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Appropriations Committee March 2, 2022  
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**STINNER:** Well, please take your seats. We are about ready to begin. Welcome to the 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 like to start off by having members do self-introductions, starting with Senator Erdman.

**ERDMAN:** I'm Steve Erdman. I represent District 47. That's nine counties in the Panhandle.

**McDONNELL:** Mike McDonnell, LD 5, south Omaha.

**STINNER:** John Stinner, District 48, all of Scotts Bluff, Banner, and Kimball Counties.

**KOLTERMAN:** Mark Kolterman, District 24: Seward, York, Polk and a sliver of Butler County.

**VARGAS:** Sliver of Butler County?

**KOLTERMAN:** Sliver of Butler.

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

**DORN:** Myron Dorn, District 30, Gage County and part of Lancaster.

**STINNER:** Assisting the committee today is Tamara Hunt and to my left is the esteemed Liz Hruska, who is fiscal analyst. She was honored this morning by the hospital association. Started her career in 1983 is what I heard, so welcome, Liz. Our page, our page today is Jason Wendling. At each entrance, you'll find the green testifier sheets. If you're 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 want-- would want to go on record as having a position on a bill being heard today, there are white sign-in sheets at each entrance where you may leave your name and other pertinent information. These sign-in sheets will become exhibits in the permanent record at the end of today's hearings. To better facilitate today's proceeding, we ask that you abide by the following procedures. Please silence or turn off your cell phone. Order of testimony will be introducer, proponents, opponents, neutral, and closing. We ask when you come up to testify that you first spell your first and last names for the record before testifying. Be concise. It is my request that you limit your testimony to five minutes. Written materials may be distributed to the committee members

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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 don't have 12 copies, please raise your hand now so the page can make copies for you. With that, we will begin today's hearings with LB1052. Senator Cavanaugh.

**J. CAVANAUGH:** Thank you, Chairman Stinner and members of the Appropriation Committee. My name is John Cavanaugh, J-o-h-n C-a-v-a-n-a-u-g-h, and I represent the 9th Legislative District in midtown Omaha. I'm here today to introduce LB1052. I've handed out copies to the committee for your checklist to determine the appropriateness of this legislation that utilizes ARPA dollars to fund efforts to respond to the impacts of the pandemic. While the pandemic impacted many Nebraska households and businesses, some of the most severe impacts fell on low-income and underserved communities, where preexisting disparities amplified the impact of the pandemic and where the most work remains to be-- to reach a full recovery. The U.S. Department of Treasury specifically identifies the following as appropriate programs for states to appropriate these dollars, all of which would be covered under the grant program created by LB1052: emergency programs or services for homeless individuals, including temporary residences for people experiencing homelessness; housing stability services to help house-- households maintain or obtain housing such as housing counseling, legal aid, and eviction diversion programs as well as individual-led assistance for people experiencing homelessness; and mortgage assistance. Treasury also identifies rent and utility assistance as appropriate uses of ARPA funds, but these should be covered by emergency rental assistance funds for which Nebraska has not yet applied. LB1052 distributes \$40 million through the Department of Health and Human Services to Program 743, the, the Nebraska Homeless Assistance Program, for grants to 501(c)(3) nonprofits that serve homeless Nebraskans and Nebraskans facing the prospect of homelessness. The number of Nebraskans experiencing unsheltered homelessness has actually decreased, but the-- because of the extraordinary effort put forth by the organizations across the state who would benefit from this program. That effort has required these organizations to rapidly scale their existing programs to meet the growing need and prevent more Nebraskans from becoming homeless. It is exactly this increased capacity that will LB1052 targets to allow these organizations to continue to meet the need in their communities. Research overwhelmingly shows that interventions to prevent homelessness are more cost effective than addressing issues

after someone is already homeless. The longer a person is homeless, the harder and more expensive it becomes to take care of their needs and get them into housing. HUD found that the cost of emergency shelter ranges from \$46 to \$123 a night or about \$1,380 to \$3,690 a month, which is higher than fair market rent in Nebraska. And there is not good data to show that a shelter stay translates to long-term stability. Alternatively, investing in support before a person becomes homeless has proven effective at maintaining or obtaining employment, reduced behavioral health issues, and reduced costs in other areas, including healthcare and Corrections. This bill would direct dollars to use-- to be used for grants to deal with operational capacity of organizations providing emergency housing support services or legal organizations providing services for persons facing homelessness, including staffing capacity. These organizations have been out on the front lines in every Nebraska community since the beginning of the crisis and they're going to need a lot of help to remain on the front lines in the foreseeable future. Our goal with these funds should be to ensure that Nebraskans continue to recover from COVID-19 pandemic and the program intended by LB1052 is both a critically needed and smart investment in long-term stability of all Nebraskans, complementing these efforts made to increase affordable housing across the state and set a foundation to low-- to lower long-term costs to the state. As Senator MacDonnell well knows from his work in the United Way, there has been an incredible growth in the need for the support from across the state with a 191 percent increase in calls to 211 from 2018, with 54 percent of those calls asking for housing help. Today, you'll hear from individuals who know their communities and their needs, have worked tirelessly to meet those needs, and are very concerned that they will not be able to continue to do so without the funds allocated in LB1052. Thank you for the hard work of this committee and I'm available to answer any questions.

**STINNER:** Any questions? I have some questions as it relates to this because we do have a cash fund and we're always wondering if we have enough money in that cash fund. We tried to quantify it at one time for homeless shelters and homeless folks. But now you're telling me it's \$46 to \$123 so now I have a sum. Now, how many homeless are there?

**J. CAVANAUGH:** That I think maybe a better question for one of the people that come behind me. I know it's a number that fluctuates.

**STINNER:** And I'm thinking that the dollars that we have in the cash fund-- \$3.5 million so that's-- when I look at that in relation to the

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\$40 million ask, I'm having a problem quantifying some of that. But in your bill, you said that the homeless actually went down--

**J. CAVANAUGH:** The--

**STINNER:** --in the state.

**J. CAVANAUGH:** --the number of homeless, but that's as a result of the-- obviously, we've had a-- marshaled a large amount of effort in this area in the last two years, of course. And I think some of the folks who come behind me could probably address what specific actions were taken, but I could tell you from my anecdotal experience, the efforts that have been undertaken to get folks off the street and into temporary, supportive housing in response to the health crisis, I think, is one of the reasons for those numbers decreasing and we need to continue to make progress on that.

**STINNER:** OK, just wanted to nail down a dollar-specific number that adds and subtracts, so. Anyhow, any additional questions? Senator Vargas.

**VARGAS:** Thank you. He answered-- his question answered some of them-- my questions. The only other question I had was I don't like always comparing ourselves to other states, but I'm curious if you have seen any other states, even in the ones surrounding us, and how they've-- how they're looking at using ARPA, especially given that this is about recovery for our highest-need communities and-- yeah, I just don't know if you have any information on how other states have used these dollars for the purposes of what you're trying and requesting it for.

**J. CAVANAUGH:** So to be clear, your question is have other states-- I mean, obviously, other states have gotten quite a bit of ARPA dollars as well and they're using them in a lot of different ways. My impression of how other states-- I mean, there's every version under the sun is basically what everybody is doing at this point.

**VARGAS:** Sure.

**J. CAVANAUGH:** You know, ever-- they, they're using them for basically anything you can imagine. The reason for this is this is one of the very specifically-- ARPA is intended to be used to alleviate the issues that we saw were exacerbated as a result of COVID-19 and this is what-- this addresses the need in a community that was-- very specifically was harmed and is going to be-- take even more effort to recover back to a stability level that we would want them to be at.

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And so that's, that's what this is directed at. I can look and see what other states-- if anybody else has done this exact thing, but I think a lot of other states have addressed homelessness. And, and as we know, every other state, except for us and one other state, have taken the emergency rental assistance money. So every other state is focusing on these issues and maybe taking them a little bit more seriously than we have so far.

**VARGAS:** Appreciate that.

**STINNER:** Senator McDonnell and I signed a letter to the Governor asking him to apply for those funds, so.

**J. CAVANAUGH:** And I appreciate that.

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

**J. CAVANAUGH:** Thank you.

**TINA ROCKENBACH:** Good afternoon, Chairman Stinner and members of the Appropriations Committee. My name is Tina Rockenbach, T-i-n-a R-o-c-k-e-n-b-a-c-h. I'm the executive director for Community Action of Nebraska, the state association representing all nine of Nebraska's community action agencies currently serving all 99 counties. I'm here to testify in support of LB1052 as it relates to the request of additional funds through the American Rescue Plan Act to address the need for Homeless Assistance Program of Nebraska. Housing assistance is one of the core services that our nine agencies have provided to every county in our state. We are not seeing any decrease in the need for assistance related to housing. If you take a look at the handout that I've provided, there's a very quick snapshot of Community Action's efforts to help citizens specifically with housing and utilities. And these totals by agency are for approximately the last six months, representing total dollars expended across all of our revenue sources. This is also above and beyond-- separate from the state emergency rental assistance-- assistance, excuse me. You can see by the pie charts at the bottom that six out of nine of our agencies are rep-- are reporting an increase in requests for assistance on housing and utilities. Among this influx of requests, seven out of our nine agencies are reporting higher than pre-COVID requests. Among these increased requests by far, all agencies are reporting that the largest percentage of people requesting help have at least one adult employed in the house. While these same clients are finally getting back to work or even improving their income, this does not erase any

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current need from any accrued housing balance or need to afford a place to live. With our state seeing record-low unemployment, the shows that Nebraskans want to work and yet our requests show that many are still reeling from the effects of the pandemic. Perhaps the two most limiting factors for us to address the housing needs in a more comprehensive way for us are money and manpower. Our agencies are experts at leveraging all revenue sources to spend every dollar on its designated intention. However, with the record-high requests an needs, agencies are finding that the dollars are getting harder and harder to stretch to help everyone. In fact, some agencies have put a limit on only being able to help with approximately \$200 per family just to stretch the assistance money. Other agencies are not able to meet needs based on caseworkers reaching their max load on clientele. By allocating \$40 million into grants to support staffing and operational capacity to address housing and support services, it would help our agencies to truly help more families, make the funding from all sources go further, and help get any families over this last hurdle, putting COVID-19 and its aftermath behind them. We are requesting that you fund LB1052 at its full \$40 million and I'd be happy to answer any questions at this time.

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

**TINA ROCKENBACH:** Thank you.

**MIKE HORNACEK:** Good afternoon, Chairman Stinner and members of the Appropriations Committee. My name is Mike Hornacek, M-i-k-e H-o-r-n-a-c-e-k. I'm an Omaha resident and president and CEO for Together, a social service agency that has served the Omaha community for the past 47 years. Our mission is to prevent and end hunger and homelessness in our community and it is because of our mission I am here representing our organization in support of LB1052. Our goal is an ambitious one and has been challenged greatly in the past 24 months as we have continued to respond to the needs of our community during the pandemic. Together has undertaken unprecedented efforts to ensure Omaha-area residents retain their housing during the pandemic. We have opened a noncongregate shelter, led efforts in distributing emergency rental assistance funds, prevented evictions, and helped intervene after an eviction through our collaboration with the Tenant Assistance Project. We have expanded our street outreach, crisis engagement, and rapid rehousing programs all to ensure our community residents secured or retained their housing in a public health emergency. This unprecedented response has put an unbelievable amount of pressure on our organization and others like us. For example, since the pandemic

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began, our organization has hired nearly 50 people, purchased three buildings, opened an office in another state, and distributed millions of dollars in financial assistance to our community all to support our most vulnerable neighbors and prevent a housing crisis. If you review the PQI dashboard contained in your packets, you will see the unprecedented efforts reflected in the record level of services provided over a 24-month period and the concerning trend that we still see. Our sector has been responding in these Herculean ways for over 24 months now, but I am extremely concerned about the sustainability of these efforts. At the beginning, I don't believe any of us thought that we would be carrying these efforts on 24 months later, yet we are. And to make things worse, I feel like we might be headed towards a perfect storm in 2022. While the need has plateaued slightly, it remains at record levels. In the past two years, many of us had additional resources to meet the increased need. However, as we move to 2022 and beyond, I am gravely concerned because of the need I still see and the lack of resources available to meet that need. Couple that with organizations that have been responding at unprecedented levels, working in a frantic pace for 24 months, and you have the recipe for the perfect storm. For a long time, charities and social service organizations have proudly served our communities, operating from a place of scarcity. Unfortunately, what we are faced with in 2022 and beyond will be way beyond scarcity and set us up for failure. Once again, in our community and state's time of greatest need, the nonprofit sector was asked to save the day and once again, we proudly answered the call. And we will continue to answer that call, but we need the resources to do it. Thank you for your time, senators, and I'm happy to answer any questions you may have.

**STINNER:** Questions? Senator Hilkemann.

**MIKE HORNACEK:** Yes, sir.

**HILKEMANN:** Can I make the assumption that you got CARES money?

**MIKE HORNACEK:** We got some, yes.

**HILKEMANN:** Thank you.

**STINNER:** Additional questions?

**DORN:** Yeah.

**STINNER:** Senator Dorn.

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**DORN:** Thank you, Chairman Stinner. Thank you for being here. You, you made the comment that you opened an office in another state. Is that Council Bluffs or something or talk--

**MIKE HORNACEK:** Yes.

**DORN:** --explain.

**MIKE HORNACEK:** Yeah, so still serving the regional area.

**DORN:** OK.

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

**MIKE HORNACEK:** Thank you.

**TANYA GIFFORD:** Good afternoon.

**STINNER:** Good afternoon.

**TANYA GIFFORD:** Thank you, Senator Stinner and the committee, Tanya Gifford, T-a-n-y-a G-i-f-f-o-r-d, executive director of Lift Up Sarpy County. I'm here today in support of LB1052. Lift Up Sarpy County has almost 100 collaborative partners that we work with on a daily basis to address the community and its life's challenges, as people of Sarpy and Cass County continually face. Working as a collaborative, we are empowered to take our individual resources and put them together to be a strong force in fighting homelessness, food insecurity, mental health, transportation needs, and equal access to education. In addressing your question about the homeless numbers, the flood of 2019 permanently took away approximately 300 homes from our families in Bellevue and damaged 1,000 more. We watched families move out of Sarpy County then because we didn't have any other low-income housing options for them. Today, we are still working with some of those affected families in finding sustainability. What we didn't know was this would only be the preface to the story that COVID would be. The next chapters in what could be ended up as a horror story. Sarpy County is the fastest-growing county in Nebraska and perceived to be economically independent and not in need of any financial assistance. I'm here to tell you today that that perception is completely wrong. In January, volunteers gathered to do a point-in-time count of the homeless population just in Sarpy County. Senators, just my report to them of the families that I knew about that day was 13 families at a local hotel, all victims of evictions and/or domestic violence; three families living out of their car at the Gretna Wal-Mart; and seven



other families at the local truck stop. By the end of the count, they had confirmed over 70 homeless individuals. Sarpy County, where everyone takes care of their own and money is no object, does not seem to be true anymore. Without having a shelter or any type of transitional housing, it was almost impossible to collect true data, true facts rather than imperfect perceptions. Due to the flood, though, and now COVID, we can track at least a portion of that data on the homelessness. In 2020, when the CARES Act allowed for nonprofits to file for grants through DHHS, it was a complete success. Lift Up Sarpy applied for \$111,000 with the focus of helping families with educational needs and transportation. We worked with our collaborative so that each agency applied for funding on a specific need. Together, we were able to impact the county by \$3 million of assistance. This is the true definition of collaboration. One agency would address the housing and utilities, us with transportation and educational needs, etcetera. The successes that I could share with you today are immeasurable. We know our families and we are diligent in making sure we are making an impact within those families. We are not just handing out money, but instead building relationships and long-term budgeting goals with each of them. I am asking you today to allocate the \$40 million to DHHS so that the boots on the ground can again help the families that even though they are still working, they are still struggling. We can continue to help them recover and stay sustainable. I thank you for your time and I would happily take any questions.

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

**TANYA GIFFORD:** Thank you.

**SCOTT MERTZ:** Good afternoon, Senator. Thank you. Scott Mertz, S-c-o-t-t M-e-r-t-z. I am the director of Legal Aid of Nebraska's housing justice project. I have extensive experience of representing low-income tenants over the past 13 years. I have experience both individually as a practicing attorney and with the rest of my housing justice project representing low-income tenants across the state. I thank you for the opportunity to testify today in support of LB1052 and I also wish to thank Senator Cavanaugh for producing LB1052 and inviting Legal Aid Nebraska to testify today. Now, Legal Aid Nebraska, we are the largest statewide nonprofit law firm offering free legal services to all low-income Nebraskans across the state. We prioritize four priority areas: helping people with children and family, debt and finance, income and benefits, and housing. Between January 2017 and December 2021, Legal Aid of Nebraska closed 6,173 cases, providing some form of legal assistance related to a landlord-tenant housing

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issue. Between 2020 and 2021, we saw a 71 percent increase in the number of our cases involving landlord-tenant issues. That was 1,032 cases in 2020 to 1,764 cases in 2021. The need is there. The demand is there for legal services for those low-income tenants across Nebraska. Our goal is to ensure that anyone who contacts Legal Aid Nebraska ahead of their eviction hearing has an attorney representing them by their side, helping to preserve their safe, affordable housing. Our data shows that over 90 percent of the time, if an individual has an attorney, we can avoid that eviction either through negotiation or actually presenting the defense in a court of law. We observe the difference when an individual goes to court unrepresented without legal counsel. We see this all the time, all across the state, individuals that are brought before court, sometimes just a week's notice from the time they were sued, showing up, unaware of what to do, what their rights are, how to behave in court. They are more often than not evicted that very day. When they go with an attorney from Legal Aid Nebraska or from a volunteer attorney, as I stated, the vast majority of the time, we were able to avoid that eviction, preserve that housing, keep low-income families in their Section 8 housing, public housing, or otherwise just private rental housing. It is a necessity that anyone in court has the same access to an attorney that those landlords do. The vast majority of landlords come to court with an attorney. Without having the opportunity to access and be provided an attorney, the vast majority of low-income tenants will be evicted. It is an imperative that there is funding available to ensure that all Nebraskans all across the state have that access to an attorney so that they have the same access to justice as any landlord. LB1052 is going to help ensure that every Nebraskan has the same access, access to quality legal representation, representation necessary to keep low-income Nebraskans in safe, affordable housing. I thank you for the opportunity to testify today and I would welcome any of your questions.

**STINNER:** Thank you. Questions? I was just asking a question of Liz. Do you get your funding from a state source?

**SCOTT MERTZ:** A variety of sources, including state sources. We have federal funding through the Legal Services Corporation, yeah.

**STINNER:** That's probably it. I was just trying to figure out if-- go ahead, Senator Dorn.

**DORN:** Thank you, Chairman Stinner. Thank you for being here, I guess. On the first page here, you showed some data that in 2020, you had

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1,032 cases and in 2021, 1,764 cases. And I guess-- and maybe what I've read, I'm not familiar with exact timetable, but it-- part of this timetable I thought was not-- you couldn't have evictions or whatever. Explain the difference in the cases then, I guess.

**SCOTT MERTZ:** Happy to. Again, a couple answers to your relatively straightforward, simple question so I apologize if I'm making it a bit complex, but you are correct in that there was an eviction moratorium both at the federal level and briefly at a state level in early spring of 2020. Problem was lack of enforcement, uniform application, and it actually being understood and followed by both the courts and the tenants. So we at Legal Aid of Nebraska stepped up outreach so that people knew that they had extra rights that were not present before March of 2020 and that if they were facing eviction, they shouldn't be. So we stepped up the messaging and with that, increased the number of calls and applications for our services than ever before. It is correct that the number of filings were down in 2020 and early 2021 because of those federal moratoriums. However, you know, those are over so the increased demand for our services and the increased filing of evictions all across the state is only going up. The numbers in January were higher than the numbers in December, which were higher than the numbers in November. We're seeing an average of over 100 evictions a week in Douglas County alone. These are all numbers at pre-pandemic levels. So true that there were less evictions during the time period that you're highlighting, but that still necessitated access to representation to ensure that people got the actual benefit of those moratoriums and again, they are gone today.

**DORN:** So do you have an idea then-- was there act-- what were the, I call it, the numbers of the evictions like or the eviction threats or whatever you call it or whatever? I mean, you, you helped more cases then and I read that a little bit wrong. You helped settle more cases, but what were the evictions like or are they-- you just said they're up for now.

**SCOTT MERTZ:** Correct, yes. You can see when you look at the number of filings-- and that's the easiest thing to track are the actual people that filed cases as opposed to the outcomes of those cases. You know, trying through the bill from last year, to actually have some more definitive information on the number of judgments entering cases. But just the filings, those decreased March 2020 through into the start of 2021. But then we can see that increase now that all the federal moratoriums are over, now that the ERA money is being exhausted across the state. All signs point to more and more filings, more and more

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demands for attorney services, more and more people just in the courtroom than there were two years ago.

**DORN:** Thank you.

**STINNER:** So this is-- you're the largest not-for-profit law firm in the state.

**SCOTT MERTZ:** Correct.

**STINNER:** And in the bill, it says legal organizations providing services for persons facing homelessness, including staffing capacity, so there is a good chance that some of these dollars will flow to you and your organization for staffing. How much staffing do you envision?

**SCOTT MERTZ:** Well, you're--

**STINNER:** Or do you even envision getting any money from this? Let's ask that first.

**SCOTT MERTZ:** It is our intent and our hope to have greater staffing so that we can meet the greater demand. From indicated, it's only increasing. Right now at Legal Aid Nebraska, we have five staff attorneys dedicated to simply fielding the requests for housing services. Again, the goal is to ensure that everyone all across the state would have access to an attorney. That's a big net that we're casting and we're hoping to meet that. Big problem is timing and people having the ability to get to us in time that we can actually provide an attorney wherever they need one. Right now in Lincoln and in Omaha and Douglas County and Lancaster County, as reflected in the numbers, that's where most of the evictions are. And we have staff available to try and take on all those applicants in those counties, but we'd like to be everywhere and we have tried to. We have staff-- we have offices and staff all across the state. The ideal is, no matter where you are, as long as you're contacting our organization prior to your eviction hearing, you can get an attorney that can ideally benefit you, benefit your situation, ideally preserve that housing. So direct answer to your question, we would need more attorney staff than we currently have with just those five attorneys available to address a crisis that can easily rise up to 10,000 evictions all across the state of Nebraska in a given year. Again, numbers were lower in '20, '21. The expectation is they're going up right now. They're going to be higher than they probably were in 2019, certainly in 2020.

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

**SCOTT MERTZ:** Thank you.

**EVA ROBERTS:** Good afternoon, Chairperson Stinner and members of the committee. Thank you for the opportunity to speak today on behalf of LB1052. I'm Eva Roberts, E-v-a R-o-b-e-r-t-s, director of policy and strategy with Front Porch Investments. Front Porch was launched last year to focus on innovative investments in affordable housing and homelessness prevention. We see affordable housing and homelessness as intrinsically linked because failure to address the housing crisis will undercut any efforts to eradicate homelessness. Keeping people from becoming homeless is the most cost-effective, cost-effective solution of all. We are proud to stand in partnership with the organizations on the front lines of this work, many of whom have spoken here today. Front Porch is privileged to help focus financial resources toward these problems, but private funding alone cannot solve them and indeed, investing in the local homeless service system has historically been a highly collaborative effort between public and private partners. For example, over the last decade, more than \$454 million have been invested into homeless services in the Greater Omaha area, with local foundations and government serving as nearly equal giving partners. As we navigate the long-term economic repercussions of the pandemic, philanthropy simply cannot resource the needs given the scale of the problem so we're grateful for the possibility of these ARPA funds as an infusion of public resources at a time when support is greatly needed. While measuring the size of the homeless problem is challenging, we know that just on one night in January of 2020, there were more than 2,400 homeless Nebraskans, including 202 families and 153 veterans. And during the 2018-19 school year, more than 18,000 Nebraska public school students experienced homelessness. And while the data lags, we can be certain that these numbers grew during the pandemic. But without the significant investments of public dollars over the last two years, they would have been far worse. With this bill, you have the opportunity to build on those earlier investments and strengthen the capacity of the organizations like these who've spoken today serving the most vulnerable Nebraskans. It's an opportunity for the public sector to build the infrastructure of the housing system in the spirit of our long track record of collaboration in this space. Front Porch Investments is committed to sustaining this cross-sector approach that continues to engage public, private, and corporate partners. LB1052 supports the intention of the American Rescue Plan, which sought to lay the foundation for a strong and equitable economic recovery. Investments in affordable housing,

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homelessness prevention, and supportive services should be key components of Nebraska's recovery plan. Thank you.

**STINNER:** Thank you. Questions? Let me ask you this: on Section 8 housing, do you use Section 8 housing? Do you know what Section 8 housing is?

**EVA ROBERTS:** I do know what it is. Our organization doesn't use it, but I know it's used in our state.

**STINNER:** OK then you wouldn't know how much Section 8 housing is available throughout the state.

**EVA ROBERTS:** I'm sorry, I don't, but we can certainly follow up with you in writing.

**STINNER:** I'll ask Senator Cavanaugh that.

**J. CAVANAUGH:** OK.

**STINNER:** It's his bill. Thank you.

**EVA ROBERTS:** Thank you.

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

**J. CAVANAUGH:** Thank you, Chairman Stinner and members of the Appropriations Committee. I appreciate your attention to this issue and I just kind of wanted to come up and answer a few of these questions. To Senator Vargas' question, there was a study by-- I think it was the Urban Policy Institute-- that said 60 percent of cities were using funds-- the ARPA funds for homelessness prevention services. And Senator Dorn's question about-- you kind of went through with Mr. Mertz about the process. One of the things about the moratorium was that you actually had to assert the moratorium in court. So you had to file a form that said you were affected by COVID and so it actually did take an effort by somebody who, like Mr. Mertz, who I've seen work his magic in court before, they needed somebody who knew the system to actually help you assert that moratorium right. And so people were being evicted, even though they would have been entitled to the moratorium and the moratorium only applied to nonpayment of rent and not other types of evictions. I thought that Ms. Roberts' testimony was pretty "elucidating." To answering the Chairman's question about the number of evictions, as she rightly

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stated, are a number of homeless where-- she characterized it as in a 24-hour period, the number of people homeless were 202 families, 153 veterans, and then in a year, 18,000 Nebraska public school students. And in my opening remarks, I pointed out that this is a question of-- it's essentially a, you know, stitch-in-time-saves-nine sort of issue, right, where we can invest this money upfront in stabilization, in aid, keeping people in their houses. These organizations have done a herculean effort in the last two years and if you look at the handout from-- I think it was from Together where the-- you can see just 2019, just in pounds of food distribution in 2019 was 1,170,000, goes up to two-- over 2 million in 2020 and over 3 million in 2021. And so that, that growth rate is incredible and they've responded to that with obviously some federal aid through the CARES Act and other programs, but that money is running out. We have-- the problems are not going to go away after this year and when the federal money is run out. This is an opportunity to help them build capacity to respond to these issues and to continue providing these services. This is exactly what was intended when Congress passed the American Recovery and Reinvestment-- Act and this is the type of thing we should be doing. It will save us money in the long run. These are the communities that have been most deeply impacted. And to Chairman Stinner's question about that amount of Section 8 housing, that's one I'm going to have to look up, Chairman, and I can get back to you.

**STINNER:** Very good, any questions?

**DORN:** I got a question.

**STINNER:** Senator Dorn.

**DORN:** This is-- was just a little bit about the \$120-some million or maybe federal funds for rental assistance, how that would relate or not relate to this type of a bill.

**J. CAVANAUGH:** So that that's emergency rental assistance funds you're talking about that the state has not taken so that would be-- that rental assistance can be used to pay rent, both back to and I think, forgoing rent, but also additionally utilities. So that will help people stay in their houses. So this money is not meant for that type of assistance. This would be to help facilitate those sorts of programs, getting people into-- access to those sorts of programs, but also access to other housing stabilization assistance as well. So that money could be used and should be used to help stabilize housing, but that would be direct payments for rent.

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**DORN:** So they're in essence, almost a-- two different programs or two different needs, I should--

**J. CAVANAUGH:** Well, I would, I would characterize them as the same need, but different aspects of how you help that-- those individuals, yeah.

**DORN:** OK, thank you.

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

**J. CAVANAUGH:** Thank you, Chairman. Thank you, committee.

**STINNER:** There are 34 letters of support for LB1052 and that concludes our hearing on LB1252 [SIC]. We will now open on a LB1141.

**VARGAS:** I got these.

**STINNER:** Go ahead, Senator Vargas, when you're ready.

**VARGAS:** Thank you very much, Chairman Stinner-- oh, thank you-- Senator Stinner, fellow members of the Appropriations Committee. My name is Tony Vargas, T-o-n-y V-a-r-g-a-s. I represent District 7 here in the Nebraska Legislature and I'm here to open on LB1141, which this is the last bill for me for this session, could be the last bill for me ever. LB1141 would appropriate \$3 million of federal American Rescue Plan Act funds to the Commission on Public Advocacy. This is a one-time investment that will provide funding for legal representation for low-income and vulnerable Nebraskans in matters of domestic violence, eviction, and other civil cases exacerbated by the COVID-19 public health emergency. Funds may also be used for administrative costs related to legal representation and public outreach. Low-income Nebraskans were among the first and the most hard hit by the COVID-19 pandemic, with extremely high rates of COVID-19 infection, disease, and death. Additionally, these communities experienced historically high loss of employment, inadequate income, unstable housing, of what we just heard, and homelessness, mental health and substance abuse, family strife, and intimate partner abuse. Right now, these funds are only able to help nonprofits serve a fraction of low-income and vulnerable Nebraskans needing significant and immediate civil legal help. Almost nine out of ten legal problems experienced by indigent Nebraskans are never addressed, compounding their trauma and leading to greater costs for themselves and their communities. Now these funds would provide the immediate capacity for both legal staff and nonprofit staff to work pro bono and advise and represent thousands



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more Nebraskan households across every county in the state. Nonprofits who received these funds in 2021 include Catholic Charities, Concord Mediation Center, Legal Aid of Nebraska, who you just heard, Lutheran Family Services, and Volunteer Lawyers Project and the Women's Center for Advancement. Civil legal assistance for indigent Nebraskans is an improved and qualified use of federal pandemic relief funding under the American Rescue Plan Act. Now, furthermore, most civil legal assistance for indigent Nebraskans is concentrated in high-poverty qualified census tracts, a further presumptive eligible use of pandemic relief funds under ARPA. These funds will serve as a catalyst that will greatly impact the long-term recovery of hundreds of thousands of low-income Nebraskans and vulnerable Nebraskan families and individuals. There are several testifiers behind me who will speak further about the need for these funds and who will also make sure to prevade-- provide more picture and some stories to how these legal services can help Nebraskans across the state. The only thing I'll add here is we have often talked about Corrections reform and we always talk about the uphill battle with work force. We talk about the school-to-prison pipeline. We don't often talk about all the circumstances where there is a need for representation to make sure people are getting the housing, the food assistance, addressing domestic violence, any abuse in the household, these civil issues that can truly exacerbate people's everyday lives, which could lead them into a situation where they may end up in our justice system. This is a way to address it on the forefront and I believe can get ahead of what we sometimes see both juvenile justice when we're talking about a family unit in a home and also criminal justice reform. And quite honestly, as my wife, who has worked as a public defender for years and has made sure to really represent-- and at one point in time, also worked for Legal Aid, she had seen on the front lines what it takes to advocate for these families and what exactly they're going through and the hoops that we make them jump through to try to make sure that they can live independent lives for themselves or their families. With that, happy to answer any questions.

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

**VARGAS:** Thank you.

**STINNER:** Good afternoon.

**LIZ NEELEY:** Good afternoon, Senator Stinner and members of the Appropriations Committee. My name is Liz Neeley, L-i-z N-e-e-l-e-y. I'm the executive director of the Nebraska State Bar Association and

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hear today on behalf of the association in support of LB1141. One of the primary purposes of the Nebraska State Bar Association is to help ensure access to the justice system and in the 1980s, the NSBA helped establish the Volunteer Lawyers Project to connect Nebraska lawyers with meaningful pro bono opportunities to help bridge the access gap-- or the justice gap. Each year, hundreds of Nebraska lawyers collectively provide thousands of hours of pro bono service, serving more than 7,000 low-income Nebraskans each year. Although the legal services itself is free, coordinating, facilitating, and managing pro bono opportunities and volunteers requires resources. Our primary source of funding is the Legal Aid and Services Fund. Those funds allow VLP staff to coordinate the placement of hundreds of cases each year for low-income Nebraskans who could not be represented by Legal Aid of Nebraska due to conflicts or not meeting eligibility criteria. It also provides assistance for thousands of pro se litigants, people who are trained to represent themselves in court on their own. Our lawyers provide them guidance through clinics, through self-help desks located across the state, through partnerships with nonprofits, many of them who are here today, our law schools, and our local courts, including the Tenant Assistance Project, which was created just to provide eviction defense and homelessness prevention for low-income tenants during the pandemic. Unfortunately, due to limited resources, there are thousands more vulnerable Nebraskans that are still turned away. LB1141 will change this landscape. Supporting LB1141 will help legal service providers serve more Nebraskans at a critical time, Nebraskans facing homelessness, job loss, domestic abuse, or custody issues and they have nowhere else to turn. Legal service providers protect the elderly, veterans, the abused, victims of crime, and people of limited means. Numerous studies have documented that for every dollar invested in providing civil legal services, states receive a greater direct economic benefit in, in return. The Nebraska Commission on Public Advocacy has successfully administered the Legal Aid and Services Fund for decades. They have an effective and transparent process for disseminating these funds. As a recipient, there are significant requirements for reporting. There's a high level of accountability that funds are being appropriately used. By offering a separate application and funding opportunity outside of the normal cycle will not only help the civil legal service providers serve more people at a crucial time, it also creates the possibility for these organizations to propose ways to innovate and invest in technology and infrastructure in a way that we can help improve our capacity moving forward. Each Nebraskan receiving critical legal assistance has benefited. So has our state. It makes our communities safer and

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stronger and we encourage your support of LB1141. I'd be happy to answer any questions that you have.

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

**LIZ NEELEY:** Thank you.

**STINNER:** Afternoon.

**JOSHUA FERSHEE:** Good afternoon. I'm Joshua Fershee, J-o-s-h-u-a F-e-r-s-h-e-e. I have the privilege of serving as the dean of the Creighton University School of Law. I come here in my personal capacity and I thank the Appropriations Committee for the opportunity to provide some comments on LB1141 under consideration to allocate ARPA funding for civil legal assistance. I really want to thank the committee and the bill's sponsors for considering ways to support desperately needed legal services and access to justice. It's critically, critically important that we continue our work for a more equitable and more just society and I appreciate, I appreciate the opportunity to discuss ways we can do that. As you probably know, the need for legal services for low-income and vulnerable families in Nebraska has long been a challenge. Creighton Law's Milton R. Abrahams Legal Clinic has been providing legal services for those in need for more than 30 years. The clinic is a civil practice clinic that provides invaluable experience for our law students by providing free legal assistance on civil matters to low-income residents of Douglas County. The clinic is staffed by Creighton law students and two supervising attorneys and operates as a small law firm. The clinic uses the annual federal poverty level guidelines to determine income eligibility. We handle cases in family law, landlord-tenant disputes, issues with DHHS benefits, guardianships and conservatorships, simple probate matters, and contract disputes. The clinic also has a special program dedicated to clients who have experienced domestic violence and clients attempting to obtain or maintain healthy and affordable housing. We're proud to provide these services, but we've never been able to provide all we can to those in need. Last year, through the generosity of anonymous donors, we were able to add a second clinic, a juvenile justice legal clinic in which student attorneys provide free legal services for youth with open cases and separate juvenile justice or-- excuse me, separate juvenile court of Douglas County. They also accept court appointments to serve as education counsel on behalf of children whose education needs are not being met. This clinic, too, is also regularly at capacity. These needs and many more existed before the coronavirus pandemic, but the pandemic exacerbated and accelerated

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the need for legal services for low-income populations. Our clinics, Legal Aid, and other providers have tried to expand capacity, but there's only so much we can do with existing resources. To be clear, I provide these ample-- examples to give you an idea of the kind of need that we see firsthand at Creighton Law School. We support these efforts and will continue to, but I don't know if Creighton's clinics specifically would receive any funding from this bill. To me, that's not important. What's important is that I know the funding would go to support Nebraskans in need and that's why I'm here. This funding would give those providing legal services a chance to catch up, helping to accelerate the economic recovery of the state's population hit hardest by the pandemic. I urge you to support LB1141 and I appreciate your consideration. And if you have any questions, I'd be happy to answer them.

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

**JOSHUA FERSHEE:** Thank you.

**MILO MUMGAARD:** Good afternoon--

**STINNER:** Afternoon.

**MILO MUMGAARD:** --Senator Stinner and the committee, Appropriations Committee. My name is Milo Mumgaard, M-i-l-o M-u-m-g-a-a-r-d. I'm the executive director of Legal Aid of Nebraska. Legal Aid of Nebraska is the statewide provider of free legal services at a civil level for civil legal assistance across the state. As a nonprofit, we function from funding from a variety of places. State funding through Legal Aid and Services Fund is at issue today, but also federal funding. We receive funding for Legal Services Corporation, Department Justice, Housing and Urban Development, things of that nature, but largely we get our funding from private folks and the legal profession as a whole. So in that sense, you know, we have a very large law firm. We have over 50 attorneys that are spread across the state in six offices. We have multiple staff that do the work of generating cases and working with clients all across the state and so on. So to give you a picture of what we have, we received a request for assistance from-- in 2021, we received requests from 92 of 93 counties, about 18,000, 19,000 requests for assistance across the state. That is a tremendous number of individual households asking us for legal assistance. We wind up closing, that is representing people, in about, oh, 7,000 to 8000 cases a year. So it gives you an idea of the sheer volume of cases that are going on. But what's profoundly upside-down

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about this picture is what you've just heard today is that nine out of ten legal needs and problems that low-income people have, households have are never addressed or met in any way, shape, or form by the legal system. Legal Aid does its best and works in partnership with the bar association, with the law clinics, with other organizations, with mediation and so on. But by and large, the reality is, is that most of the legal needs that low-income households, working households have are never provided legal assistance and therefore wind up spiraling into further compounded problems and so on. Why is this important? Well, what we've seen with the COVID pandemic is, of course, a spike in demand on our services. You've already heard Mr. Mertz today talk about the issues related to evictions and housing. But of course, you've also now heard about the domestic violence issues. You've heard about the, the folks that are losing what little assets and income they have to predatory lenders. You've heard about the mental health and substance abuse issues that we see and so on. These have all spiked as a result or as directly relevant to COVID. For example, Legal Aid, back in March 2020, we went all in on how much can we do to help folks that are affected by the COVID-19 pandemic and need legal assistance in order to get relief as well as to potentially gain recovery? And so since that time, we've had well over 6,000 cases that can be directly tied to the effects of COVID-19 on our clients, the reason they're having the legal problem or the legal problem has been exacerbated by COVID-19. So it gives you an idea that we have seen and are seeing firsthand how COVID-19 is continuing to have an impact in these communities. In the materials I've distributed to you-- which is written testimony that you can read at your leisure. It's more detail about what legal aid does and how we do it and the types of services we provide-- you'll see information about the demand on our services. But you also see the COVID-19 statistics that I'm giving you right now and how and what kind of cases they are. You'll also see in there how in the representation of people across the state-- as I mentioned, we serve, we serve clients in every single county in this state and, and wind up mostly focusing on and providing services, as referenced earlier, earlier by Senator Vargas, in the qualified census tracts that are those that are presumptively most in need of the ARPA funding. Well over half of our cases are in qualified census tracts, residents of those, of those areas. They're not in every county, of course, but they're in, you know, dozen, dozen or more counties across the state. And in, in the materials I've provided you, you'll see where we are focusing those resources. And you know, the bottom line is, is that ARPA funding provided for civil legal assistance to address the significant legal issues that have

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disproportionately affected these low-income and vulnerable communities across the state. This is a-- LB1141 is a super easy way to address that problem and to actually do that which the ARPA funding is intended to do, actually provide relief and long-term recovery for the people who really suffered the most from COVID-19. So with that, I thank you for the time and I look forward to working with you as we put this forward from here.

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

**MILO MUMGAARD:** Thank you.

**STINNER:** Afternoon.

**ALAN DUGGER:** Good afternoon. My name is Alan Dugger, A-l-a-n D-u-g-g-e-r. I'm testifying and speaking in support of LB1141 in my personal capacity as a student of the law and housing advocate. Although my experience is only in housing justice, I know indigent representation in general deserves funding and to illustrate that, I'll talk about my work in eviction court over the last two years. As a law student, I've had the privilege of working for the Tenant Assistance Project since its inception in various capacities. I have seen firsthand the transformative, the transformative power of legal representation for tenants at eviction court. We can boast that our program has reduced the rate of immediate evictions among tenants who appear to near zero. Before our program, landlord-tenant court was a cattle call setting. Landlord attorneys would show up with a stack of cases each, go before the judge, and evict several tenants in as many minutes. We noticed that many tenants did not appear and after some investigation, learned that a lot of those tenants had not even been provided notice of their hearing. This resulted in hundreds of evictions being entered without the tenant having an opportunity to appear and present their case to the court. As you'd imagine, the pandemic really only made this worse. When tenants did get notice, they most often appeared for that-- for their hearing without legal counsel, whereas the landlords almost always had an attorney. It was commonly observed that a landlord's attorney would corner them in the hallway outside the courtroom and coax them into sign, into signing an agreement to waive the right to a hearing and agree to being evicted, often that day. Two years on from the start of TAP, an intervention of other organizations, which is Legal Aid of Nebraska, you've heard from today, the college of law civil clinic, and the clinic at Creighton law, who you've also heard from, more tenants were given notices or hearings, fewer unlawful evictions are entered, and we are seeing

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fairer outcomes overall. This is all due to the increase in legal representation for tenants. There's a larger point I want to make here. The adversarial legal system works under the assumption both parties are represented. When one party is not, the court is presented with only the facts and law favoring one party. This isn't restricted to the landlord-tenant realm. I have worked with few tenants who expressed having had a good experience with the legal system before because they were forced to navigate it alone. This isn't defensible. Indigent representation matters. The legitimacy, the legitimacy of the legal system depends in part on access to it. This principle is enshrined in the rules of professional conduct that all lawyers adhere to. As lawyers, we're called by our rules to provide such services pro bono to those who can't afford it, but not every tenant-- not every client can be represented pro bono. The need for legal services is simply too great, especially in the wake of the pandemic. Providing adequate funding to groups such as Legal Aid and other legal service programs to provide those services makes our communities better, stronger, and more just. It makes the world a fairer place for the most vulnerable among us. I support LB1141 and respectfully ask this community [SIC] to advance it. Thank you and thank you to Senator Vargas for bringing this bill.

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

**MICHELE LUEDERS:** Good afternoon.

**STINNER:** Good afternoon.

**MICHELE LUEDERS:** How are you?

**STINNER:** Good.

**MICHELE LUEDERS:** Good afternoon, Senator, Senator Stinner and members of the Appropriations Committee. My name is Michele Lueders, Michele is M-i-c-h-e-l-e, Lueders, L-u-e-d-e-r-s. I am here on behalf of the Nebraska mediation centers that are supported by the Office of Dispute Resolution here in Nebraska. We represent all 93 counties and provide mediation services to individuals in every part of Nebraska. I want to take this opportunity to provide support of LB1112 a bill that will appropriate the \$3 million to the Legal Services Fund or the Commission on Public Advocacy funds here in Nebraska. The centers of Nebraska have been recipients of these funds and we can continue to provide services for individuals that, what you've heard earlier today, that are opposing eviction notices and other things of that

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nature and mediation services can be something done more preventatively versus going through the court system. Mediation services-- the mediation centers in Nebraska provide services in several areas where potential and actual conflicts do exist. This includes evictions, consumer-merchant issues, landlord-tenant issues. We also provide parenting plans and modifications for families. We have employment mediation, special education mediation. We do neighborhood disputes as well. We also work with child abuse/neglect population, status offenses, and the juvenile delinquency population across the state. Cases are referred to the mediation centers from the district, county, and juvenile courts here in Nebraska, the Administrative Office of Probation, the Department of Health and Human Services. We work with the Legal Aid of Nebraska, school systems, school counselors, community members, and former clients themselves. When individuals use mediation services, this allows parties to resolve their conflict outside of the court setting. In addition to what Douglas and Lancaster County-- or excuse me, Douglas and Sarpy Counties have provided, in the past five years, mediation centers have been able to facilitate over 700 cases using funds from the Office of Public Advocacy funds. Mediation centers are committed to continuing to provide low-income individuals with access to services. We do not deny anybody mediation services based off of their ability to pay. It is within the overall goal of the Nebraska state plan for the delivery of legal services. As with any service provider, the mediation centers can provide services to those poverty-level individuals to the extent that funding is available to do so. As others have shared with this committee today, not only for this bill, but the previous bill, these funds would support various agencies that provide services across the entire state for low-income Nebraskans to solve their legal problems and to improve their communities as a whole. These services are critically, critically important to a full recovery from the COVID-19 pandemic and for those individuals-- the COVID 19 pandemic. This opportunity shows even how the, the most modest ARPA investment in LB1141 for civil legal assistance across Nebraska will have huge returns moving forward. I believe that there are powerful reasons that the appropriations of these funds should occur. This will target the most critical legal problems facing our Nebraska low-income families that have been impacted most directly by COVID-19. Providing the funding through the Legal Service Aid Fund or the public commission provides quick and efficient distribution use of the ARPA funds, as Ms. Neeley had noted earlier. The Commission on Public Advocacy has distributed funds for many years and has been done effectively and there is great oversight. The funding will also produce major cost



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savings to the state and local governments by reducing, reducing the stress on the criminal justice system and public programs, lowering the long-term cost of relief and recovery. The high demand for civil, civil legal assistance continues as infections continue to rise throughout counties across the state of Nebraska. Mediation centers continue to work to provide landlord-tenant mediation services to support the, the work being done. Specifically calling for Concord Mediation Center in Omaha, Nebraska, and the mediation center in Lincoln, Nebraska, have been working with their community partners to continue to combat, combat the impacts. These evictions are going on in those local communities. In summary, LB1141 will be an efficient and practical way for small nonprofits and other organizations to gather-- or to gain funds to help impact those most affected by COVID-19. It will also be more of a preventative and diversion-type service, services that can be provided for citizens across Nebraska. It will be a positive economic impact in the counties across the state for the hardest to serve and most importantly, for the long term. It will treat those cost savings for the state and local governments by lowering the cost of relief and recovery through reduced pressure in the criminal justice and public program systems. The mediation center--

**STINNER:** Red light is on, ma'am.

**MICHELE LUEDERS:** Oh.

**STINNER:** I'm doing a Wishart on you.

**MICHELE LUEDERS:** Sorry.

**STINNER:** Thank you.

**MICHELE LUEDERS:** I was just going on.

**STINNER:** Any questions? Yeah.

**MICHELE LUEDERS:** No questions?

**STINNER:** No questions, thank you.

**MICHELE LUEDERS:** All right, thank you.

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

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**VARGAS:** I realized something as I was looking at our committee. I think we're one of the only committees without a lawyer, somebody that has a law degree, but here's what-- the reason why I say that, frankly-- and I really appreciate the testifiers and it's nice to have Creighton's dean here. We have two really great law schools in our state and we have legal clinics and hearing from students all the way to, to our deans, from the ones that are doing this work, you know, to, you know, to the executive director of Legal Aid shows-- and also the bar association shows the full scope that lawyers across the state see an inherent need for addressing low-income families' legal issues that they're running into. And this pandemic, maybe none of us have faced that, but maybe you've heard from constituents that you maybe have had to refer for legal services during this pandemic. I know I had to and many of these individuals or entities were the ones that I referred them to. It's pretty much their only avenue for getting help. And if you're trying to not get evicted, even though the law that we create is there to protect them, it is the defense attorneys that are there to enforce those laws so that those laws that were created are actually followed through on. That's why this is important. It's critical and I'm asking for your support to include this because of the return on investment and for the response to ARPA and from what you heard from the testifiers. With that, I'm happy to answer any questions.

**STINNER:** Any questions? Seeing none, there are five letters of support for LB1141. That concludes our hearing on LB1141. We will now open our hearing on LB1002.

**McDONNELL:** Thank you, Chairperson 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. I represent Legislative District 5. I appear before you today to introduce LB1002. Electricity and water services are essential commodities that our constituents cannot forgo. Many households cannot afford their utility bills, put food on the table, pay their rent or mortgage, pay for children-- pay for childcare, or pay for the medical expenses due to COVID and so our constituents continue to struggle with the financial fallout directly attributed to the pandemic. This legislation is needed now. It would appropriate \$2 million to provide financial assistance for the cost of utilities to households of individuals eligible for assistance from the Low Income Home Energy Assistance Program. The U.S. Department of Treasury guidance has indicated that ARPA funds can be used to provide subsidy payments to utility customers in need of assistance because of COVID. Utilities continue to see customers in the arrears since the economic

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fallout from the pandemic. There is a need for this assistance. LB1002 is a step to ensuring households have access to a program designed to reduce their energy burdens and prevent utility service disruptions. The amendment handed out today simply replaces the language "heating and cooling" with "utilities." Testifiers behind me are going to bring data and the need for this legislation.

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

**BRITTON GABEL:** Good afternoon.

**STINNER:** Go ahead when you're ready.

**BRITTON GABEL:** All right. Good afternoon, Chairman Stinner and members of the Appropriations Committee. My name is Britton Gabel, B-r-i-t-t-o-n G-a-b-e-l. I'm the manager of customer advocacy products and I'm testifying on behalf of Omaha Public Power District. I thank you for the opportunity to submit testimony to the Appropriations Committee on this important legislation. OPPD supports LB1002. My comments are based on my unique professional experience of working for the Nebraska Department Health and Human Services and being responsible for administration of the Low Income Home Energy Assistance Program prior to joining OPPD in January of 2019, more recently, being responsible for managing OPPD's program services that provide assistance and payment options for those customers that are struggling to pay their bills. Low-income households carry a larger burden for energy costs and have been impacted by the COVID-19 pandemic harder than any other economic class in the state. According to the University of Nebraska's 26th annual Nebraska rural and metro polls, statewide, the pandemic appeared to financially affect those with low incomes the most. About four in ten respondents with household incomes under \$40,000 said their financial health was impacted by the pandemic, compared to 20 percent of persons with incomes of \$100,000 or more in rural areas and \$75,000 or more in metropolitan areas. LB1002 would help alleviate the continued impact of the COVID-19 pandemic on low-income households by providing financial assistance to offset heating, cooling, and utility costs. In 2020, OPPD received 27,546 utility assistance payments for a total of \$9,355,585, with \$5,846,198 coming from the LIHEAP program administered by the Nebraska Department Health and Human Services. In 2021, OPD received 29,396 utility assistance payments for a total of \$10,096,7270, with \$5,048,322 coming from the LIHEAP program, which is almost a eight-- \$800,000 decrease in LIHEAP benefits compared to 2020. LIHEAP income-- or LIHEAP-eligible cust-- OPPD customers

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continue to struggle to pay their utility bills. As of February 1, 2020, 37 percent of LIHEAP-eligible customers winter-- were in arrears compared to 31 percent on February 1, 2021. LIHEAP-eligible customers make up 20 percent of OPPD's residential age debt, meaning customers that are 30 days or more behind their bill. Currently, OPPD has 39,466 residential customers; 12,717 are participating in the LIHEAP program. In 2021, OPPD completed an electric burden study of LIHEAP-eligible customers. They have electric burden approximately 10 percent. That does not include their, their costs for other utilities, such as heating fuel, water, and sewer. According to a January 20, 2022, press release completed by the National Energy Assistance Directors Association, 28 percent of households reported that they found it somewhat difficult to pay household expenses in the last seven days. This number is even higher among low-income families. Households making \$35,000-- less than \$35,000 reported difficulty rate of 52.5 percent during this period and this was during the second half of 2021. This data was, was gathered through the National Census Household Pulse Survey, which was designed to collect data on how people's lives have been impacted by the COVID-19 pandemic. The survey also found 39 percent of low-income households reported that were unable to pay at least one month of their energy bills during 2021. LB1002 would provide OPPD the opportunity to distribute \$1 million in utility assistance funds to customers income eligible for the LIHEAP program. Since the COVID-19 pandemic started, OPPD has distributed \$4,027,356-- sorry, \$4,027,356 in assistance to households impacted by the pandemic through local-level partnerships established throughout our service territory managed by Dollar Energy Fund. These funds were made available through the generous contributions of residential and business customers of OPPD and also the Douglas County Commissioners. OPPD urges this committee and the Legislature to pass LB1002. LB1002 is the next step in ensuring low-income households across OPPD's service territory have assistance funding available to mitigate the continued impact of the COVID-19 pandemic.

**WISHART:** Thank you, Britton. Any questions? Senator Dorn.

**DORN:** Yeah. Thank you, Senator Wishart. Thank you for being here. I guess I have a question about this LIHEAP program. It looks like the demand was up, the need was up, but yet you received \$800,000 less in funding. Why the less funding?

**BRITTON GABEL:** So I, I can't answer that question. That is a question that we have sought out an answer to from the Nebraska Department of

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Health and Human Services and we, we've not gotten a response back on that.

**DORN:** Oh, you haven't, you haven't found out that information--

**BRITTON GABEL:** Correct.

**DORN:** --those answers? OK, thank you.

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

**HILKEMANN:** Am I to understand that only about 10-- well, that only-- that, that 10 percent of your customers receive aid through LIHEAP about?

**BRITTON GABEL:** That is correct. It's technically less than that. Like I said in my testimony, we have a little bit over 349,000 residential customers. Close to 13,000 are on the LIHEAP program.

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

**BRITTON GABEL:** Yep, thank you.

**WISHART:** Additional proponents? Welcome.

**MEGAN WALTER:** Thank you. Good afternoon, members of the Appropriations Committee. My name is Megan Walter, M-e-g-a-n W-a-l-t-e-r. on behalf of Metropolitan Utilities District, I want to thank Senator MacDonnell for introducing LB1002. LB1002 would provide MUD the opportunity to distribute \$1 million in assistance to customers who are income eligible for the Low Income Home Energy Assistance Program, otherwise known as LIHEAP. LIHEAP is administered by the Nebraska Department of Health and Human Services. In my current role at MUD, I oversee our customer assistance programs. Since the start of the pandemic, MUD has experienced a significant increase in customers seeking utility assistance and that need continues to rise in the Omaha metro area. Despite the need continuing to grow, LIHEAP customers received more than \$2 million less in 2021 than they received in 2020. This means our low-income customers received much less assistance with heating their homes and keeping their water running through the tap. Since the COVID-19 pandemic started, MUD has distributed more than \$3.5 million in assistance to households impacted by the pandemic through local community-based organizations managed by Dollar Energy Fund. These funds came from the generous contributions of our employees, our customers, Douglas County, and the state of Nebraska. MUD also has an

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internal utility assistance program where funds are deposited monthly. These funds are completely depleted within the first two weeks of every month, leaving our customers to look elsewhere for assistance. The emergency rental assistance programs are getting rent and utility assistance distributed to tenants who have been affected by COVID-19, but customers who own their homes are ineligible for these programs. LB1002 would not have the same restrictions so homeowners would get relief and this bill also complements the Governor's mortgage assistance program as well. MUD currently has 254,344 accounts and 110,225 of them are behind, meaning that 43 percent of our accounts are in a past-due status. The rise in the price of utilities, coupled with the fact that customers are still trying to recover from the pandemic, means this bill would be extremely impactful. We are dealing with life-essential resources. MUD urges this committee and the Legislature to pass LB1002. Appropriating state funds will help low-income households stay in their homes and will decrease their energy burden. Thank you for your time and consideration. I would be happy to answer any questions you may have.

**WISHART:** Thank you. Any questions? Senator Hilkemann.

**HILKEMANN:** You said 43 percent of your customers are behind.

**MEGAN WALTER:** Um-hum.

**HILKEMANN:** What's the total dollar amount?

**MEGAN WALTER:** Total dollar amount right now is about \$27 million, \$27.4 [million].

**HILKEMANN:** OK.

**WISHART:** Additional questions? Seeing none, thank you. Additional proponents? Seeing none, any opponents? Seeing none, anyone in the neutral. Welcome. Good to see you.

**BRENT SMOYER:** Good afternoon. Good to be seen, thank you. Good afternoon, Senator Wishart and members of the Appropriations Committee. My name is Brent Smoyer, B-r-e-n-t S-m-o-y-e-r, and I appear before you as a registered lobbyist for Northwestern Energy. I thank you for the opportunity. to provide very brief testimony in a neutral capacity regarding LB1002. Northwestern supports the idea of assisting those in greatest need in covering energy costs they need to live and would applaud Senator McDonnell for trying to ease these burdens on low-income families. We come in neutral today rather than

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in support because of the relatively narrow scope of the program being proposed. Northwestern provides natural gas services to areas in central and western Nebraska, including Grand Island, Kearney, and North Platte, none of which would fall under the eligibility outlined in LB1002. Therefore, we don't really have a dog in this fight, so to speak. That said, were this legislation to be expanded beyond Omaha's borders, we would most certainly be in support. If Senator McDonnell and the committee would decide this would be a proper course of action, we'd be happy to be part of that conversation. That said, happy to take any questions.

**WISHART:** Thank you. Any questions? Seeing none, thank you Mr. Smoyer.

**BRENT SMOYER:** Thank you.

**WISHART:** Additional neutral? Seeing none, Senator McDonnell, you're welcome to close. He waives closing. We also have five letters to read into the record of proponents and one in opposition for LB1002. That closes our hearing for LB1002 and that opens the hearing for LB1159. Robert, it's all yours.

**HILKEMANN:** Senator Wishart, you may begin.

**WISHART:** Good afternoon, Senator Hilkemann and members of the Appropriations Committee. My name is Anna Wishart, A-n-n-a W-i-s-h-a-r-t, and I represent the 27th Legislative District in west Lincoln and portions of southwestern Lancaster County. I am here today to introduce LB1159, a bill that seeks to appropriate \$10 million in total federal American Recovery Plan Act dollars to the Department of Health and Human Services to establish a grant program for institutions who have developed a model system of care to treat individuals with persistent symptoms of COVID-19 or, as we call it, long COVID. Largely, people with COVID-19 get better within weeks of being sick, but some people experience symptoms after they recovered from COVID. Post-COVID conditions are wide-ranging new, returning, or ongoing health problems that people can experience four or more weeks after being infected by COVID-19. Even people who do not have and did not have any COVID-19 symptoms in the days or weeks after they are infected can have post-COVID conditions in the weeks and months following their infection. Some of these commonly reported symptoms include difficulty breathing or shortness of breath, fatigue, difficulty thinking or concentrated-- concentrating, sometimes referred to as brain fog, cough, chest or stomach pain, headache, fast-beating or pounding heart known as heart palpitations, joint or

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muscle pain, pins-and-needles feelings, sleep problems, dizziness or stand-- in standing up or lightheadedness. These post-COVID conditions are commonly known as long COVID, long-haul COVID, or post-acute COVID-19. As the total number of adults and childrens recovering from COVID-19 grows, there is a critical need for the development of evidence-based post-COVID treatments so patients have the best opportunity to fully heal from their ongoing symptoms. LB1159 appropriate \$5 million for fiscal year 2022-23 to the Department of Health and Human Services for the purpose of establishing a grant program that would research and then develop the system of model care, model care related to these COVID-19 patients. And then moving forward, if the committee chooses, would appropriate \$2.5 million for fiscal year '23-24 and then \$2.5 [million] for '24-25 to continue the grant program throughout the duration of the ARPA dollars. Here today are representatives from Madonna Rehabilitation Hospital, one of the organizations in Nebraska and frankly, one that is leading in the country in terms of researching and treating patients with long COVID. They will be able to discuss their research into better understanding long COVID and the work they're doing with patients. You know, colleagues, we've heard we're wrapping up today and tomorrow in terms of our ARPA hearings and we've heard many incredible bills that address needs. This is one of the few that addresses the COVID-19 pandemic in terms of the illness and ailments that people have experience going through this pandemic and so I do encourage this committee to consider this appropriation as we round out what we're going to invest our dollars in. Thank you and I'd be happy to answer any questions.

**HILKEMANN:** Are there-- Senator Dorn.

**DORN:** Thank you, Senator Hilkemann. Thank you for bringing the bill, I guess, but talk a little bit about-- it's a grant program for the institutions that have developed a model system of care. Does it, does it also help, I call it-- we have a certain number of people that have just long-term care, needing Madonna or whatever. Is it helping to fund part of their cost also or is this more of a research-type thing?

**WISHART:** Well, Madonna will be able to speak more towards exactly how this will work, but I actually did have a chance to go and tour Madonna Rehabilitation before I agreed to bring this piece of legislation. And what is unique to the ability of Madonna and a few other systems of care in our, in our state is that they have been serving people who have issues long-term issues associated with brain trauma, stroke, for example, and what they're finding is that people



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who have long COVID have similar experiences to those who have gone through a traumatic brain experience. For example, with, with brain fog, a lot of the, a lot of the work and opportunities in getting somebody back to where they were previous to having COVID is-- that type of work is done with people with brain trauma as well. So this is specifically to go towards the growing number of individuals who are experiencing this-- these lasting COVID effects. But this type of research moving forward in the future will help us as we advance medicine in helping people who have brain trauma, stroke-- fallout from strokes, and other issues that these types of centers help with.

**HILKEMANN:** Are there additional questions for Senator Wishart? Thank you. Additional proponents for LB1159?

**STINNER:** Afternoon.

**PAUL DONGILLI:** Good afternoon, Chairman Stinner, members of the Appropriations Committee. My name is Paul Dongilli, P-a-u-l D-o-n-g-i-l-l-i. I'm president and CEO of Madonna Rehabilitation Hospitals. I'm here to testify on behalf of Madonna and the Nebraska Hospital Association. First, let me thank Senator Wishart for introducing this much-needed legislation, LB1159. COVID-19 has had greater impact on our society than virtually any other health crisis in the last generation. In addition to the medical consequences, patients hospitalized with severe COVID-19 often experience profound functional limitations, severe depression, post-traumatic stress disorder, and anxiety. Recent studies suggest that one-third of these patients demonstrate neurological complications and impaired physical functioning one to two years post-infection. Our local hospitals have provided amazing medical care to patients who suffered from COVID-19. Madonna has great relationships with these hospitals, including the University of Nebraska Medical Center and Nebraska Medicine, admitting patients from every county in Nebraska. When ready to leave the hospital, individuals with persistent or lingering symptoms need ongoing treatment and comprehensive rehabilitation in order to continue their recovery. This group has been labeled long-haulers or demonstrating long COVID. Many hospitals have referred long COVID patients to Madonna for both inpatient and outpatient care. Over the last two years, we've treated some of the most debilitated patients impacted by the syndrome. Madonna offers a full continuum of world-class rehabilitation programs and is uniquely positioned to take a leadership role in treating this population. We're requesting ARPA funds to develop a model system of post-COVID care that includes a post-COVID long-hauler clinic, as Senator Dorn asked about, expansion

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of mental health services, and post-COVID research. If not treated, patients with long COVID will have ongoing physical limitations, experience additional medical conditions, and will struggle to resume their life roles as workers or parents. Nebraska was identified recently as one of only ten states that did not have a publicly available post COVID rehabilitation program or evaluation clinic by Paradigm Corporation that was in July of 2021. Madonna has worked hard to eliminate this treatment gap, opening a clinic in December of 2021. Our efforts were recognized by Time Magazine, along with those at the Mayo and Cleveland clinics. That article is included in your packet of information. There's still more to do. We want to be able to treat and advise patients across the state and not just those located near Lincoln or Omaha. Long-term effects of COVID include both the cognitive problems and psychiatric needs that Senator Wishart identified. Research has found that half the patients who were hospitalized with COVID-19 showed these ongoing cognitive problems: difficulties in planning, attention, and problem solving. One-third of the group had emotional problems, such as anxiety and depression. A number are presenting with system-- symptoms of post-traumatic stress disorder. Mental health treatment is a crucial component of care. Since 20-- July of 2020, Dr. Judith Burnfield, director of Madonna's Institute for Rehabilitation in Science and Engineering, has served as a consultant on a national COVID-19 study involving 38 hospitals from across the United States. Rehabilitation clinicians and scientists must work together to develop and implement practical, evidence-based treatments to ensure individuals have the best chance of returning to a productive life. Madonna will use portions of these funds to continue this research, resulting in clinical care standards for use by healthcare professionals throughout Nebraska and the nation. In the spirit of collaboration, we'll share the standards of care we developed with rehabilitation centers across the state. I'm happy to entertain any questions.

**STINNER:** Senator Hilkemann.

**HILKEMANN:** I find that interesting, your-- thank you for-- actually, I-- every morning I turn at-- if I did turn left, I'm right into the front of your building in Omaha. That's a fabulous facility. I've had numerous tours of it and am so proud to-- that your home in our district. What-- you said up to 50 percent of those hospitalized show some type of long COVID symptoms.

**PAUL DONGILLI:** Up to one-third--

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**HILKEMANN:** Oh, one-third.

**PAUL DONGILLI:** --yeah-- will demonstrate neurological complications or some kind of impaired physical functioning, yes.

**HILKEMANN:** And there's such a range of how the COVID affected people. Have they broken that down even further? In other words, some people had COVID just hardly even-- you know, it's, it's a, it's a two or three-hour thing and then we have people on respirators. Have-- is that-- what's the breakdown on that or is that-- has that not-- research not been done yet?

**PAUL DONGILLI:** Yeah, I don't think that research has been done or completed. I know research is currently trying to identify what may be causes that division between individuals, certain groups to have minimal kinds of involvement and those having severe limitations. So that's hopefully part of what we can help contribute to as well as we study this group.

**HILKEMANN:** What's the, what is the early research showing you, demonstrating?

**PAUL DONGILLI:** The early research is showing that the lingering kinds of symptoms that remain following the illness include the severe fatigue, the brain fog, the pulmonary issues including shortness of breath, cardiac problems, and gastrointestinal problems. One of the things that they're showing as well is that rehabilitation is key to their recovery. What they're also showing is that some of the maybe aggressive forms of rehabilitation treatment should be scaled back a bit so that it's a bit slower for this group because of that severe fatigue and limited endurance. We are seeing that some of the cognitive impairments are similar to those of patients that exhibit concussions or brain injuries and so some of those techniques we're applying to this group as well.

**HILKEMANN:** Have you already developed some early therapeutic protocols that seem to be helping?

**PAUL DONGILLI:** We have. We're applying some of these same protocols to this group and we're seeing benefits from those. We-- I also included in an article about one of the patients that we served at Madonna within your packet as well that talks about some of that.

**HILKEMANN:** So some of this is-- you know, we talk about the post-polio effect that happened.

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**PAUL DONGILLI:** Um-hum.

**HILKEMANN:** So this is maybe the post-COVID. Is that, is that little bit or is it a totally different ballgame?

**PAUL DONGILLI:** No, I think that's a great analogy and one that we've used as well. The individuals who experienced polio, I mean, we talk about a post-polio syndrome--

**HILKEMANN:** Right.

**PAUL DONGILLI:** --and those individuals are still--

**HILKEMANN:** Right.

**PAUL DONGILLI:** --experiencing problems.

**HILKEMANN:** Right.

**PAUL DONGILLI:** --today. We anticipate that that profile might continue for this group as well.

**HILKEMANN:** OK. Thank you very much for being here.

**PAUL DONGILLI:** Thank you.

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

**KOLTERMAN:** Thank you, Senator Stinner. Paul, thanks for coming today.

**PAUL DONGILLI:** Thank you.

**KOLTERMAN:** In your-- I assume that this research would be done here in the Lincoln campus. Is that where most of your research is done?

**PAUL DONGILLI:** It would be spread across both campuses and then we would attempt to reach out to others across the state to really create a good database.

**KOLTERMAN:** So the researchers that-- will you have to bring in additional researchers or would you just utilize the researchers that you have in place already?

**PAUL DONGILLI:** Probably both. We would use the current staff that we have in addition to a researcher with some additional experience in informatics that would be able to help us weed through this database

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and the collection of data to then derive conclusions or the development of the clinical standards.

**KOLTERMAN:** OK, thank you very much and thanks for being there.

**PAUL DONGILLI:** Thank you.

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

**PAUL DONGILLI:** Yes, thank you for having me.

**HILKEMANN:** Thanks for being here. But we want it Omaha and I-- no.

**STINNER:** I actually want you in Scottsbluff.

**KOLTERMAN:** You want everything in Omaha.

**McDONNELL:** We're consistent.

**STINNER:** Additional proponents?

**BRAD MEURRENS:** Good afternoon, Senator Stinner, members of the committee. For the record, my name is Brad, B-r-a-d, Meurrens, M-e-u-r-r-e-n-s, and I am the public policy director for Disability Rights Nebraska. We are the designated protection and advocacy organization for persons with disabilities in Nebraska and I'm here today in support of LB1159 and I will be ahistorically brief. People with disabilities are more vulnerable to contracting COVID-19 and having a serious or fatal complication. We noted in our report a widening divide that multiple social, economic, and health issues place people with disabilities at a higher risk of COVID-19 infection. Researchers indicate that adults with Down syndrome are almost five times at risk of hospitalization due to COVID-19 and ten times the risk for death. Adults with mental illnesses were those who were most left behind in the pandemic and then the greatest danger with food insecurity, no access to Test Nebraska, and no personal protective equipment. We are pleased to see an emphasis on addressing the long-term mental health impact of COVID-19 in the bill. As the National Council on Disability Reports, the pandemic has had a bi-directional effect on mental health. Not only has it exacerbated existing mental health conditions for persons with psychiatric and other disabilities, it has also created negative mental health conditions for people who did not have a preexisting disorder. And for those reasons, we recommend that LB1159 be advanced. I'd be happy to take any questions you have.

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

**BRAD MEURRENS:** Thank you.

**STINNER:** Any additional proponents? Any opponents? Anyone in the neutral capacity? Seeing none, would you like to close? Senator waives her closing. We have no letters of support and that concludes our hearing on 11-- LB1159. We'll now open on LB1201. Welcome, Senator DeBoer.

**DeBOER:** Hello again. Good afternoon, Chair Stinner and members of the Appropriations Committee. My name is Wendy DeBoer, W-e-n-d-y D-e-B-o-e-r, and I represent District 10, which is in northwest Omaha. I'm here today to introduce LB1201 that appropriates \$40 million in federal ARPA funds to the Department of Health and Human Resources-- Services for grants to nonprofits and other organizations that provide food to Nebraskans in need and to lesser-- food deserts throughout the state. Food needs across Nebraska skyrocketed since the onset of the COVID-19 pandemic and those needs have not subsided, nor do we suspect that they will subside in the next few years. History shows that high food needs will continue for quite a few years after an event like the one we've experienced. The pandemic further highlighted that our food distribution networks are in need of upgrading and modernization, but also pointed out new opportunities to tap our local producers for Nebraska-grown food. The American Relief Plan Act [SIC] guidelines clearly identifies food assistance and food banks as key projects to invest in as the state responds to the impact of the pandemic on households and on our communities. I'm here today to present both a necessity and also an opportunity for the Legislature to respond to our continuing pandemic-induced crisis and build toward streamlining our food distribution system for all crises in the future. Twenty million of the funding would go to the two food banks in Nebraska, which together serve every county in the state. The food banks are the first link in the food supply chain that serves those who are food insecure. They distribute food to pantries and school backpack programs, etcetera, etcetera. The food banks must remain viable in order for their partners to effectively need the mead-- meet the needs of their communities. The remaining to \$20 million would be distributed using a competitive grant process to qualifying organizations with innovative food supply chain proposals. DHHS would administer these grants and are specifically authorized to contract with a third party, such as the Children and Families Foundation, which has successfully administered several grant programs for them before. These grants are intended to spur nonprofit and private-sector

innovations and initiatives that will benefit from one-time seed funding or for capital investments to increase long-term efficiency. The grants are also intended to bolster current programs during these high-need times to allow greater access to fresh and healthy foods produced in Nebraska and for producers to develop innovative solutions to deliver locally grown food to organizations and serve people in there-- in need. Providing food to individuals and families requires a complex supply chain. All links in the food supply chain must be strengthened to address food insecurity caused by pandemic economic hardships. Each link in the chain must be able to meet its obligations to upstream and downstream partners. Providers across the state continue to see record numbers, which have become the new normal, of individuals and families needing food throughout Nebraska. The problem is statewide. Rural Nebraskans deal with transportation barriers, limited grocery infrastructure, and more that contribute to food insecurity and scarcity. Food donations have decreased. The number of people seeking help has increased. Although Nebraska's unemployment rate is very low, so, so many fully employed families still need help. Our food-insecure Nebraskans are working Nebraskans. I'll say that again. Our food-insecure Nebraskans are working Nebraskans. Even those working above minimum wage often do not have enough income to buy nutritious food consistently for themselves and their households. This large food-insecure working sector is having the most difficult time recovering from the economic impacts of the pandemic. SNAP emergency allotments and child tax credits are no longer available and families are dealing with increased expenses due to inflation. Debt from pandemic unemployment continues to put financial strains on families long after they are back to full employment. We need to address hunger in Nebraska, a problem that persisted before the pandemic, but has become a crisis because of the pandemic and the economic accompanying fallout. This bill addresses all links in the food supply chain that need to be strengthened to sufficiently affect the problem with a one-time influx of funding that will have long-term, sustainable results. Additionally, it provides an opportunity to support local producers of food, economic development in rural community, and to strengthen existing programs that work such as Double Up Food Bucks and farm to school. It helps our food bank create efficiencies to save money long term. I'll take a second and just be off the cuff and say I went to visit the food bank in Omaha and one of the coolest things-- they have this room in there that's called a USDA cold room where they have a USDA inspector that stands by as they take large packages of meat and divide them up into quantities that individual families can use that might come to a food pantry. And they have to pay to have

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that USDA inspector there the whole time. One of the things they told me about it, I didn't know this was a thing, but that food banks have started to figure out how to work together with each other across state lines. So there's one-- and I can't remember if they said Des Moines or Minneapolis or something-- that does like fruits and vegetables, that will take these large quantities and put them into packages and sort of trade with others. We have the opportunity to do that, to expand the Omaha USDA cold room to make that the sort of center for other food banks around to get this, these kind of meat-- smaller packages made. And so that's one of the kinds of projects that they were telling me, just the tip of the spear, the kinds of projects they're talking about what we could work, not just for, you know, our own project, but to kind of create some of these interchanges with other places around us that helps the whole system. OK, so I'd like to thank the groups who have spent months, literally months working on this legislation. And all the while, they were sustaining Nebraska's families during a very difficult time. At my somewhat very strong request, most are not testifying in person today so that the committee might have more time to do their work, but many have submitted written testimony to you and I ask you, please, to take a look at it before or during your deliberations. Additionally, I've distributed a petition from Nebraskans across the state showing great support for this bill. This is the only ARPA request for funds from all of these different groups to deal with one of the cornerstone reasons for the ARPA funding in the first place; food insecurity directly related to pandemic economic hardship. We combined all these efforts for the committee's consideration and hope you will help us fight continued food insecurity that comes from this pandemic and strengthen our response mechanisms for whatever the next crisis is, maybe a flood or a natural disaster or other economic crisis. Thank you for your consideration of LB1201 and I would be happy to answer any questions that you may have.

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

**DORN:** Yeah. Thank you, Chairman Stinner, and thank you for being here and bringing the bill. The question I have is in the fiscal note, I don't know if you saw it or not, it estimates-- the department estimates that it's going to take a third-party contractor to help with this and approximate cost of \$2 million. Speak about that a little bit.

**DeBOER:** So I know that-- well, there might be someone behind me or otherwise, I'll find the information for sure, but my understanding is



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that the Nebraska Children and Families Foundation has worked with DHHS to administer grant programs such as this one in the past and that they would be the one that would probably end up doing this. I suppose we'll go through a process to determine that, but that--

**DORN:** OK.

**DeBOER:** --they seem likely to be the one.

**DORN:** OK.

**DeBOER:** So that's probably--

**DORN:** And that's where the cost then would be coming for that part of the allocation?

**DeBOER:** I suspect so.

**DORN:** OK, thank you.

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

**BRIAN BARKS:** Good afternoon. Good afternoon, Chairperson-- Chairman Stinner and members of the Appropriations Committee. My name is Brian Barks, spelled B-r-i-a-n B-a-r-k-s. I am the president and CEO of Food Bank for the Heartland in Omaha. Thank you for this opportunity to speak on LB1201. I am testifying on behalf of Food Bank for the Heartland and our friends at the Food Bank of Lincoln and thank you, Senator DeBoer, for introducing this bill. While based in Omaha and in Lincoln, Nebraska's Feeding America food banks partner with nearly 700 pantries, schools, churches, emergency shelters, and other nonprofit organizations to distribute food to families seeking assistance in all 93 Nebraska counties. Combined, 70 percent of the food we distribute is to communities outside of Omaha and Lincoln. Food Bank for the Heartland receives millions of pounds of donated food from retailers, wholesalers, manufacturers, farmers, along with the USDA. Because the amount of donated food received has never been enough to meet the need for food assistance, the food bank purchases food from a number of sources. In the last fiscal year, 43 percent of the food distributed was purchased by the food bank. It's the first time in our 40-year history the distribution of purchased food outpaced donated food. Food from the food bank is then distributed to the local food pantries who assist families. A food pantry in your local community very likely receives food from the Food Bank for the Heartland or the Food Bank of Lincoln. This fiscal year, Food Bank for the Heartland budgeted \$9.4

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million to spend on food, compared to less than \$1 million during the pre-COVID environment. With philanthropy returning to pre-pandemic priorities after record giving and federal support similar to the CARES Act currently unavailable, we recently cut that food budget line item by \$2 million. This reduction means clients will simply receive less food. Following the Great Recession, it took ten years for the total number of food-insecure people in Nebraska to drop to pre-Great Recession levels and please know the impact of the pandemic on food insecurity far outstates-- exceeds the Great Recession. Food insecurity is not isolated to one community or one part of town. It exists in urban, suburban, and rural areas. It exists in every legislative district in Nebraska. This includes people like Joyce Hutcheson of Long Pine, Nebraska. Hutcheson's husband, husband, died of COVID-19 in 2020. Social Security is her only source of income and she gets food assistance from one of the food bank's mobile pantries. Two years into the pandemic, we continue to see record numbers of individuals and families needing food throughout Nebraska. Food Bank for the Heartland distributed enough food for 37, enough food for 37 million meals in fiscal year '21, nearly 9 million more than the previous year. According to Feeding America, almost 12 percent of Nebraskans, or roughly 229,000 people in our state, are considered food insecure; 71,000 are children under the age of 18. The pandemic not only exposed the hunger problem that we have in Nebraska, it made it worse. The total number of Nebraskans who face hunger and food insecurity would fill Memorial Stadium not once, not twice, but two and a half times. LB1201 allocates \$20 million to the food banks to address critical needs to serve our neighbors throughout the entire state, urban and rural. We would allocate dollars to improve our overly stressed infrastructure by increasing the ability to warehouse cold storage food, boost our ability to distribute food through the addition of heavy equipment like trucks and forklifts, provide proper technology to efficiently process and distribute food, as well as support efforts to purchase healthy food items like produce, protein, and dairy. An example of the innovation supported by ARPA dollars would be the expansion of our USDA clean room to accept more protein items from Nebraska producers and manufacturers to convert bulk product, product into family-friendly size commodities. This innovative approach serves Nebraska farmers, producers, manufacturers, and families. All of the effort outlined here for the food banks will efficiently serve Nebraska neighbors struggling to put food on the table today and for years to come. LB1201 also provides critical funds for those on the lines serving local communities. The bill provides \$20 million in grant funds to help food pantries increase capacity by

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helping fund large-capacity freezers and coolers. The funding will also help provide dollars to address food deserts in small, rural communities that have no full-service grocery store. Dollars would also be directed to the Double Up Food Bucks program, providing more healthy food to low-income families that can least afford expensive produce items, while at the same time supporting Nebraska farmers who sell their produce at local farmers markets. In March 2020, food insecurity became a front-burner issue, garnering national attention. And two years later, it remains a critical issue requiring action. I thank you for this opportunity to speak with you today and happy to answer any questions you may have.

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

**VARGAS:** Thank you very much for being here and I appreciate your testimony. And, you know, I have one of the-- what I believe is one of the largest food pantries in the state in Together. Together is in, in my district. But I wanted to ask you because what I've received from the letter that they sent us is there's just been a large explosion of need. I saw this when-- just the-- I can remember how many months ago now-- I visited their pantry. I helped volunteer and I saw the influx and I've seen it continuously and I've heard it. What happens to them if we don't pass something like this? Are they're going to survive? I'm trying to get a sense of, like, the real-- the scarcity we're seeing amidst this continued pandemic.

**BRIAN BARKS:** Well, a snippet of it has-- was something that I indicated in our, in our-- in my testimony in that, you know, we have a line item in our, in our budget for spending on food. That, that is kind of indicative of what the need is and without this legislation, we will continue to have to slice that food budget line item. What it means is that we will have less food to go out to pantries, not just to-- but-- Together, but across our entire network. We just simply won't be able to serve as many people the food that they need. And much of our, our, our food dollars are focused on, on the food items that are the most expensive; produce, protein, and dairy. People who are food insecure and have tight food budgets don't shop on the exterior of grocery stores. That's where those items are located. You know, if I have \$20 in my pocket and I need to feed my family for the week, I'm not going to go, you know, buy protein, produce, and dairy because that gets chewed up real fast. I'm going to shoot down the middle of the aisle and pick up, you know, bags of starch-laden whatever that can-- you know, I can stretch over a longer period of

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time. So that, that's a long-winded answer to the question. I hope answered OK.

**VARGAS:** No, you did. Thank you. And I appreciate the USDA also-- this clean room is encouraging. I remember when I did visit the pantry. They were giving out big-- you know, obviously trying to give out meat and it's, it is a high-priority item is what I've seen from a lot of families. And they were-- that's not always an option and having it more of an option in not just my community, but across the state is-- well, it's important.

**BRIAN BARKS:** We are one of six Feeding America food banks that have a USDA clean room. It's being operated right now in a 600-square-foot area of our food bank. We desperately want to scale that project, but do not have the room right now to scale that project. We do not have cold storage in order to continue to get that kind of product protein items into our facility because right now, we have three semi-trailers sitting out in our parking lot doing nothing but holding cold-storage food because we do not have room for it in our current freezer cooler.

**VARGAS:** Thank you.

**BRIAN BARKS:** Um-hum.

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

**HILKEMANN:** What percentage of your budget is met by philanthropy?

**BRIAN BARKS:** Virtually, virtually all of it. We do get reimbursements from the federal government for supporting some of their programs, like food that we receive from TEFAP, the Emergency Food Assistance Program. We do get government reimbursements to help cover some of the cost that it takes to-- in order to distribute that food, but mostly it's-- the vast majority of it is through philanthropy.

**HILKEMANN:** OK. Secondly, from what your testimony is, most of this-- these funds would be utilized to update or improve your facilities, am I correct?

**BRIAN BARKS:** Yeah.

**HILKEMANN:** You're looking at hard assets.

**BRIAN BARKS:** Yeah, our, our facility was overly taxed by the massive amount of increase of food that was coming in and out of our facility.

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It showed that our infrastructure inside of our building is not adequate to continue operating now and in the future. One of the things that, that-- as an example that that people don't-- may not think about is that in our freezer cooler, because of the number of-- amount of food that was coming in and out of our building, we had to replace our freezer cooler doors at a cost of \$43,000. Our docks, because of the number of trucks that were coming in delivering food, took a pounding. Concrete in our warehouse, because of the forklifts going back and forth, part of it had to be replaced. So our infrastructure inside of our building is, is not good and our technology at our facility is woeful and it's offensive to the word "woeful."

**HILKEMANN:** OK, thank you.

**BRIAN BARKS:** Um-hum.

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

**BRIAN BARKS:** Thank you.

**TIM MUSSACK:** Good afternoon, Chairman Stinner and members of the Appropriations Committee. My name is Tim Mussack, spelled T-i-m M-u-s-s-a-c-k, and I'm here today to testify on behalf of the Center for Rural Affairs. Changing consumer preferences towards locally sourced food, along with supply chain bottlenecks induced by COVID-19-related shutdowns, have shown the need to invest in businesses that shorten our food supply chain. On the bottom of the first page of your handout, you'll see a diagram that shows our traditional food supply chain, where each step of the process can be hundreds or thousands of miles apart. LB1201 will help farmers and other entrepreneurs build local supply chain capacity that efficiently connects farmers to consumers. In Nebraska, an estimated \$4.4 billion is spent annually on food and 90 percent of that food comes from outside of the state. Increasing the amount of food products grown, processed, and sold locally will make our food system less susceptible to external disruptions, such as pandemics, natural disasters, or labor shortages. Local food production and purchase are also good for our rural economies. It is estimated that for every \$1 spent on local food 76 cents stays in the community. This is compared to only 28 cents staying in the community when food is purchased from outside of our state. While the U.S. Department of Agriculture does have grant programs that can help strengthen our local food systems, they are very competitive and have long and complicated application processes.

The program envisioned in this bill could provide an efficient, carefully crafted alternative to USDA programs that can help open new and existing markets that are difficult to access. On the back of your handout, there are some examples of small businesses or community initiatives that could potentially be eligible under this program and would be viable with one-time funding that could range from production facilities that produce value-added products. It could be bread, cheese, cured meat, salsas, canned or pickled foods, vegetable and growing operations that incorporate geothermal greenhouses to extend production seasons. One example of this would be the Greenhouse in the Snow, as it's called in Alliance, Nebraska, where they can grow hundreds of pounds of citrus fruit each year to sell at local farmers markets. Local beef, pork, and poultry processing that will help lessen our reliance on large packing plants, establishing food cooperatives, particularly in small towns without grocery stores. The Hay Springs farm-to-family co-operative is a great example of a community-owned food cooperative. It was established just last year in 2021. The Bayard/Chimney Rock Grocery Cooperative and Bayard and the Valley Foods Cooperative in Lynch, Nebraska, are two communities who are currently working to open their own food co-op and they could benefit from a one-time grant. Around 18 producers currently make up the Nebraska Food Cooperative. Through their website, you can order locally raised vegetables, meat, eggs, baking flour, honey, and other products. Once you to order online, your order will be delivered to one of 16 hubs in the state where you can go and pick it up. They currently have to rent a vehicle and they use coolers and ice to keep your orders cold while they deliver. So one-time funding for the Nebraska Food Cooperative would definitely help lower their logistics costs and help them expand their coverage to more hubs in the state or bring in more producers to take part in their program. I would also like to mention that some rural residents need help now in order to feed their families. As an example, I'll mentioned the Frontier County Food Pantry in Curtis, Nebraska. It serves residents from five surrounding counties, including Frontier, Dawson, Lincoln, Red Willow, and Hays Counties. They help an average of 65 families per month and at their last biannual drive-thru event, they served 200 families in one hour. They do not have cold-storage facilities to keep perishable foods and they regularly lack food staples such as bread, pasta, peanut butter, or cheese. Many rural food pantries face similar challenges. This bill is an opportunity to support rural residents who are currently struggling to put food on the table and at the same time, invest in innovative small businesses that will help feed our

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families with food grown right here in Nebraska. Thank you for your time. I'd be glad to answer any questions.

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

**TIM MUSSACK:** Thank you.

**STINNER:** Good afternoon.

**TINA ROCKENBACH:** Good afternoon, again. I'm Tina Rockenbach, T-i-n-a R-o-c-k-e-n-b-a-c-h, executive director for Community Action of Nebraska here in support of LB1201. Food distribution and services are one of the core areas that our agencies provide. Eight of our nine agencies participate in direct food distribution, such as door-to-door food delivery, putting together food boxes for families, including recipes and food tailored to refugee/immigrant populations, and providing fresh produce, meat, and dairy products in under-resourced areas or food deserts. Too many Nebraskans in both rural and urban areas rely on Community Action food pantries as well. Our ninth agency provides fresh-cooked free meals locally in Lincoln at a separate location for anyone in need. None of our agencies are seeing any decrease in requests. In fact, one impact of COVID-19 on this area of our services has helped our agencies to discover just how many individuals and families struggle with food access. In the rural areas, there are many communities in which access to food is several miles away. Our agencies have had to be innovative during the pandemic in how to deliver food to clients during a massive quarantine. In fact, our agency that serves Douglas and Sarpy Counties added food delivery to its list of services and now visits 150 households with young children weekly. When crisis happens, Community Action responds and we have pivoted to serve new populations with new methods and we maximize all food available to us. In preparing for today, I was reviewing some of our most current statewide data of clients served in the last six months. Since August 1, our agencies across all 93 counties have served 1,728 clients whose household incomes are above 125 percent of the federal poverty level. This benchmark is used as an eligibility criterion in several programs such as SNAP. Clients who are above the 125 percent level are kicked out of avail-- eligibility to receive a service such as SNAP if this is used as a criterion application. Out of the 1,728 clients, 14 percent were retired and 39 percent were employed full time. Those two categories alone make up 53 percent of the clientele we have served that are not considered "low income," yet they are not able to meet basic needs of their families. If they cannot even meet the basic needs, how can we expect them to

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focus on long-term goals? Considering this, \$40 million of ARPA funds for food security would be a tremendous help in lifting the burden of our agencies. Additionally, money that would be available to our agencies for key infrastructure improvements and repairs would help to launch our ability to keep up with this consistent increased demand. Just like any system, as you tax its limits, you find where the weak points are. Our agencies have their own distribution locations and often the storage is spread out around a building to find pockets of space. By having the ability to apply for grants, our agencies would be able to expand facilities, improve food storage and capacity, including updating freezer and cooler equipment, and adding delivery and cold-storage vehicles, among other improvements. These improvements create efficiency and that efficiency means more people are served and we can stretch our dollars and leverage others. Finally, having access to food has a direct effect on your dignity, both as an individual and as a provider for your family. Everyone should enjoy the freedom to choose what and when they eat. I'm asking that you strongly consider funding LB1201 at its full \$40 million and I'm happy to answer any questions.

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

**MIKAELA SCHUELE:** Good afternoon, Chairman Stinner and members of the Appropriations Committee. My name is Mikaela Schuele. I serve as the director of emergency and supportive food services for Catholic Charities of Omaha, which is a charitable service agency for the Archdiocese of Omaha, whose territory is the 23 counties throughout the northeast Nebraska. I am also testifying on behalf of Catholic Church-- of Catholic Services of Southern Nebraska, which is a charitable service agency for the Diocese of Lincoln, whose territory encompasses everything below the Platte River. As well, I offer this testimony on behalf of Catholic-- the Catholic-- Nebraska Catholic Conference. I am here today with an important message. There is a hunger crisis gripping Nebraska communities. It is a crisis that existed, existed pre-pandemic and has been exacerbated by the pandemic. It is a crisis that Cath-- that the Catholic Church, alongside many other community partners, have been helping to alleviate. Unfortunately, it's an-- it's not an issue that can be tackled on a local, local or regional level alone. It's an issue that requires interventions and assistance from the state government. Catholic Charities operates three pantries; one in north Omaha, one in south Omaha, and one opening in northwest Omaha. We operate a senior home delivery program and mobile pantry program. In addition, we lead our community, community's hunger battle by regularly distributing



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donated food to 44 collaborative partner organizations. In 2019, our program served 55,000 people in 2020, in 2020, our program served 134,000 people. In 2021, our program served 222,000 people. Our latest projections show that we are on track to serve a heartbreaking 260,000 people in 2022. This means in three short years, the number of people we've served has grown by 400 percent. Catholic Social Services runs food pantry programs in all four of their offices, located in Lincoln, Auburn, Hastings, and Imperial. In fiscal year 2020-2021, Catholic Social Services provided 302 tons of food. More specifically, their Hastings office runs five different routes each week through south-central and southwestern Nebraska communities to ensure food access for rural Nebraskans. The Hastings office distributed 200 tons of food during that year. The value of this food assistance throughout urban and rural communities is in the millions of dollars. And while it's making an impact, as stated earlier, we are in a hunger crisis. Just as Catholic Charities and Catholic Social Services have done for nearly a century, we're doing all we can to respond, but support is dwindling. Over the past year, our food supply at Catholic Charities has plummeted. Since the beginning of 2022, food donations have decreased by 27 percent. This is a problem, as we're serving 13.5 percent more people than in 2021. Our infrastructure was never designed to meet the hunger needs of a quarter of a million people and grow at a 400 percent rate. At one of our pantries, moving food in and out is only possible by literally taking doors off their hinges. Cold, cold foods are stored in a refrigerated trailer in our parking lot that is prone to vandalism and our pantry space is too small to safely invite patrons inside to shop for their own items, which we know is the most dignifying way to serve our neighbors. When the pandemic first hit, everyone rallied. The USDA Farmers to Families Food Box Program provided life-saving dairy and produce. We were able to access truckloads of food from major meat suppliers. Our community held countless food drives for our program. Our shelves were full and so were the stomachs of those most hurting in our communities. At this moment, the pandemic is showing signs of retreating, but the hunger crisis is not. It's getting worse. LB1201 is more than an investment in Catholic Charities or Catholic Social Services. It's an investment in Nebraska communities. Access to capital builds sustainability in our own pantries. In turn, we can sustain our own work, which ultimately sustains the lives of our community. And when these lives are sustained through local and regional efforts, it provides relief to state and federal programs and helps ensure a flourishing and fed Nebraska. Thank you for your time and I welcome any questions.

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**STINNER:** Thank you. Questions? Would you spell your name, please?

**MIKAELA SCHUELE:** Yes, my name is spelled M-i-k-a-e-l-a, Schuele, S-c-h-u-e-l-e.

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

**HILKEMANN:** You-- I'm thinking about now that if indeed we're-- our tailwind is behind on the COVID, which I hope is the case, do you see the need going-- becoming less?

**MIKAELA SCHUELE:** We continue to see the need increase each month because people are just now experiencing the effects of the pandemic. Inflation is a huge concern to us right now and we're seeing our lines increase. And one of the things that Catholic Charities can and Catholic Social Services can address is the underlying, the underlying causes of food insecurity because food insecurity is merely a symptom to many other things going on. So food gets people in the door. We're, we have the advantage of having food, which is a basic human right. But when people come to us, then we can address why are you here? Because it's almost always something deeper. It's, it's usually I'm-- I have-- I'm in an unsafe environment or I have children in the home that are-- I'm trying to feed lunches to because they can't go to school or what have you. Catholic Charities and Catholic Social Services and many other organizations have wraparound support. We have domestic violence services. We have behavioral health services. We have immigrant legal services, clothing, rental assistance. All of those things that we can help to then-- if, if we create-- if we offer help in those, in those areas and address the causes of food insecurity, we can help make sure that they-- that those community members don't need to come to us anymore. So an investment in this bill is an investment in many other bills that you guys are probably hearing about because you're not only addressing food insecurity, but you are addressing many other, many other resources as well.

**HILKEMANN:** And do you think that that-- that's fine, thank you.

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

**ROBERT BERNT:** Mr. Chairman, committee--

**STINNER:** Afternoon.

**ROBERT BERNT:** Thank you. My name is Robert Bernt, R-o-b-e-r-t B-e-r-n-t, and I crawled into the pickup truck this morning, two and a

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half hours away, wondering why I was coming for sure. And I just-- I'm in the food industry business, all right? I produce food, I process food, and I distribute food. And I process it through my cheese processing plant from our 40 Jersey cows to our meat processing plant from our pork and our beef herd and our certified kitchen with our extended sale and our vegetables and I distribute it. But what's intriguing to me here and what I've heard today so far from the food pantry, two years ago, I was approached by a food bank in Omaha, No More Empty Pots, asking about protein, meat. And in our meeting with them, as a processor of food or processor of meat and living in the area that I do, we have a lot of cattle that over the course of year have issues that are perfectly fine cattle, perfectly good cattle that are able to be processed and donated, but no facility to do that in. So when I met with them, my approach was is we need to change the system so we can get these cattle in a usable fashion somewhere and have them processed in a time that will not destroy the product and that's a problem today. We cannot find a USDA locker that will be able to inspect that animal if it comes in and has a, has an injury and needs to be done and done right away. So this is why Senator Brewer and I spoke about processing meat and having inspected by a veterinarian in a state-inspected facility. This could go into these custom processing plants and it could be done and this product and it would be usable in that food bank system. So it's a huge connection that we need to make to have this be accomplished because last week alone, I had three animals that came to me that we did process, but they're all going to a local Catholic school and be donated to it. Those animals are basically of no value to that individual and with my processing fee at \$1.25 a pound and with a distribution fee to the, to the food bank, that's a ballpark of where we're talking that this hamburger, ground beef would cost. So it's a, it's a very reasonable, very doable way to get this product into that food bank system, you know, without getting it involved in the current system we have. It's very doable. And I, I didn't realize that until speaking and listening here today to these individuals talk about protein is our source of income in this state, basically, and we've got large numbers of them out there. I suppose over the course of the year, I will process somewhere in the neighborhood of 20 to 40 in my plant alone, animal that are in that condition and you'd have something done right away. And it will not go to a USDA locker because it's so far out and inspections are tied up so bad-- that need to be put in these food banks. I processed deer for the Hunters for Hungry program for the food bank and that's an excellent program, just an excellent program. You know, when I talk about food is my issue, it's been in my heart

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for 30 years. I've, I've conducted a battle to try to challenge the industry because producing food processing food, and distributing food, you're stepping on a lot of toes, a lot of toes. I had a heck of a time building my processing plant because I was stepping on toes. And when I started distributing my food directly into stores and restaurants, I had, I had restaurants that were buying my cheese products to put on their hamburgers, rated number one in the state of Nebraska that ordered twice and they were told by the distributor, If you don't order all product for me, we don't want you to have to stop here anymore. So we need to focus on getting local foods into these local grocery stores and local restaurants and local catering services, all of which for the most part, when COVID hit, dropped us. They, they basically went out of business. So we were left hanging there with not the outlets that we had prior to COVID. My recommendations come to support LB1201. I was president of the Nebraska Food Cooperative for two terms, which a gentleman spoke of earlier, distribution system from north-- east to west, north to south. I served on Nebraska Food Policy Board. I served on Nebraska food-- farm-to-school programs in advisory position. I've worked really hard at trying to get food into local schools and local cafeterias, local stores. It's very important. The nutrition of our food produced in the state far supersede the nutritional quality of the food that is picked prior to being "ripened" and shipped into this state. It needs to come locally. So thank you for your time. I appreciate it and if there's any questions, I would love to answer them.

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

**ROBERT BERNT:** Thank you.

**LOUIS DAY:** Good afternoon. Can you-- I think there's only ten so I probably need more copies. Can you do that? Could you get [INAUDIBLE] please? Thank you.

**STINNER:** Afternoon.

**LOUIS DAY:** Afternoon. Thank you for this opportunity, I guess--

**STINNER:** If you could say and spell your name--

**LOUIS DAY:** Oh, I'm sorry.

**STINNER:** --that would be great.

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**LOUIS DAY:** That's-- I'm sorry. Louis, L-o-u-i-s, Day, D-a-y, and I'm from Valentine, Nebraska. And I guess what I'm handing out to is, is I know all the work that Bob and Christine [PHONETIC] and their family have went through and the struggles with trying to get through the hoops of getting good food to people. And I guess I'm, I'm going to look at this at a little bit-- I'm in support of her bill. I hope the administrative part of it don't turn out to be like the, the Post Office deal to where everything goes into administrative cost instead of going to the people. But I want to expand this a little bit and what I'm handing out there to you is just some graphs on what's happening to the, to the beef industry or the rural producers. To me, this is way bigger issue than just people going to the food bank. This is food security for the-- all the people of this state and I'm glad Bob mentioned Senator Brewer's bill of state inspection. You know, as you'll look there, a lot of what's happening to rural Nebraska-- and the only thing we basically have left unless we can drive a wedge in there to get the dairy production, local dairy production, local hog production, local poultry production going again is the cattle industry. And right now, the four major packers have such a throat hold on us that it's affecting rural, rural economy. We have people in Valentine that our bible study group has breakfasts and there's a lot of older people that have ranched and moved to town or worked on ranches their whole life that are struggling with food. So I guess the way I feel about this is, is anything that can be done through this to, to have a local food source-- and not only you people on this committee, but also all 49 of you down here, we can, can be a leader in, in securing this state's food supply. I-- guess that's about all I can say. There's a lot of things I was wanting to say, but nothing comes to mind right now. But, but this is a food security issue. This is way bigger than just a food pantry deal. And there's no reason why we can't raise a lot of this food right here and eliminate all the cost. And let's face it: what's going on worldwide, you know, this pandemic deal hasn't been all bad because it's shown a lot of weaknesses. And just consider what's happening overseas with fuel. This morning-- well, it was last night in Valentine-- for diesel fuel, it's \$4. So you start shipping that across the country out of California. One, one other thing that I'd like to mention to you that I was thinking of coming down this morning is, is if we can have a state inspection deal-- have you ever heard of a quality problem with like E. coli or any of that in your lifetime from a local locker? And how many of them is in Nebraska? When, when my-- well, when, when you're a customer of them, it's way different when you can walk in the door and tell them that I'm not happy or whatever. You know, there's,

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there's food safety right there when you're dealing local instead of depending on someone out in California to grow your vegetables or graze-- in Valentine, there's, there's dairy trucks coming out of Idaho, bringing milk down here. That's, that's not smart. Anyhow, thank you for your time--

**STINNER:** Thank you. Questions?

**LOUIS DAY:** --but it is food security issue.

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

**KOLTERMAN:** I just have a comment. Bob and-- thanks for coming down.

**LOUIS DAY:** Well--

**KOLTERMAN:** Valentine is a long ways away. You had to get up pretty early this morning.

**LOUIS DAY:** Well, I had to work pretty late last night to get stuff done so I could leave at 5:00. But this is, this is-- there is a reason why up there-- you know, even coming down here, I see all of these schools that are consolidating because-- I know on our country, I've got three boys, two of them of our own and one that we raised. They're all wanting to be in agriculture. It isn't that we don't have kids wanting to come back here. You can't afford to. And with what I handed out there, you can see where there's being a foot put on our throat. And any wedge that you 49 senators can do down here to get that off, we can produce it. We just need the freedom and the abil-- and the freedom to do it.

**KOLTERMAN:** Well, thank you.

**LOUIS DAY:** You're welcome. Thank you.

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

**DeBOER:** I want to thank everybody who came to testify today and thank you for driving from so far away to come testify. I think that shows what a critical issue getting food out into the various parts of the state is throughout the state. So what happens if we don't pass a bill like this? Senator Vargas' question, I think, was, was getting right to the point. What happens if we don't do? We know one of the consequences are that when you have more food insecurity, people will

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turn to less healthy food. We've seen that over time. It's less expensive. And then there are long-term health consequences that we as a state are going to be dealing with down the line because people do not have access to nutritious food. So I think that's something we have to think about when we're thinking about how we're going to, to manage the food insecurity, the food crises that we have right now. I do want to answer Senator Hilkemann's question. He asked if any of this was going to-- well, I think you sort of asked, is any of this going to go for food itself? And yes, for the next three years, while the need is especially high, some of this money will be going to the food banks for actual food. So that is part of the, the idea, at least in the plan that I saw, what they presented to me, to help them because we know that although most of their-- almost all, but most of their, their funding comes from philanthropy, those donations are going down just as they have a need that has now exceeded what they're capable of handling. So they need a little help in the next couple of years to, to make it through that process. And then will the need go down? Eventually, hopefully, the need will go down eventually, but we know that it will take a number of years. After the flood in 2019 in Nebraska, the need for food didn't go away when the roads opened. And after the recession, the need didn't go away for years. We see historically this happens. There's a lag effect that happens and it won't go away now. It won't go away for a number of years and we've got a lot to do to make sure that we continue to provide this most basic thing for people. A strong state is a fed state, right? We have to have people who've eaten and who've eaten healthy food, right? The long-term health effects are just-- are too, too great. That's also considering that there are these real problems with our food distribution that has nothing to do even with necessary need-- necessarily need, but with food deserts in parts of our, our state. One of the programs that this grant program might go for, I heard one-- there's something up in South Dakota where there's a small town with a little grocery store, but it doesn't have enough customers so it might go away. The next town over has no grocery store, but it's kind of too far for people to go back and forth. In South Dakota, they developed a program where this little small-town grocery store puts a refrigerator locker into this grocery store and then once a week, they bring orders that you can place online now. They put him in there and there you go. Now they have more customers. Now these people have a food source. So there's all kinds of innovative programs that can happen with this grant money to help throughout the state, not just in people in need, but everyone throughout the state where there's food scarcity as well. Thank you.

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**STINNER:** Very good. Questions? I guess I was shocked at the numbers personally because I thought we fought really hard convincing the Governor that he ought to increase the SNAP benefit. You remember that? I think it was the last session, wasn't it? Senator McCollister's bill. So either we're not getting the money out to the folks that need food--

**DeBOER:** Well, I think you heard that the SNAP benefits are limited to-- I mean, there's certain ways in which it's limited.

**STINNER:** A hundred--

**DeBOER:** And a lot of--

**STINNER:** 185 percent, I think, is what we went to.

**DeBOER:** Yeah.

**STINNER:** So I guess I'm a little shocked about that.

**DeBOER:** Yeah.

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

**DeBOER:** Thank you.

**STINNER:** We do have 118 letters of support and three neutral and that concludes our hearing of LB1201. We'll now open with LB1193.

**HILKEMANN:** That's about the highest, isn't it?

**VARGAS:** Do you have anybody testifying in support?

**McDONNELL:** Nobody for or against, but I've got 39 out in the neutral if Senator Erdman makes it back.

**VARGAS:** Let's do it, let's do a quick.

**McDONNELL:** So we're now in Executive Session for this bill.

**CLEMENTS:** You know how to empty a room.

**STINNER:** --neutral on the last bill.

**McDONNELL:** We're going to go fairly quickly.



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**STINNER:** Well, let's go-- go ahead, Mike.

**DORN:** How did you do that? You've cleared the whole room.

**McDONNELL:** That's the kind of effect I have on people. Thank you, Chairperson 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. I represent Legislative District 5, south Omaha. The purpose of this bill was to provide legislative intent to improve the distribution of emergency rental assistance in rural Nebraska. In regards to this bill, rural is defined as not being Douglas or Lancaster Counties or the cities of Omaha or Lincoln because they have received direct rental assistance allocations from the Treasury. Since President Trump put the Emergency Rental Assistance Program into effect, it has helped nearly 3 million Americans remain in their homes by providing payments directly to landlords or utility service providers and that has played a large role in our rapid economic recovery. These funds can be used for rental assistance, utility assistance, other housing support services and to be utilized through cover-- cover in the arrears. Watching the state's share of these funds sit in an account nearly unutilized for over a year now while we know the demand and the need continue to exist and requests are being made is simply unacceptable. Additionally, as of January 31, over \$2.2 million in interest accrued from our allotment of rental assistance dollars have trickled into the state's General Fund. The interest is not subject to ARPA regulations and could be used for any number of purposes, including purposes not allowed under the ARPA For example, if Senator Erdman was here, we were going to talk about the Game and Parks headquarters possibly going to Sidney. After working with subject-matter experts and consulting with the information provided by the United States Treasury, we've learned that 10 percent of these funds may be used for other purposes, such as: grants to organizations providing eviction prevention and eviction diversion programs; mediation between landlords and tenants; housing counseling; housing navigators that help households access ERA programs or find housing; case, case management related to housing stability; housing-related services for survivors of domestic abuse or human trafficking; legal services or attorneys fees related to eviction proceedings; and maintaining housing stability and specialized service for individuals that-- with disabilities or seniors. We have also learned that 10 percent of the ERA I and 15 percent of ERA II may be used for administering these funds and would not be subject to reallocation if we were utilizing the funds. That is a-- that's about \$30 million. Since I introduced this bill regarding legislative intent, the State Budget Administer--

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Administrator, Lee Will, notified this committee that-- and the Urban Affairs Committee that the state will not be applying for Nebraska's allotment of \$121 million for ERA II and that the state has reallocated nearly \$80 million of rural support for ERA I to Omaha and Lincoln. He cited concern over fraud liability, lack of demand, and the need to support places like California who are demonstrating a much more urgent need for Nebraska taxpayer dollars. While there is no doubt California has experienced a mass exodus of people, we have data that shows Nebraska is also experiencing and has been experiencing significant need. Thanks to data collected by 211, we were able to identify 1,304 people-- calls requesting rental assistance in 2021, over 52,000 for utility assistance. Excluding Douglas, Lancaster, and Sarpy Counties, 211 saw a 23 percent increase in calls from rural communities asking for assistance. Additionally, a more urgent situation is currently developing: 211 reported a 10 percent surge in requests for rental assistance for the month of January and 531 percent increase over a normal month. At this, at this pace, they're expecting over 300,000 calls by the end of this year, which is a 21 percent higher than last year. We have also received a number of calls, letters, and emails from rural service providers frustrated that funds were being taken from rural support and given to Omaha and Lincoln, when they have not been given the same resources to support their communities during this pandemic as Omaha and Lincoln have been given to support theirs. We are also anticipating a large surge in utility assistance requests due to the increase in natural gas prices from last year's polar vortex with-- which-- and we've already seen, seen the most recently utility bills double. These funds allow utility assistance paid directly to utility companies on behalf of the ratepayer. And since ERA II funds can be utilized until September of 2025, they will provide an insurance [SIC] that we will have funds available to help protect against the unknown fluctuations in energy prices resulting from federal decisions and the war in Europe. As far as the potential for fraud liability cited by the Budget Administrator, we have reached out to the U.S. Treasury and they have pointed us to their guidance, which states any fraud suspected should be handled-- handed over to law enforcement immediately. The only fraud they are interested in being reported to the Treasury is fraud in excess of \$100,000 or fraud conducted by public officials or government employees. It is hard to envision a situation where any fraud would have a higher cost than forfeiting our money to California. The minimum payment to the state for ERA II is just over \$120 million and we have until March 31 to reconsider our approach. The interest collected in support of the General Fund alone would be

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at least an additional \$7 million. Applying for these funds is supporting-- is supported by the Nebraska Realtors Association, Apartment Association of Nebraska, and advocates for housing stability and utility assistance throughout the state. Let me reiterate: these payments are made directly to the landlords or utility service providers-- do not go to the tenants. This bill is unusual. We're not-- I'm not asking for an appropriation. I'm asking more for direction. And things have changed since I introduced this bill. There's a letter in your pocket that Senator Stinner and I signed after a meeting we had with the Governor's Office and we were disappointed that we did-- that their decision was and the Governor's decision was to not apply for ERA II. I don't know if there's a way this committee can help change the Governor's mind before March 31, but we have until the end of the month. We know by the hearings we've sat through all of the need that's out there and I don't believe the need is going to go away. And, and as we talked about with things going on around the world, the utility assistance is only going to grow greater. And so this, this bill was brought basically by a way, to try to give direction to the-- to this committee, but it's grown based on the need and also the decisions of our Governor.

**STINNER:** Now this bill goes-- actually, this money is, is intended to go over a three- or four-year period of time, I can remember, but it's an extended period of time. So if you start to divide it out over that period of time, it's not, not all that much money. And one would say too that, you know, with people now suffering from inflation, you may see more folks try to get rent assistance, try to get utility assistance, and obviously maybe even qualify for SNAP, depending on where we end up with that. So I-- the only thing I can suggest is to put the numbers together and show them the numbers to make the case. That's about what we can do. And then, you know, whoever you have as advocates for this, start, start a campaign.

**McDONNELL:** That's your notice.

**STINNER:** Yeah, there's a lot of them.

**McDONNELL:** This is more of a discussion for the, for the--

**DORN:** Yeah.

**McDONNELL:** --for the committee and I did not reach out to anybody to testify today.

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**DORN:** Well, I got a question. Is-- as, as we believe today or as what we're aware of today, it-- there has been no change in the Governor's thought process on this?

**McDONNELL:** Our letter was dated, I believe, February 16, and as of today, I have not heard anything-- any change and our deadline is the end of March.

**STINNER:** I'm not particularly his favorite son right now, so.

**HILKEMANN:** Are we still in hearings?

**McDONNELL:** Yes.

**VARGAS:** Right now? Yeah, this is a hearing.

**STINNER:** We still have the mike on.

**McDONNELL:** I just didn't-- I just don't have anyone here.

**DORN:** The mike, TV, and everything.

**McDONNELL:** I'm just going to, I'm going to answer your questions and I'll, I'll, I'll waive closing if--

**STINNER:** Any questions?

\_\_\_\_\_ : I'm just listening.

**McDONNELL:** OK. All right, thank you. Thank you for being here. If there's any questions, I'll waive closing.

**STINNER:** OK. I don't see any. Oh, Senator Hilkemann, you're--

**HILKEMANN:** No, I, I was-- can we go into Executive Session to discuss this further?

**STINNER:** Oh, we could, but let's close--

**KOLTERMAN:** Shut the mikes off.

**STINNER:** --let's close the hearing. There are one letter of support for this and the senator waives his closing. That concludes the hearing on LB1193 and concludes our hearing for today.