

STINNER: Any additional testifiers in the neutral capacity? Seeing none, would you like to close, Senator?

MORFELD: Yes. Chairman Stinner and members of the committee, I apologize for not being here during the opening. I think we've all been in those situations where you're in another committee on one of your bills and somebody says something, you're like, oh, no, I'm going to address that in my closing. So that was the situation I was in and why I wasn't here for opening. And so hopefully you asked all of the tough questions my senior legislative aide, Julia Holmquist, but in any case, I do want to note just a few different things. I appreciated Mr. Albin's testimony. I've always worked very well with the Department of Labor. I'll sit down and clarify a few things with him. One of the things that I think was brought up a little bit earlier is that it does cost a lot of money to set up skilled apprenticeships. So the program that Mr. Albin is talking about, I have no doubt it's probably tough to get employers to want to set up those skilled apprenticeships, and we've already got a bunch of those set up across the state. And I think that we should really be looking at, and one aspect of this bill addresses that, direct payments to current apprentices that are training and working hard and being able to incentivize keeping them here in this state and being able to compensate them for their training, their materials, their supplies, all those different things, tools and equipment. And so I want us to seriously look at that. If there's other ways that we can bolster other programs that are in the Department of Labor, I'm happy to look at that. I know that we have a short timeline, so I'll be working very quickly over the next day or two to work with the Department of Labor to come up with some language and address some issues. With that, I'm happy to answer any questions that you may have.

STINNER: Senator Eerdman.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 24, 2022
Rough Draft

ERDMAN: Thank you. Thank you, Senator. Thanks for coming in-- coming back to close, Senator Morfeld. So what happens at the end of-- was it five million runs out, then what happens?

MORFELD: Well, I mean, if the five million runs out, like all the other ARPA money, anything that's not left over or anything that's not expended has to be returned back to the federal government is my understanding, and I think that's the appropriate place for it to go.

ERDMAN: That's not my question. My question is, what happens to the apprentice program--

MORFELD: Oh.

ERDMAN: --if you-- if you contribute five million now you get to the end of the money--

MORFELD: Yep.

ERDMAN: --and you said the apprentice says, hey, that's over.

MORFELD: Yeah.

ERDMAN: We're not doing that anymore.

MORFELD: Yeah.

ERDMAN: So my question is, is this an ongoing obligation that we're setting up?

MORFELD: This is not an ongoing obligation. And to be honest with you, at the end of the 18 months or whatever timeframe is left over, that's it. That's the end of the-- that's the end of the funding, in my opinion. Now, I would love for the state to continue that on. And if they feel as though it's successful and effective, then I think that that's a policy decision the Legislature should make at that time. And if the program is effective, which I think it will be, then they should.

ERDMAN: Thank you.

STINNER: Additional questions?

MORFELD: Thank you very much.

STINNER: Thank you.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 24, 2022
Rough Draft

McDONNELL: Your opening was perfect. (LAUGHTER)

STINNER: We have two letters of support on LB1063. That concludes our testimony on LB1063. We'll now open with LB1206. Senator Kolterman.

KOLTERMAN: Good afternoon, Senator-- Chairman Stinner, members of the Appropriations Committee. My name is Mark Kolterman, M-a-r-k K-o-l-t-e-r-m-a-n, and I'm a Nebraska state Senator representing District 24. Today, I'm here asking for your support of LB1206 to fund projects for the Nebraska state colleges that meet the necessary treasury guide-- guidance for the American Rescue Plan Act, also known as ARPA funding. After our post-secondary institutions in Nebraska transitioned to remote delivery in the spring of 2020, just about everyone strongly encouraged the safe return of their students to face-to-face instruction in the fall of 2020. Our state colleges met this challenge and with the assistance from the state, made accommodations to address social distancing guidance while limiting online learning for courses generally offered on campus. When comparing fall of 2019, the fall of 2020, the colleges off-- only offered one percent more online courses to maintain this commitment for in-person delivery. Last interim, leadership from the state colleges met with me with a list of projects that will have a long-lasting impact on Nebraska through the investment of the federal ARPA funds should we decide to fund them by-- by the Legislature. After examining the list of projects which I provided to you, I agreed to carry LB1206. I believe each project lines well with one of three investment outcomes for Nebraska. First, is the expansion of the workforce and the economic development through increased investments in instructional equipment that align with key workforce shortage areas, including health care, health administration and STEM education. Secondly, the state colleges seek to continue to improve student success and safety through infrastructure investments to effectively mitigate and prevent the ongoing conditions of the pandemic where-- where addressing social distancing remains a challenge due to the designs of current existing facilities. Lastly, to maintain its commitment to access and affordability, investments are proposed to generate a long-term reduction in costs by investing federal dollars in equipment and infrastructure that presents an opportunity to generate long-term cost savings for students, as well as the state of Nebraska. As a committee, we focus-- we face two challenges when making decisions about the expenditure for these ARPA funds. The first is to ensure that those requests that are prioritized in our final recommendations meet the Federal Treasury guidance to affirm that we do not face a clawback provision in the future and have

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 24, 2022
Rough Draft

to pay these funds back. The state colleges have worked through our ARPA checklist in applying this slate of projects, the most recent guidelines that became available in late January. The second challenge that we face is making difficult decisions about projects and priorities that will have a lasting impact on the state of Nebraska. Our continued investment in the Nebraska state colleges is critical if we are committed to maintaining the state's rural areas and providing our stakeholders with affordable educational opportunities. I believe that the infrastructure investments that they have requested (INAUDIBLE) continuing to honor this commitment. I appreciate the committee's time this afternoon and ask you to support LB1206. Representatives from the state colleges will follow me to further explain the need for funding of the projects that are outlined, but I would be happy to answer any questions you might have at this time.

STINNER: Any questions? Senator Erdman.

ERDMAN: Thank you, Senator Stinner. Thank you, Senator Kolterman. So I had seen the information. The fiscal note said they estimated they would spend 19.6 million in the first two years and then the remaining balance would be spent by the deadline of '26.

KOLTERMAN: Correct.

ERDMAN: Is that correct? I haven't had a chance to review all these. Is there a timeline when you've submitted these to us, is there a timeline on when these projects be completed?

KOLTERMAN: I think you're can ask the people coming up. I've got two presidents--

ERDMAN: OK.

KOLTERMAN: --coming in and they're more familiar with the actual timelines of-- of what's going to be proposed. But they all look like good projects to me. It's just that we didn't-- didn't get that much detail. That's a good question.

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

PAUL TURMAN: Chairman Stinner, members of the committee.

STINNER: Good afternoon.

PAUL TURMAN: My name is Paul Turman, that's spelled P-a-u-l T-u-r-m-a-n. I'm the chancellor of the Nebraska State College System. I'm here today to ask for your support of LB1206 in support of the projects outlined for the Nebraska state colleges that align with the Treasury guidance for the ARPA funds that are made available to the state. As we look at and have worked through the pandemic, the state colleges, I think, continue to be very strong stewards of both the state and federal resources that we've continued to receive and driven that to-- for a long-term commitment for our students success, student affordability and overall access. Because affordability and-- is such a critical factor for the Nebraska state colleges and the Board of Trustees, they supported a recommendation to keep our tuition fees at a consistent rate this last year. As a result of that and our ongoing investment of utilizing the HEERF dollars that we've been made available to us and devoting that to a significant portion of Student Aid, we've had the opportunity to continue to grow our enrollment and allow our students to be successful and move forward in their pathway toward completing their degree. This last year, we saw a second year of increase even despite the pandemic, and we're currently on three straight years of enrollment growth within the state college system despite the pandemic and the historic floods that occurred the year before. When we look at returning our students back to campus last year to face-to-face instruction, which was something that was desperately asked of us, our facilities and our I.T. infrastructure ran into significant limitations that made it somewhat difficult for students to come back and face the ongoing challenges that they experienced. President Rhine, the president at Chadron State, and President Rames, who will both testify behind me and talk about some specific details related to some of those challenges and how that aligns with the various projects that we have. In the infographic handout that I've presented, we've tried to identify across a range of-- of areas the various projects that fit the Treasury guidance, and it falls into one of four categories on that first page. Water and sewer upgrades, making STEM program equipment, investments for our institutions and our students, improving the air quality and energy efficiencies that are needed, as well as I.T. infrastructure and addressing cybersecurity. Each one of these align very closely with the guidance that the Treasury Department has produced, especially most recently in January of 2022 in trying to map that to the various programs. When I look at your checklist, as you look at the second page of that infographic, you'll see in the column going down, the gray field, essentially, our projects fall into one of three different areas. A public health response as it ties to the COVID-19 prevention

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 24, 2022
Rough Draft

and mitigation, public health response, behavioral health care initiatives, as well as investments in water, sewer and broadband infrastructure. And what we've tried to do is map that specifically to the language within that 400-page document, so that it's quite clear that we would never find ourselves in a position of having those dollars clawed back. As you look at the overall priorities and responding to Senator Erdman's question, I think we would anticipate that a number of the cybersecurity, the STEM equipment would be the things that we would expand in the first year or so of that initiative. HVAC would require significant, some design work and also making sure that we have this-- the workforce within this state to be able to get that work completed moving forward. As we look at, and I think Senator Kolterman did a nice job of articulating where our projects fit in an overall return on investment for the state of Nebraska, our goal is really threefold that each one of these projects fit into one of three categories and sometimes crossed three categories. Workforce economic development, making sure that our students continue to be safe and that they continue to be successful as they arrive at our institutions. And then also long-term reduction in cost. These become investments that ultimately down the road, if we do not make or do not utilize ARPA funds to invest in, they become things that we know that we have on maintenance and repair, elements that we will need to address and have to shift those costs on to students to-- to do that. I appreciate the time the committee has afforded not only me and the state colleges, but all the stakeholders on the various bills that you've had in front of you around ARPA, but I'd ask that you would support LB1206 and ask that you-- I'd be happy to answer any questions you might have.

STINNER: Any questions? Senator Erdman.

ERDMAN: Thank you, Senator, and thank you for coming and sharing that information with us all. So, did the state college system get any COVID money earlier?

PAUL TURMAN: We did, yes.

ERDMAN: What did you do with that money?

PAUL TURMAN: And so, and I can-- I've got a breakdown of-- of those dollars. And so in total, the state colleges received about \$26 million. The federal government and that would be broken into-- it's the Higher Education Emergency Relief Fund, or HEERF dollars. There were three different allocations of that. In each one of those, almost

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 24, 2022
Rough Draft

exactly half of those dollars were needed to go directly out to students in the form of Student Aid, and then the institutions had flexibility on how to spend the remaining dollars. So it's about split half-half. We spent about 55 percent, or about \$15 million. Of that, 26 have gone out directly to students. Most recently this last year students who fit a threshold of what their family income was, automatic \$3,000 scholarship and aid that they received. We've-- we had room and board refunds that we provided back when we asked students to disperse and return and do online delivery. We had additional COVID expenses that are-- that fell outside of the spectrum of the resources we could get from the state, and we have it broken down into eight different categories, but I can-- I'll provide that detail to the committee.

ERDMAN: Thank you.

STINNER: Thank you. Additional questions? Senator Hilkemann.

HILKEMANN: I look at these-- these are really more structural things. We're really not talking about any indirective, but we're now talking about workforce development or specific training for your students, am I correct?

PAUL TURMAN: Senator, I think there's there's a mixture in there. The things that we felt fit the workforce and economic development are along the lines of our STEM equipment. In addition to the I.T. Infrastructure, our ability to continue to evolve for a face-to-face instruction in our-- in classroom environments. But we also have a number of investments here that are around like cybersecurity, which was a clear area that they indicated that you could invest in. And I think that, too, has the capacity for improving our ability to serve our students and protect them as we move forward with this, within the state college system. I'll maybe add one more. We did have a range of projects that fit the original guidance that-- that came out and our president said, articulated three or four different types of programs that we thought would be workforce directly related. As we looked at the new guidance, it became evident that it did not apply and so we felt the internship initiatives and things that you've heard as it relates to the community colleges probably fit better, at least on that type of trajectory.

STINNER: Additional questions? Seeing none, thank you.

PAUL TURMAN: Thanks, Senator.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 24, 2022
Rough Draft

STINNER: Afternoon.

RANDY RHINE: Cool afternoon.

STINNER: Yes.

RANDY RHINE: Good afternoon, Chairman Stinner, members of the Appropriations Committee. My name is Randy Rhine. That's spelled R-a-n-d-y- R-h-i-n-e. I'm the president of Chadron State College. I'm here today to testify in support of LB1206, specifically providing examples as to how LB1206 will provide countless opportunities for Chadron State College students and the rural region it serves, as well as helping Nebraska move forward to recover from the COVID-19 pandemic. I'm proud to report that Chadron State College and its students and employees have persevered through the pandemic. We've had two consecutive years of face-to-face instruction, and our students, faculty and staff have done what we have asked them to do. However, we have had our share of challenges. When classes were transitioned online in the spring of 2020, our students needed additional connectivity. The broadband capacity and infrastructure was lacking for our students, both on campus and for those who went home. Our students were unable-- I'm sorry, --our students were able to return to in-person classes. Many of our academic spaces were ill-equipped for socially distancing and for serving as virtual classrooms, which put a burden on our spaces. As a result of the pandemic, we've heard from our students that they want more face-to-face learning within the classroom, something they dearly missed during the spring semester of 2020. The investment opportunities the Nebraska State College system and its representatives are advocating for today, support the primary goals of reducing long-term costs, supporting workforce and economic development, and promoting student success and safety. With the investment of ARPA funds for projects at Chadron State College, we will accomplish all three of those goals because of the college's long history of serving this region. CSC does this through its academic programs that positively impact rural Nebraska communities such as the Rural Health Opportunities Program, the Rural Law Opportunity Program and the Rural Business Leadership Initiative. As you know, CSC will open the newly renovated and constructed Math and Science Center of Innovative Learning soon, with students taking classes in the state of the art facility by next fall. The Legislature's investment in that building, as well as its trust in CSC to educate the next generation of math and science students, will truly benefit the entire state. Our talented faculty will teach and guide future math and science educators, researchers and, of course, those who will enter the health

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 24, 2022
Rough Draft

professions. Chadron State consistently produces teachers with a math and science endorsement. In addition, our education program now offers existing teachers the ability to obtain their math and science endorsement through online curriculum. In the last five years, 141 CSC health professions students applied for professional school. Out of those who applied, 98 percent were accepted. The science and math programs at CSC get results, and one of the reasons for that success is our Health Professions program and its students have access to a gross anatomy lab that prepares them very well in anatomy and physiology. However, the addition of digital technologies like added to Modge tables will increase their preparation by exposure to a larger array of health conditions and diagnoses. With such a resource, a student-- a science student from Harrison will have the same learning opportunities as their peers in metropolitan areas. It is the college's belief this investment in the future of our students will pay dividends in both preparing them for future careers, as well as assisting in their preparation for potential future health crisis. Before I close today, I wanted to share a comment from a current student, Janessa Carley, who is a senior from Dalton, Nebraska, who-- she's in our Rural Business Leadership Initiative program. As an RBLI student, I have learned to acknowledge the value that rural communities possess and the factors that influence the community's work. This program has deepened my love for rural areas and has made me realize that I want to give back to this demographic in the future, either as a community leader or, excuse me, or as a business owner. CSC, the RBLI program and the Business Academy have helped me immensely in learning the necessary knowledge that I need to be successful in my career. CSC has numerous students, just like Janessa. They want to make a difference, leave an impact, contribute to their state, and with your support, more students will have an opportunity to do just that. I appreciate the opportunity to testify before the committee today and urge you to support LB1206. I'm happy to respond to any questions you might have.

STINNER: Thank you. Questions? Seeing none, thank you very much. Thank you for coming in.

RANDY RHINE: Thank you.

STINNER: Afternoon.

MARYSZ RAMES: Good afternoon. My name is Marysz Rames, spelled M-a-r-y-s-z, Rames, R-a-m-e-s, and I serve as the president of Wayne State College, and I'm here this afternoon in support of LB1206. The

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 24, 2022
Rough Draft

bill will not only provide Wayne State, but all three state colleges with the resources needed to continue to provide students with a quality, personalized educational experience that is accessible and affordable. The pandemic was difficult for so many Nebraskans, including Wayne State College students. With nearly 50 percent of our students being first in their families to pursue a post-secondary education, many of these students families were particularly hard hit by the economic disruptions due to the pandemic. Having the funds to return to school and complete their degree was a major challenge for these students. Through the use of federal funds, as well as foundation and institutional scholarships, the college was able to help these students remain on track to complete their degree. The tenacity and grit of our students was clearly demonstrated by a 5.5 percent increase in our four-year graduation rate for the 2020-2021 academic year. And these students were successful despite the many challenges they faced, including facilities that lacked environmental controls. I am so incredibly proud of our faculty, staff and our students for surviving the pandemic and remaining true to our focus on student success. The bill before you is critical in providing funds to support the learning environment. For example, the funds designed to support each facility upgrades would bolster our inventory of available spaces for students engaged with peers in meaningful educational experiences. Wayne State supports several living-learning communities in which students in high need, high impact programs, learning cohorts, such as the University of Nebraska Medical Center, Northern Division Nursing Partnership focused in Norfolk and the Creighton University, three plus one nursing pathways linked to Grand Island. These cohorts encourage a group dynamic that lends itself to individual students success through group activities such as mentoring and tutoring. The living and learning environment in which these students engaged unfortunately posed as a barrier to students ability to academically be successful. It was clear during the pandemic that the lack of appropriate environmental controls, which impacted the air quality in these living-learning spaces, negatively affected outcomes for some students in these cohorts. Students were crowded into spaces that lacked the ventilation recommended to help combat the spread of the virus. Improving these facilities is needed into the future as we continue to live and learn with the virus. As a college, remain fiscally conservative by maintaining our existing facilities at the level that meets the basic needs of our students, such as air conditioning, plumbing and air ventilation. Extent-- extensive projects of this nature, however, require a financial investment that quit-- equates to an increase in the student's cost of attendance.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 24, 2022
Rough Draft

With approximately 50 percent of our students being economically disadvantaged, these increases can negatively impact their ability to not only attend but graduate from Wayne State. Your one-time investment to enhance the projects before you allows Wayne State to make basic facility upgrades that will provide the students with a comfortable and safe environment in which to pursue their degree without having to increase the cost of their education. Furthermore, the investments are not linked to any additional requests for oncoming-- ongoing financial support. On behalf of our students and the future Nebraska workforce, it depends greatly on our graduates. Thank you for considering this request that Wayne State can continue to provide a quality, personalized, educational experience that is accessible and affordable. I'd be glad to answer any questions you may have.

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

MARYSZ RAMES: Thank you so much for your time.

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

KOLTERMAN: Senator Stinner, I wouldn't miss this opportunity for anything. In closing, I'd just like to say that I've been pro-education my entire life. When they asked me to carry this bill, I had to think about it because it's a lot of money. We throw money around here like nothing, 42 million here, 50 million there, 100 million. But as I look at the three state colleges that we have, Peru, Wayne and Chadron, they're all-- they're all affordable. They're all affordable education for the students in rural Nebraska as well as other students. I'm a product of one of those colleges. I graduated from Peru State College after I had already graduated from Southeast Community College. And I did all that while I was married and it was cost effective for me to do that, and I'm proud of both of those degrees. And what I like about both of those institutions is they work hand-in-hand with each other. Our community colleges and our state colleges work diligently to promote higher education. I was really happy to see there was no opposition, but I was even-- even happier to see there was no neutral testimony.

STINNER: Me, too. (LAUGHTER)

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 24, 2022
Rough Draft

KOLTERMAN: In closing, I'd like to say this is kind of bittersweet for me because after eight years, it's the last bill I'll ever introduce. I hope we can move some of this forward. Thank you very much.

STINNER: Thank you. Questions? Senator Dorn.

DORN: Well, thank you for closing, but any idea approximately how many bills you would have introduced over the eight years?

KOLTERMAN: Some people would say too many.

DORN: Too many? (LAUGHTER)

STINNER: Thank you, Senator Kolterman. We have one letter of support and interestingly, one letter of opposition for LB1206. That concludes our hearing on LB1206. We'll now open our hearing on LB1167. Senator Flood, this is your maiden voyage, isn't it, to Appropriations or?

FLOOD: It might be my second time here.

STINNER: Maybe second time. We'll try not to be too hard on you. You might wait a second until people actually settle down here. Go ahead, Senator.

FLOOD: Thank you, Chairman Stinner, members of the Appropriations Committee. My name is Mike Flood, F-l-o-o-d, and I'm the state senator for District 19. I represent all of Madison and southern Pierce Counties. I'm here today to introduce LB1167, which would appropriate federal funds to the Nebraska Department of Economic Development and the Department of Labor to enhance and retain Nebraska's workforce. This bill proposes a \$50 million, one-time American Rescue Plan funds boost to internship, apprenticeship, and workforce training programs. The total investment is comprised of \$30 million to an internship grant program and \$20 million for apprenticeship and workforce training programs. LB1167 aligned strong programs, educational institutions, and the Nebraska business community in one vision to spur reentry, reskilling, and upskilling as a result of COVID-19. COVID's impact on businesses, remote work environments, and school closures made this an especially challenging time for high school and college students looking to obtain workplace experiences and skills. The pandemic also took a significant toll on workers, especially those who lost jobs, were underemployed, or needed training and upskilling. Furthermore, countless frontline industries like healthcare, education, manufacturing, and others faced critical workforce shortages due to the pandemic. While Nebraska fared much better than

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 24, 2022
Rough Draft

many other states, learning loss has still impacted Nebraska students. All of 2020 data in Nebraska showed that K-12 schoolchildren made less academic progress than normal in math, and they experienced higher than normal course failure rates, especially among remote learners. Postsecondary students in Nebraska are in a precarious economic situation as well, having lost out on critical career experiences due to COVID through decline in enrollments, canceled or delayed internships, and job loss. National U.S. colleges and community colleges saw unprecedented enrollment declines. And in an April 2020 survey done by the Nebraska-- National Association of Colleges and Employers, results showed 22 percent of employers canceled internships, 41 percent were delaying internships, and that employers were already in April 2020 planning to hire fewer interns in 2021. Nebraskans have also suffered financially due to COVID. According to the Nebraska Rural Poll from September 2021, 4 in 10 households with income under \$40,000 said their financial health was impacted by the pandemic. Two in 10 households, up to \$100,000 in income, also said the financial health of their household has been impacted by the pandemic. Finally, businesses are still struggling due to COVID. In multiple surveys and studies, small businesses in Nebraska's key sectors report continued and ongoing negative economic impacts due to COVID. Two predominant factors are supply chain disruptions and workforce shortages. Fourth quarter 2021 data from the Nebraska Department of Labor indicates there are 30,000 persons still missing from the workforce, and Nebraska is still down 30,000 jobs in total from prepandemic levels. Labor force participation is currently at 68.5 percent in Nebraska, near its 10-year low of 68.3 percent. The ten-year average is 70.2 percent. Workers out sick, quarantining, or caring for family members due to COVID has increased volatility and have reduced labor productivity to its lowest rate since 1981, and record numbers of unfilled jobs are likely to limit productivity and growth again in '22 as well for these small business sectors. Nebraska, simply put, needs a people plan. The programs outlined in this bill would support individuals with career experiences and job training, increasing job retention and household economic stabilization. The programs will also increase wages for Nebraskans. The programs will help resolve skilled workforce shortages, create talent pipelines for Nebraska industries, retain and expand the Nebraska workforce by increasing the pool of highly skilled workers, and support programs that train, retain or upgrade work skills for-- for-- of for-profit businesses. The proposal scales up Nebraska's already successful internship and works-- workforce training programs using ARPA funds. It spurs reentry and reskilling opportunities for

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 24, 2022
Rough Draft

existing talent and helps students secure Nebraska careers. This proposal will, number one, immediately remove barriers to workforce reentry and reskilling. Number two, it will enhance the well-being of Nebraskans with higher paying, high-demand jobs. Number three, it will actively connect thousands of students with Nebraska careers and employers. Number four, it will remove barriers to employer participation in state workforce training. Number five, it will ensure equitable access to career advancement. And finally, on my list of benefits, it will attract thousands of new residents and talented workers to our state. Chairman Stinner, at this time I think I already did provide the committee with a white copy amendment that seeks to modernize eligibility and goals associated with the InterNE program. The main focus of LB1167 is the ARPA appropriation request. In conversations with various stakeholders over the past few months, it has become clear that for the InterNE program to accelerate-- to accelerate internship opportunities for both college and high school students, we need to provide additional flexibility for the Department of Economic Development and expand the utilization of funds to assist employers in creating these opportunities. The amendment language is similar in nature to changes made by this committee back in 2016, with Senator Lindstrom's LB1017. As always, I'm willing to work with the committee and look forward to your questions and appreciate your consideration knowing it's going-- it's been a long day. I will waive closing at the front.

STINNER: OK, very well. Very good. Questions? Senator Erdman.

ERDMAN: Thank you, Senator Stinner. Thank you, Senator Flood, for coming today. So according to the fiscal note, you're going to create an internship grant program and also you're going to create an apprenticeship program. What happens to those programs when this ARPA money runs out?

FLOOD: Well, this is one-time funding. We look at this as a response to the COVID pandemic. It is a three-year window for the state to jump-start these programs and get as many new workers in the workforce as possible to provide the state the best opportunity to recover from the pandemic.

ERDMAN: You've been here a lot longer than I have, and you see programs that begin like this and then they-- the funding runs out and then the state picks it up. My concern is we're doing all these things that we're saying is a one-time contribution, a one-time appropriation

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 24, 2022
Rough Draft

that will be ongoing appropriation when those funds run out. That's my concern.

FLOOD: That's not my intent. And I would hope that all of these ARPA funds are one-time use only. And I-- I truly believe that this gets done when the businesses in this state embrace it. This isn't a-- this isn't going to be successful if community colleges or state colleges are on board. Yes, they are in that business every day. Businesses in this state have to start using internship programs and it should, the market should take care of it if-- if the experience goes the way I think it should ultimately. I mean, not to say there won't be needs to support workforce, but I want this to be a one-time deal.

STINNER: Additional questions? Senator Dorn.

DORN: Thank you, Senator-- Chairman Stinner. Thank you for being here and thank you for introducing this. Part of this or a good share of this is for internships, which I'm not questioning that part here. I guess I'm more questioning when the director of Department of Labor was just in here we had a previous program where \$5 million for apprenticeships, and he said that they basically couldn't do that.

FLOOD: Well, this is a lot more broadly written than the proposal you were looking at that I think the commissioner responded to. We are looking at a variety of different ways to get people into the workforce, which includes in this bill, it would be broadly written to be defined as job training assistance for employers to bring on more people. The apprenticeship process looks different at a community college as it does at a lot of other places. So my intent here is that it's drawn more broadly and can be used more widely.

DORN: Appreciate that clarification. Thank you.

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

FLOOD: Thank you.

STINNER: Afternoon.

TERRY HEIMES: Good afternoon, Chairman Stinner, members of the Appropriation Committee. My name is Terry Heimes, T-e-r-r-y H-e-i-m-e-s. I am the chief operating officer for Nelnet. On behalf of Nelnet, the Nebraska Chamber, the Greater Omaha Chamber, the Lincoln Chamber of Commerce and the Nebraska Tech Collaborative, I'm here to testify in support of LB1167. I want to thank Senator Flood for

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 24, 2022
Rough Draft

bringing forth this important legislation. We support the bill because we believe a coordinated effort related to quality and meaningful intern programs will benefit the state of Nebraska, the companies that are concerned about workforce and talent, and students looking for opportunities. A little background on Nelnet. We are a diverse education, finance, and services company headquartered here in Lincoln, Nebraska. We've chosen to invest and grow here whenever possible. To-- as evidence to that, if you go back a little over 10 years ago, we had about 800 associates located in Nebraska. Today, about 3,500 out of our 9,000 or nearly 9,000 are Nebraska residents. Workforce development or said differently, the ability to attract, develop, and retain talent is perhaps the biggest challenge we face as a business community today. It is also, I think, one of the biggest challenges that the state of Nebraska faces today. Internships are not the cure-all for the challenge, but they can be a very valuable tool to help identify, attract, develop, and retain talent. Our program started in 2014 through a partnership with UNL. It now spans 28 schools, including schools like North Carolina A&T, University of Texas-Austin, and Colorado State. While we started with a senior focus program, it has been expanded to include freshmen, sophomores, juniors, and graduate students, including a diverse set of majors, backgrounds, and interests. Our primary goals and objectives when we established our program was to, one, introduce students to Nelnet, have them understand our businesses, our culture and career opportunities. Second, we wanted to identify talent that we wanted to retain. And finally, we wanted to convert that talent that we did identify to long-term associates. Secondary goals and objectives that we were looking at was to promote workforce expansion and development in the state. If we can get-- get them here, we may be able to keep them here. In addition, if they would go somewhere else, if they would leave Nelnet, we wanted them to remember us and potentially come back. We dedicate a significant amount of time, effort, and resource to Nelnet's intern program, and we've been pleased with the success so far. We started with about 10 interns in 2014. We increased that to a high of nearly 150 in 2020. Since 2014, we fostered nearly 600 intern pro-- internships, and we continue to have success in keeping them as long-term associates for Nelnet. in terms of some of our cohorts, we've been able to retain as much as 70 percent, especially in the tech programs. Intern programs will work if you invest and remain committed to them. They will benefit the individuals and the entities providing them. Collectively, we need to retain and develop talented Nebraskans for the benefit of the business community and the state itself. A rising tide will raise all ships. We also need to attract

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 24, 2022
Rough Draft

students into Nebraska by highlighting the career opportunities, the outstanding business environment, and the excellent quality of life. I think this bill affirms our collective commitment to attracting, developing, and retaining talented young people. And importantly, it provides funding to help employers launch and maintain effective programs. It's an important step toward the coordinated expansion of quality internships in Nebraska that I think will benefit all of us. So thank you for your time today and I'd be happy to answer any questions.

STINNER: Any questions? Senator Dorn.

DORN: Thank you, Chairman Stinner. Thank you for being here, Terry. I guess when you talked about you originally started out with probably just seniors and now you've gone way through basically all the class as a freshman, has that proven successful to retain them longer or why did you?

TERRY HEIMES: Yes. I mean, it's a combination of things. One of the things that we wanted to make sure is we wanted to have a longer period of time with the individuals. If they were valuable as juniors, we wanted them to come back as seniors and we wanted to have them come back even after graduation. The reason we expanded it to freshmen was really to kind of in combination with working with the schools as well as we had some areas that it made sense to go earlier in the life cycle to actually build that relationship.

DORN: Do you have some of them then interning for four years?

TERRY HEIMES: Some, not usually.

DORN: Not usually. Thank you.

STINNER: Senator McDonnell.

McDONNELL: Thanks for being here. Are these paid internships?

TERRY HEIMES: Yes.

McDONNELL: And do they have benefits?

TERRY HEIMES: No, they're-- they're generally just rate per hour. We don't keep them. They're not full-time employees because of the hours that they work.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 24, 2022
Rough Draft

McDONNELL: Thank you.

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

TIM CLARE: Good afternoon, Chairman Stinner, members of the Appropriations Committee. My name is Tim Clare, T-i-m C-l-a-r-e. I serve as an elected member to the University of Nebraska Board of Regents, representing District 1, and I'm currently the vice chair of the board. I'm appearing today on behalf of the entire University of Nebraska system in support of LB1167, a proposal to both appropriate \$30 million in ARPA funds to and to modernize the entire InterNE program. We want to thank Senator Flood for his leadership in recognizing the significance that paid internships have to our high school and college students in our efforts to recruit and retain talent to address our state's future workforce needs. First, I want to share a personal story. While I was in law school, I was fortunate to participate in two internships, one with a local law firm and the other with my law firm at Rembolt Ludtke. Rembolt Ludtke gave me a chance as a lawyer after graduation, in part because of the internship. Thirty years later, I'm the Chair at Rembolt Ludtke. My wife and I raised five children here in Lincoln. We bought our home here in Lincoln. We bought cars here in Lincoln, and all of our children went to UNL, who four of the five of them also had internships and are now working in Lincoln. They are buying homes, cars, and raising their families, clearly broadening the tax base here in Nebraska, but also economic development for Lincoln and Nebraska. My internships, while in the early '90s, helped provide me an opportunity to see how a law practice operated, how employees interacted with one another, how law interacts with business, and candidly, how my legal-- legal and business education played out in the real world. My experience while in a professional education program is arguably not different from thousands of Nebraska college students who are currently evaluating career opportunities and where their education might lead them. This personal story leads to why LB1167 and the internship component of the bill is so important to our state at this moment in time. As University of Nebraska campuses continue to educate and graduate thousands of students every single year, the one issue I continue to hear about from businesses and students alike is the need for more internships and jobs. This-- this need for internships isn't just in my Regent district that incorporates the city of Lincoln and the University of Nebraska-Lincoln campus. But I also hear it from across the state that are seeking both the workforce of the future and students looking to

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 24, 2022
Rough Draft

learn more about careers in Nebraska. From Norfolk to Grand Island with the Aksarben Foundation's efforts, to our Rural Prosperity Nebraska's "Rural Fellow Program," we are seeing communities build new, innovative programs that attract students while in college with the intention of keeping them after they graduate. To be clear, our University of Nebraska campuses are working hard to build relationships with employers to then be able to share career opportunities with our students, both before and after graduation. But as members of our Board of Regents and President Ted Carter have recently discussed, we must do more in the internship space as the university system if we are-- if we are to help tackle the state's workforce challenge and grow Nebraska. Earlier this month, President Carter declared at our Board of Regents meeting that 2022 will be the year we take bold action as a university to assist every student across our system get an internship that wants one. And while we have committed to take action and evaluate internal processes and operations to streamline our internship efforts, we continue-- we cannot do it alone. LB1167 would provide needed funding to many of the businesses across the state who would like to create and build an internship program, but simply do not have the resources or the capacity to do so. So for some who have worked with me in my role with the university, you know that I'm optim-- I'm an optimist who believes we can always find a way to get things done that need to get done. While I am personally excited about the declaration of making 2022 the year of the internships across the university, I know we can only see progress, one, with strong partnerships; and, two, a willingness to assist others when asked. Some of those partners we work with here-- are here today testifying in support of LB1167 and other partners are waiting to be asked. Regardless, your university sees the potential of LB1167 as limitless in helping our students explore their education, how their education can translate into a career with a Nebraska-based entity, contribute economically back to our state. Believe me, out-of-state businesses and universities recognize the talent of our young Nebraskans. They want-- they want to bring those young Nebraskans who have great work ethic, character, and integrity, they want to bring them back to their boardrooms and their campuses and their classrooms in an effort to make their states better. It's crucial for us to work together as a state team to retain these talented students-- students and instead make Nebraska better and more competitive in the national and international marketplace. Once again, I want to thank Senator Flood for his work in bringing this crucial bill at this crucial time for our students and our workforce. We also would like to thank Chairman Stinner for his work in the internship

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 24, 2022
Rough Draft

space with the initial introduction of LB639, the H3 Career Scholarship Act, which incorporated internships as part of Governor Ricketts' Nebraska Career Scholarship Program. While there has been public policy movement on internships through this committee's budget work over the past few years, we have the unique opportunity to be able to do more, more of our students who have seen limited opportunities due to the pandemic and more our businesses who are looking to recover from the unforeseen economic shock of COVID-19. With the \$30 million appropriation in LB1167, we can and will do more for our students, their careers, and our state. Thank you, and I'll answer any questions you may have.

STINNER: Any questions? Seeing none, thank you.

TIM CLARE: Thank you.

STINNER: Hi, how are you?

MYAH BROWN: I'm doing OK.

STINNER: OK. Good afternoon.

MYAH BROWN: Good afternoon, Chairman Stinner and members of the Appropriations Committee. My name is Myah Brown, M-y-a-h B-r-o-w-n, and I'm here today representing Grand Island Public Schools and CHI Health St. Francis as a recent graduate of the Academy of Medical Sciences at Grand Island Senior High. I'm now a first-year student at Hastings College majoring in biology, and I would love to go to med school someday. I'm incredibly honored to have been given the opportunity to speak in front of you today in favor of LB1167. My purpose for being here today is to talk about my wonderful educational experience within the Academy of Medical Sciences at Grand Island Senior High. The academies of Grand Island Senior High opened at the beginning of my sophomore year of high school, at which point I knew I wanted to go into healthcare, but I wasn't sure how to start. The academies broke it down into a step-by-step process, and by the time I graduated, I was a certified medication aide, certified in medical transcription. I had taken classes in general medical science, sports medicine and physical therapy, anatomy and physiology and among-- among others, in preparation for my college and professional career. Many of us understand learning as something that happens within the confinements of the classroom. However, Grand Island Senior High put that idea to the test during my senior year of high school with the establishment of a semester-long capstone course, and this course was

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 24, 2022
Rough Draft

specifically set up so that almost all of the learning would happen outside of the classroom. And more specifically, this was job shadowing experiences. So with the incredible-- incredible faculty at Grand Island Public Schools, I felt like I had the entire town of Grand Island and all the providers at my fingertips. And I chose to spend my job shadowing experience, which was 20 hours, which-- within a-- within a-- with an oncologist at the Grand Island Regional Cancer Center. And what I learned during my experience has yet to be taught from the mouth of a teacher. Of course, I learned about different kinds of cancers, how they present, how they're treated, etcetera. But the information that was most invaluable to me that I learned was how much I learned about patient-physician commun-- relationships and communication. When I was in the clinic with the oncologist, he was giving one patient the best news of their life and then turning around and going into another exam room and giving the next patient the worst news of their life. And-- but through that process, he possessed the perfect balance of sympathy and confidence and it really intrigued me. And as it turns out, he did not learn that in a classroom, that-- that cultivation of that balance. He learned by spending time in the field and developing that emotional intelligence over time. So because I was exposed to such a high quality of patient care, I can start thinking about how that's going to look in my life when hopefully someday I do become a physician. I will be a more knowledgeable, well-rounded, and thoughtful provider because of the opportunities granted to me by the Academa-- Academy of Medical Sciences at Grand Island Senior High. Every time I think about the upcoming Academy of Medical Sciences School at CHI Health St. Francis, which you can read about in your little booklets, I kind of have an overwhelming feelings of jealousy. I would do anything to be able to have that experience because it will not only provide students with the opportunity to observe professionals in the healthcare field, but it's going to give them hands-on experience in a variety of settings. Additionally, it will make many students workforce ready upon graduation. And as a result, LB1167 will help alleviate the shortage of healthcare workers and attract and develop young talent in our state. The best part about this project is that the work stems from a foundation of truly dedicated faculty who are willing to invest in the future of healthcare in Nebraska. Thank you for your attention, and I would love to answer any easy questions.

STINNER: Any questions? Seeing none, thank you.

MYAH BROWN: Thank you.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 24, 2022
Rough Draft

JOSHUA SANTIAGO: Good afternoon, Chairman Stinner and the rest of the Appropriations Committee. My name is Joshua Santiago, J-o-s-h-u-a S-a-n-t-i-a-g-o. I'm a proud Nebraskan who hails from Norfolk, Nebraska. I graduated from Norfolk High School in 2017 and Northeast Community College in 2020. This May, I'll be graduating with highest honors from York College with a Bachelor's of Business Administration emphasis in accounting, and I'm a several multinational champion from FBLA-PBL. I drove to Lincoln today to testify in support of LB1167's proposal of appropriating federal funds to the Department of Economic Development for internships and expanding and retaining Nebraska's workforce. Specifically, \$30 million of it will go to the Department of Economic Development for an internship grant program, and \$20 million will go to the Department of Labor to create a program to administer grants to Nebraska businesses, economic development or workforce organizations, political subdivisions, nonprofit organizations, and education partners to support training, upskilling, apprenticeship, and apprenticeship program development proposals. As you can see, this covers a large scope of areas of operations for internships, apprentices, and training skills, which I believe that the entirety of the money could be definitely directed toward the students. According to David Joseph, a researcher at UNO's Center of Public Affairs, over the last 10 years, Nebraska roughly lost 2,000 graduates a year to brain drain. This is a problem in over half the U.S. states, but Nebraska ranks poorly, 40th overall. I, too, was at one point keen on leaving the state that I called home for many years. I kept thinking to myself, there's not a good enough paying job for me to be able to pay off my student loans, provide the means to live, and get a mortgage, all along with paying property taxes in today's climate all at once. I always thought that I was going to have to apply to an industry giant outside of Nebraska in order to secure the pay that I wanted to start my career or my tenure. That motif changed in my life when last year CFO systems based out of Omaha offered me an internship that subcontracted my accounting skills and knowledge to a local company called Spreetail here in Lincoln, Nebraska. I have since been working in the accounting department as a payables associate, which is how I started my internship. I'll tell you one thing today: Without that internship, I would have not learned about the landscape of supply chain logistics and e-commerce merchandising, some of the hot topics in today's finance industry, nor would I have been able to start living as comfortably as I do now. Without a doubt, this is the highest paying job I've ever had. It is also the happiest I've ever been with a company who does so well empowering its employees and passing revenues down to trickle down ways such as ESOs, salary

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 24, 2022
Rough Draft

bonuses, and competitive benefits. Because of the hard work and determination that I put in, something that the Nebraska workforce and education is known for, I was able to leverage a full-time offer at the beginning of February with Spreetail. I've now been able to decrease my snowball of debt tremendously while putting money in the bank to save for a down payment on a home or a fancy nice condo down in the Haymarket in Lincoln this fall. The Husker games would be nice. I plan on getting my Master's of Professional Accountancy here at UNL, and I'm eager to stay involved with my career and technical education group such as FBLA-PBL and supporting other ones like Skills USA and HOSA, which my sister is interested in getting involved in. I plan on actively giving back donations to York College and Northeast Community College for help-- for helping shape me into the young man I am today. When I talk to my peers around the nation about why I chose to stay here in Nebraska, the reasoning becomes very clear. There is a great economic landscape being formed, the real estate market is not as overinflated as other areas of the U.S., and the job security here is one of the best in the country for those with college degrees. If there was a match of funds allocated towards high-level internships, then it would be easier to attract and retain talented minds without our ever growing business. Maybe we can start making changes in that ranking that I just stated earlier. That one internship offered to me by Jennie Scheel of CFO Systems based out of Omaha has changed my life forever. I will be staying in the Cornhusker State to contribute to the people who have raised me. I would ask for all of you to consider voting in approval of this bill in order to provide competitive internships with great pay to the future leaders of this state or risk losing them to another state due to the brain drain we have experienced year after year, which has been exacerbated by the COVID-19 pandemic. Please give others the means to find that one internship, just like I was able to find, that changes their tune of leaving to one of wanting to call these Great Plains their home. Please enable the incoming nurses, doctors, lawyers, accountants, apprentices, and technicians that our society so desperately needs to have the means to start building up their livelihoods and families here in the state of Nebraska. The bridges you choose to build up now with LB1167 will reap dividends of economic and social benefits for many years to come. Thank you all for listening to my advocacy of this bill, and I'd be happy to answer any questions.

STINNER: Any questions? Senator Dorn.

DORN: Thank you, Chairman Stinner. Thank you for being here and thank you for staying in Nebraska. Your internship, that was approximately

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 24, 2022
Rough Draft

how long and when did you do that between what year of school or whatever?

JOSHUA SANTIAGO: I started online as a remote internship during my junior year of college, and I'll tell you one thing. That is definitely the time where you get to hook people in, because once it gets to senior year, if you don't have a plan already initiated or if you haven't been hooked in by a company, you start to get a little bit desperate. I've seen it happen a lot with the international students that come here to study inside of Nebraska. So that internship happened to cultivate during my junior year right in the thick of the pandemic, when everything was just kind of up in the air. I was able to secure 20 hours a week and then from my great dedication to the workforce at Spreetail specifically, I was able to leverage that 40 hours, full-time benefits. It's been a great dividend that's been paid.

DORN: Your 20 hours a week, though, approximately how many weeks was the internship?

JOSHUA SANTIAGO: It ran from March until September. And then once my schedule freed up as a senior, which it typically does for a lot of the seniors that I know, they were able to analyze my hours spent in school versus what I could potentially work and that's where that full-time offer came from.

DORN: Thank you.

STINNER: Additional questions? Seeing none, thank you.

JOSHUA SANTIAGO: Thank you very much.

LEAH BARRETT: Good afternoon, Chairman Stinner, members of the Appropriations Committee. I am Leah Barrett, L-e-a-h B-a-r-r-e-t-t, and I have a very tough act to follow with Ms. Brown and Mr. Santiago. But I'm the president of Northeast Community College and also I sit here today representing the Growing Together initiative in Northeast Nebraska, as well as the Norfolk Chamber of Commerce. Work-based learning experiences are a critical component of successful pathways to the workforce. Community colleges have a proven track record of creating exceptional work-based learning experiences that benefit our students, employers, and the economic vitality of the regions we serve. This bill provides the dollars to support our businesses to introduce young Nebraskans to high-demand, high-wage jobs, increase

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 24, 2022
Rough Draft

the opportunities for students to work in their hometowns, and support the incumbent workers through apprenticeships, internships, and workforce training. The community colleges play a significant role in providing workforce training programs to upskill and reskill current workers. As community colleges, we stand to partner with any businesses who may access these funds to support improved efficiencies and COVID recovery responses. Core to student learning in career and technical education program is work-based learning. Currently, Northeast places 800 students each year in work-based learning experiences. Similar to our sister community colleges, these experiences are critical steps on the pathway to a permanent position. A great example is the work we do with Great West Casualty. Great West provides young adults in the South Sioux City community with pathways to a secure and rewarding future. For many students, pursuing a college degree means sacrificing a solid income and taking on student loan debt. This program supplements that need by providing qualified candidates with a jump-start to their career by means of a paid job and tuition reimbursement. Essentially, they're being paid to earn a degree. The interns learn the trade through hands-on training and begin the process of developing their insurance career. In addition, they receive 100 percent tuition reimbursement while earning their associate degree from Northeast. Great West is a large company with access to resources and systems. This bill, LB1167, allows our smaller businesses to have similar opportunities to identify talent early and develop into the professionals of tomorrow. Another example of work-based learning is found in our Pathways to Tomorrow program, a specialized dual enrollment program working with seven rural high schools in the West Point area. George Frayer [PHONETIC], a senior at Guardian Angel Central Catholic High School in West Point and a student who has taken dual enrollment computer science classes over the past two years, has been selected to be the first information technology help desk apprentice for Franciscan Healthcare in his hometown. As part of the apprenticeship program, Frayer will continue to take a variety of computer science courses at Northeast while he's working and learning at Franciscan Hospital. He completed the course--core courses so that he was-- had enough skills to contribute to the work environment while now enrolling in advanced coursework on a path to his associate degree and beyond. In addition to the Information Technology Program, the Pathways to Tomorrow high school students can choose a-- choose to study various career fields such as healthcare, manufacturing, welding, building construction, and education. In their second semester of their senior year, these students have the opportunity to apply their learning via internships or

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 24, 2022
Rough Draft

apprenticeships. So Northeast serves as a Department of Labor registered apprenticeship site, and we are trying to spend that money that Director Albin spoke about earlier that is in that apprenticeship account. This saves our employers from creating the program when you work with a community college who is a registered apprenticeship site. It allows employers to hire individuals who show promise, and we take the lead on building their skills. In today's difficult labor market, this is a creative method to support talent development within an organization for both young people and incumbent workers, especially in the field of information technology where our needs are great. The apprenticeship model is fairly new to the IT field. It has the potential to support our rural hospitals, ag cooperatives, and our small businesses. Young people do want to stay in their small towns and combine dual enrollment with work-based learning opportunities like apprenticeships can lead them a more direct-- with a more direct path to a career and degree. As a representative of the Growing Together initiative in Norfolk, I also want to share that this bill will support our program to employ Wayne State students in their fourth year where they live, learn, and work in cooperative education experiences in Norfolk. This program will grow to 75 students per year living and working in our community. This initiative is an example of a creative community-based partnership that will benefit greatly from LB1167. I stand in support of this bill and happy to answer any questions from the committee.

STINNER: Any questions? Seeing none, thank you.

LEAH BARRETT: Thank you.

FELICIA HILTON: Good to see you again. My name is Felicia Hilton, F-e-l-i-c-i-a H-i-l-t-o-n, with the North Central States Regional Council of Carpenters. I do want to-- want to say that we do support LB1067 [SIC LB1167] and we support it because clearly workforce development is the linchpin of a healthy economy. But we do know from the Chamber of Commerce survey that they produced last November that there is a shortage of skilled labor. And with all of the money that you guys are looking at passing for infrastructure here in Nebraska, we do believe that there is a real effort to-- to try and reach as many people as possible. The one thing we do know from the pandemic is that we lost a lot of people from the workforce, not all of them due to, you know, being sick or anything like that. But a lot of people took the opportunity to retire early. A lot of people left the workforce found other jobs. They're now working online. So we do know that we need to encourage people back into the workforce. I read, I

believe it might have been in The Washington Post, that we had 2.5 million people that left the workforce, about 80,000 of them retired. But we still need to do a lot of work to get about 1.7 million people back into the workforce that can work, but they're living off savings or, you know, made some other adjustment the reason why they're-- they're not returning to the workforce. And I do believe that all of the effort to figure out what to do with the money to encourage workforce development is important. However, I do feel that we should look at amending the bill just a little bit because I feel like there are a number of institutions that already exist that could figure out how to use the dollars as well. And so I would just like to offer and I'll pull it up here really quick-- so I would just like to offer an opportunity to kind of talk through amending certain pieces of it because I do think that the Worker Training Board that's been established here in Nebraska would also be a good avenue to funnel money for apprenticeships. They know how-- what's the best way to incorporate the dollars for apprenticeships that are already existing, as well as how to make sure that apprenticeships that are lacking certain things, like the building information model, which is BIM technology, which is laser technology with if you're in construction, you've probably seen this where they can pretty much lay out the floor plan and what the building is going to look like. But a lot of apprenticeships don't have this equipment. There's virtual welders that a number of apprenticeships don't have. So there's also things that our contractors will donate and all of that to the apprenticeship. But if the state is really looking to figure out ways in which they could spend the money, one-time money and not have, you know, creating new programs that have to be sustained, those are things that the money can be spent on as well when you're looking at apprenticeships. And I do think that the more that we kind of dive into understanding how apprenticeships work, that they are, like I said before, an investment from the employer as well. And the employer in the joint labor management system, they put up a number of portion of the funds and so do the members, in this case, if it's a union. So we pay 70 cents an hour for every hour worked to train up the next carpenter. But our contractors also contribute that to train up the next carpenter. We both participate in the creation of the training center and what's needed in the training center. And so I just think that looking at apprenticeships and specifically apprenticeships, I'm not talking about the internships, but specifically apprenticeships is understanding that that is a long-term commitment from an employer to do this. And if there's ways to support employers that are already doing apprenticeship programs, I think we're in favor of that as well.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 24, 2022
Rough Draft

But I do believe that the existing model of apprenticeship program should be the focus, not creating new programs. And then I do think working through the established board that the state already has, the workforce training board, is also a good avenue to-- to focus the money. So I just want to say for the one-time spending, and I know that's an issue, but I think that we can do this without creating a system where we have to keep funding it over and over and over again. But to boost it right now with this money through the pandemic, the things that are already here, I think would be the best use of the funds. Thank you for hearing me.

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

FELICIA HILTON: Thank you.

STINNER: Afternoon.

ROGER HUGHES: Good afternoon, Chairman Stinner, Chairman Stinner and members of the Appropriations Committee. My name is Roger Hughes, R-o-g-e-r H-u-g-h-e-s, and I'm the president of Doane University. I appreciate the opportunity to share my support of LB1167. Last week, you heard me share with you that the relationships between academia and industry are critical and crucial for enhancing and training the best workforce. LB1167 provides us with pathways to build those bridges between academia and industry by increasing internships and apprenticeships across Nebraska. Investing in our students in the form of internships and training opportunities pays dividends for Nebraska's workforce. The National Association of Colleges and Employers finds that the interns that are hired by their placement company are retained at a rate of over 70 percent. On the other hand, the one-year retention rate for employees who didn't intern for the company is only 40 percent. Those with paid internships expect to make \$10,000 more than both unpaid interns or those that never interned. In fact, our corporate pot-- our corporate partners continue to request more student interns. When we connect our students with Nebraska's companies and our students' academic-- our students' academic coursework is complemented by professional development. This leads employers to feel more comfortable expanding job, extending job offers because they are confident our recent graduates will add value to their companies. A recent experience illustrates how companies agree that the synergy between academia and business is an effective approach for developing a workforce. A large tech company, a major employer in Nebraska, approached Doane to modernize their infrastructure by providing student internships. This company believes

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 24, 2022
Rough Draft

this experience will also lead to a long-term career with their company. This type of internship experience opened doors for our students and provides talent-- provides a talent pipeline for Nebraska companies. Yet too many of our students still do not have access to these internships because they have to make a decision between an unpaid internship or a paying job. Increasingly, our students are more diverse and we are showing a greater financial need to obtain a college degree. We also know that students with a paid internship receive nearly 50 percent more job offers than those who either had an unpaid internship or no internship at all. Section 2 of LB1167 envisions supporting educational partners, among other organizations, with promoting training that expands Nebraska's workforce. At Doane, we are seeking to create and increase internship and apprenticeship opportunities for our students and young professionals that benefits Nebraska's employers and businesses. Doane's tech park and business incubators will incentivize paid interns to work with Nebraska companies and their partners in the fields of broadband service and high speed internet accessibility. These opportunities will also help our state's industries with cyber and election security, analytics, engineering, and supply chain management to increase rural job growth, business capabilities, and infrastructure. By partnering together, we can build a strong Nebraska economy, and I look forward to that collaboration. Thank you very much. I'll entertain any questions.

STINNER: Thank you. Questions? Senator Dorn.

DORN: Thank you, Chairman Stinner. Thank you for being here. I got I guess two questions.

ROGER HUGHES: Um-hum.

DORN: Approximately what percent of your students end up taking internships and then approximately what percent are paid or unpaid?

ROGER HUGHES: Most of them are unpaid and most are unpaid right now, yes. And it depends on the discipline that they're in. Our engineering students, almost every one of them take internships-- internships. And ten of our graduates last year, nine of them had job offers before they started their senior year. That's an example with the internship. Now I can't give you an exact percentage, but it varies by discipline greatly.

DORN: Thank you.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 24, 2022
Rough Draft

STINNER: Additional questions? Seeing none, thank you.

ROGER HUGHES: Thank you very much.

BUD SYNHORST: Good afternoon, Chairman Stinner, members of the committee. Bud Synhorst, B-u-d S-y-n-h-o-r-s-t. I'm the president and CEO of the Lincoln Independent Business Association, also known as LIBA. We represent over a thousand small local businesses here, primarily in Lincoln and Lancaster County, and I'm here in support of LB1167. Labor is at the center of concern for our business owners. Daily, we hear from our members how difficult it is to find quality employees; restaurants that are forced to close certain days of the week because of their short staffed; family-owned shops have had shortened hours due to lack of workers; and contractors who have had delays in projects because they don't have the skilled employees that they need. Out of these challenges brought on by the pandemic, the volatile labor-- labor market seems to be one that has continued to linger. The allocation in LB1167 provide-- the-- the allocation of funding provided by LB1167 provides would go a long way in shoring up our workforce problems that our small businesses are seeing here in Lincoln. Apprenticeships, internships, and other training programs provide a direct pipeline of talent for companies operating here in our state. As you consider requests for spending one-time ARPA funds, we ask you to keep our state's workforce in mind. The attraction and retention of quality jobs and workers is a major priority in our businesses. LB1167's substantial allocation to training and for retention will help grow our state and produce a stronger labor market. The relief would directly benefit business owners across Nebraska who have struggled with labor shortages and navigated great uncertainty during this pandemic. We're trying to be as creative as we possibly can with our business owners. We're currently working on sponsoring a career fair to match our business owners with the Career Academy students here in Lincoln, which are high school students. We're going to do that two weeks from tomorrow to provide an opportunity for our business owners to connect with a labor force, potentially internships, whatever we can do. We continue to hear this from our business owners on a daily basis. LB1167 represents a meaningful way to allocate these federal dollars. This bill places a clear priority on workforce development and retention; and for these reasons, LIBA supports the advancement of LB1167. I want to extend our appreciation to Senator Flood for introducing this bill and bringing it forward and to the committee for allowing me to be here today. And I would answer any questions you might have.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 24, 2022
Rough Draft

STINNER: Any questions? Seeing none, thank you.

BUD SYNHORST: Thank you very much.

WENDY VAN: Good afternoon. My name is Wendy Van, W-e-n-d-y V-a-n, and I'm the president of the Foundation for Lincoln Public Schools. We are an independent nonprofit separate from the school district, yet committed to supporting the 40,000-plus students in our community and our educators. Funding to support kids as they bridge that gap between high school and meaningful career would be a game changer for thousands of graduating Nebraska students, those that you heard from today, as well as those students who either do not start or do not complete any kind of postsecondary training at all. One of the roles of a public school foundation is to be the place where a community meets its schools and partnerships. When our Career Academy here in Lincoln was built, the foundation helped cultivate the relationships with businesses. This made the Career Academy so much more than just school in another place. Our companies, who had struggled to find high-paying, high-skill, high-demand, known as H3 jobs, so employees for those jobs, are motivated to connect with young people. Some provide funding for things like field trips, equipment, and scholarships. Some even volunteer as guest speakers or mentor a student on a capstone project. And while this does expose kids to careers, especially in high school, the most meaningful workplace learning experience happens not in the classroom, but in the workplace, doing the job as an intern or a part-time employee. Now we have some great internship-- internship opportunities that you heard about already through the Career Academy and other things, but often those are built on a case-by-case basis without a systematic way to prepare businesses or the students for success, especially not at scale. And for some businesses, the process takes a lot of time, can feel uncharted, and is difficult to sustain on their own. Educators also find a lot of value in internships, as you've heard today. However, we all know the stress and time constraints that public school teachers have in the classroom. There just isn't enough room in their packed schedules to shepherd the students and the businesses through the nuances of an internship program for a 16- or an 18-year-old student. From the student side of the equation, we've seen, especially today, students who are motivated, supported, and driven easily seek out those internship opportunities and workplace experiences. However, there's another group of kids who haven't yet found their passions, and they may have a caring-- they may not have a caring adult to guide them. They might be struggling with the barriers of poverty and may not even be able to see the path and they just

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 24, 2022
Rough Draft

simply get lost. Compounding all of this is the discouraging data we've heard about unemployment and other H3 jobs across Nebraska. We know there's more jobs than job seekers. Postsecondary education rates are plummeting through the pandemic, and we continue to see young people leave our state. So I'm here because about a year ago, the Foundation for LPS, LPS educators, and some businesses started looking at the proven Avenue Scholars and Intern Omaha model as a place to start because we have been thinking about this problem for a while. In October 2021, a 30-member steering committee was formed, which included multisector members from employers, educators, state agencies, and students. And we dove into the data, we shared our expertise, and we identified what our community offered and didn't offer for students to explore career-- for high school students to explore career opportunities. Our consensus was clear, and I don't think [INAUDIBLE] Lincoln needs a community-wide internship program led by dedicated professionals who wake up every day thinking about student and business success, and that the program must be intentional about equity by building robust preinternship programs and wraparound services to prepare barrier students to be able to compete in the education and the job markets. LB1167 establishes the funding for exactly that kind of coordinated system that we identified in Lincoln. Our steering committee has developed a framework that includes year-round activities designed to provide training, coaching, internships, and business support; and we can feel like we can do it at scale with support. We anticipate the program will be community based using both public and private partnerships, including our Learn to Dream program that we have that's so successful here in Lincoln. Employers love these programs because they work. Our state is ready for this. We believe the people, the proven practices, and the will all exist. All that's missing is the funding to operationalize what we already know. You have the opportunity to address a persistent and growing need in all of our communities. In these uncertain times, young people are struggling to find their way. College scholarships alone don't make a student's path clear or their financial future promising. Students have to explore those interests, earning potential, and natural abilities before they take on any student loan debt. To do this, there needs to be a robust, coordinated system to develop and retain the talent we need to keep in Nebraska. Strongly support this bill in the amount requested, not only for Lincoln Public Schools, but for my other colleagues across the state who wake up every day trying to make sure kids have what they need to reach their full potential. I want to thank you, Senator Stinner and Senator Flood, for allowing this discussion to be able to happen and mostly

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 24, 2022
Rough Draft

for thinking about how you can champion this game changer for students and Nebraska businesses. I'm happy to answer questions.

STINNER: Very good. Questions? Seeing none, thank you.

WENDY VAN: Thank you.

STINNER: Good afternoon.

CHRIS CALLIHAN: Good afternoon, Senator Stinner and senators on the Appropriations Committee. My name is Chris Callihan, C-h-r-i-s C-a-l-l-i-h-a-n. I'm a member of and the business manager of IBEW Local 265 here in Lincoln. I'm testifying today represent the membership of Local 265. I also have with me Jamie Barrett, [PHONETIC] the president of Lincoln Building Trades here in Lincoln and also with Brett DeHart, [PHONETIC] executive board member with the Omaha Southwest Iowa Building Trades Council. These two councils represent over 7,000 tradesmen and women in the-- in Nebraska alone. We like and agree with the direction and goal of this money for the enhancement and retention of the workforce of Nebraska. One of the best methods of accomplishing these goals is through federally registered apprenticeship programs. We have a very high graduation and retention rate within our programs. We also have had success in our members advancing even into the contracting side or business side of our industries with success. Having the Appropriations Committee dedicate some of this money to federally registered apprenticeship programs would be sending money to programs with proven success through structured classroom requirements, on-the-job requirements, industry-based curriculum, and progressive advancement through the program and both knowledge and skills and pay and benefits. We would ask that you be-- that you would consider-- consider-- we would ask that there be consideration on amending LB1167 to include federally registered apprenticeship programs, as well as sending the money to the Department of Labor's Workforce Training Board, established in 48-622.03. This worker trained-- Worker Training Board already does this work and would be greatly qualified to handle this money through grant programs. I think it's important to try and focus on existing federally registered apprenticeship programs. These programs already are self-sustaining. They won't need funding at the end of this funding source. This is about injecting money into apprenticeship programs with maximum return and effect and, yes, without the request for more money when it's said and done. These programs are funded by the contractors and some by the field. And I want to clarify a little bit of difference too. An apprenticeship program means you're working

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 24, 2022
Rough Draft

side by side by trades women or men learning the craft, earning wages, and earning benefits. It is the best source for learning your job, someone that already knows that is already doing it. It's some of the best that's existed. The IBEW created its apprenticeship program when it first drafted its first constitution in 1891. It was one of the core pieces they put in play, and at first opportunity in 1946, they registered with the National Department of Labor as a registered apprenticeship program. Since then, they have met, if not exceeded, all guidelines from the Department of Labor to be federally registry-- registered. They stay on top of the industry as it evolves. And I can tell you, the 17 years I've been in the trade so far, the last five years has been just amazing to see the train-- training and the advancement and the changes in our industry. So having this apprenticeship program and having it federally registered is key to anybody getting in these trades and being successful. And I think it also will make them successful if they are that person that wants to take that leap and become a business owner. That has got to be the end game goal and I know it's the goal that we have as a Local to grow that to encourage and cultivate that type of environment. Thank you for your time today and I would be open to any questions.

STINNER: Any questions?

DORN: Yeah.

STINNER: Senator Dorn.

DORN: Thank-- thank you, Senator Stinner. Thank you for being here. What-- a couple of questions. Are all the apprenticeships normally they're all paid positions? And as a federally approved one, do you get or do you qualify for federal funding?

CHRIS CALLIHAN: As far as I'm fully aware of, federally apprenticeship programs are all paid. They are earn as you learn. So as an example, our program in Lincoln, our guys and women, men and women both go through the program by working during the day, earning wages and benefits, and they go to class at night. Ours is two nights a week, three hours each. They have to meet a yearly quota of hours in the classroom and hours on the job learning this craft. I know electricians-wise, the math that we go through is huge. It was a challenge for even me. It's a challenge for a lot of them, but it's a program that is very well established in training and exposing them to it, and they learned. They use it every day.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 24, 2022
Rough Draft

DORN: Thank you.

STINNER: Thank you. Senator McDonnell.

McDONNELL: Chris, thanks for being here. Can you go into a little bit more detail about the benefits and then as an apprentice, how you get wage increases as you learn?

CHRIS CALLIHAN: So a starting apprentice right now makes 50 percent of our journeyman rate. They have full family health insurance on top of that. And they also have three pensions on top or retirements, two defined benefit pensions and a retired cash account that they have access to. All of those are out day one in the apprenticeship program. And our program each in the IBEW is either a six [INAUDIBLE] a six period to a 10 period ladder to advance the program. Ours is a 10. So effectively you're seeing a change in your benefits and/or pay as you progress through all 10 of those steps. When you-- walking into your ninth period, we'll call it, that's your fifth year walking into your fifth year, you're making 80 percent of a journeyman rate and still have all the same benefits that you had previously. Once you turn out by taking the Nebraska State Electrical License Journeyman Test, you've committed and completed all the hours that are required each year and all total years through the program-- through the programmable hours on the job and hours in the classroom, you turn out as a journey wireman. Our graduation turnout rate is in the high 90s. Our retention is in the 90s. These are careers that we are creating. And I think that as we spend a lot of the money that I've sat in here today hearing, it's a lot of money and I don't think it's a bad thing, but I think it's got to be that return in investment. That means good careers. That means they're making good wages. Because if they're making good wages, they're buying houses. They're buying cars. They're turning that money and creating more revenue in their local communities throughout Nebraska. That is the investment in our workforce. It isn't just about exposing them to the career, it's giving them that career. I think that's got to get kept in there. It cannot get lost in translation.

STINNER: Additional questions? Seeing none, thank you.

CHRIS CALLIHAN: Thank you.

STINNER: Any additional proponents? Any opponents? Anyone in the neutral capacity? Seeing none, Senator, he waives his closing. And we have 18 letters of support for LB1167. And that concludes our hearing

Transcript Prepared by Clerk of the Legislature Transcribers Office
Appropriations Committee February 24, 2022
Rough Draft

on LB1167 and it concludes our hearings for the day. Save your lunch hour for tomorrow. We're going to finish up on--