

Does not include written testimony submitted prior to the public hearing per our COVID-19 response protocol

B. HANSEN: OK, all right, well, good morning and welcome to the Business and Labor Committee. My name is Senator Ben Hansen, I represent the 16th Legislative District in Washington, Burt and Cuming Counties, and I serve as Chair of the Business and Labor Committee. I would first like to invite the members of the committee to introduce themselves, starting on my right with Senator Matt Hansen.

M. HANSEN: Matt Hansen, District 26, northeast Lincoln.

BLOOD: Good morning. Senator Carol Blood, representing District 3, which is western Bellevue and southeastern Papillion, Nebraska.

GRAGERT: Good morning. Tim Gragert, District 40, northeast Nebraska.

B. HANSEN: All right. Also assisting the committee is our legal counsel, Benson Wallace, and our community clerk, Ellie Stangl. And our committee pages for today are Kate and Robert. Welcome, thanks. All right, a few notes about our policy and procedures. Please turn off or silence your cell phones. This morning, we'll be hearing two interim studies and we'll be taking them in the order listed on the agenda outside the room. And we'll actually be hearing both LR139 and LR140 at the same time. Any handouts submitted by testifiers will also be included as part of the record as exhibits. We would ask that if you do have any handouts, that you please bring ten copies and give them to the page. We will be using a light system for testifying. Each testifier will have five minutes to testify. When you begin, the light will turn green. When the light turns yellow, that means you have one minute left. When the light turns red, it is time to end your testimony and we will ask you to wrap up your final thoughts. When you come up to testify, please begin by stating your name clearly into the microphone and then spell both your first and last names. We do have a strict no-prop policy in this committee. And with that, we will begin today's hearing with LR139 and LR140. Welcome, Senator Matt Hansen.

M. HANSEN: Thank you, Chairman Hansen, and members of the committee. Good morning. My name is Senator Matt Hansen, M-a-t-t H-a-n-s-e-n, and I represent District 26 in northeast Lincoln. I appreciate you all being here today to hear testimony on these two lawyers that I brought this session. LR139 is an interim study to allow us, allow us as a committee to take a step back and evaluate our workforce here in Nebraska, while I also brought LR140 to examine unemployment benefits

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provided throughout the COVID-19 pandemic. I'm appreciative of those who came out today to testify and either or both of these LRs, and I look forward to the discussion. I think these interim studies are timely, as we've seen the COVID-19 pandemic change our workforce and work expectations. And I'm starting to recognize that some of these trends in employment will likely end up being some of the most noticeable changes from these last two years. In recent years, Nebraska has been able to boast of our low unemployment rate and diligent workforce as an incentive for businesses to move to our state. However, full employment has its own effects, and an important corollary to this is supporting our workers in ways that will help our economy grow. For example, research from the Economic Policy Institute about wage stag-- wage stagnation demonstrates that if employee wages had kept pace with employee productivity over the last 40 years, workers across the board would be making about \$10 more an hour. Recent evidence is that many industries are raising their average wage significantly in order to attract scarce workers following the layoffs from last spring, and has led to some correction of that stagnation. It is also important to recognize the things Nebraskans spend their wages on. While our cost of living is slightly lower than other states, we do rank 28th in health care affordability, which can take up a large share of someone's income. There's also a housing shortage that predates the pandemic, but has exacerbated by it as well, meaning many Nebraskans are rent-enburdened, which is spending over 30 percent of your income on housing. For example, a minimum wage worker in Nebraska would have to work about 59 hours a week in order to afford a one-bedroom rental unit at a fair market rate, or about 75 hours per week to afford a two-bedroom unit. Looking at unemployment benefits specifically, we saw in Nebraska, we watched as unemployment claims rose in March of 2020 from 796 claims in early March to 15,000 claims and up to nearly 25,000 claims over the next few weeks. Many of those applying for unemployment benefits were applying for the first time. I assume that you all heard from many constituents who had difficulty accessing their benefits. My office received a significant amount of emails and calls from Nebraskans needing assistance over the last year, continuing even to today. Many were waiting four to six weeks without communication from the department or any of their benefits distributed. They expressed concern about the lack of communication, waiting on the phone for hours, unable to connect with anyone via the live chat option, and never receiving other updates. Many were also in a difficult position because they were unable to access SNAP benefits

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as they had been approved for unemployment but had not actually received any of the payouts. Fortunately, we, as I know a number of other senators, were able to assist many of these individuals by contacting the department on their behalf. However, I will point out in the midst of all these calls are our Ombudsman's Office released a report based on employee complaints that the, about the Nebraska Department of Labor that showed turnover and significant use of contract employees were connected to these service delays. Finally, many caretakers, primarily women, have been facing difficulties to return to the workforce without childcare or eldercare, despite wanting to return to work. Childcare can be cost-prohibitive, even in nonpandemic times, and any assistance in making childcare more affordable and accessible would help address this problem. We owe it to the workforce of this state to examine and implement policies that enable them to be productive, plan for the future, and thrive. Nebraskans deserve to know that if their need of the unemployment benefits they've earned, they will receive them in a timely manner. With that said, I am excited to hear from the testifiers today who will share more research and experiences with us. With that, I'll close and happy to take any questions.

B. HANSEN: Thank you. Are there any questions? All right, seeing no questions, thank you. Oh, yes, Senator Lathrop.

LATHROP: Senator Hansen, you talked about the Department of Labor.

M. HANSEN: Um-hum.

LATHROP: And maybe this is a hearing that I missed, but the Department of Labor using contract help--

M. HANSEN: Right.

LATHROP: --were those people that they brought on to take care of this significant increase in the number of claims?

M. HANSEN: Yes.

LATHROP: OK, so that wasn't the normal course of business. They tried to staff up and they used contract people to do it?

M. HANSEN: Yes. And I think they had been experiencing turnover, kind of predating the pandemic, and were using contract employees to fill

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the gaps. But obviously, with the really big increase in claims starting last March, they, they staffed up. I had a bill this year to kind of make some of those contract employees more permanent, and I'm not here to talk about that. But the kind of the notion was that was temporary and, you know, we're getting-- we're almost through the pandemic, you know, and it's going to be over soon. And my worry is, and part of the reason I wanted to have this is, it's obviously dragging on, I think, longer than any of us expected in March of this year. And so what's the current status and how are they doing?

LATHROP: OK, I appreciate your answer. Thank you.

B. HANSEN: All right. Thank you, Senator Hansen.

M. HANSEN: Thank you.

B. HANSEN: All right. And with that, we will take our first testifier.

LATHROP: Did you say you were going to do both of these?

B. HANSEN: Yeah, both at the same time.

LATHROP: So doesn't he need to introduce the second one?

M. HANSEN: That was my combined introduction.

B. HANSEN: Yeah.

LATHROP: Oh, pardon me.

B. HANSEN: Yeah, we mentioned before you came over here both.

SCOUT RICHTERS: Hi, good morning. My name is Scout Richters, S-c-o-u-t R-i-c-h-t-e-r-s, I'm legal and policy counsel at the ACLU of Nebraska speaking on LR139. I wanted to begin by thanking Senator Hansen for bringing this resolution because really as, as he said, the importance really can't be overstated. So even before the coronavirus pandemic began, racial discrimination and gender bias create numerous barriers for equality for people of color and women in the workforce. Industries that are dominated by women remain the least valued. And women, specifically women of color, are disproportionately represented in lower-paying jobs, including jobs that pay minimum wage and jobs that rely on tips. And many of these inequalities, as we've discussed,

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have been exacerbated by the pandemic. Specifically in Nebraska. It's been clear that those essential workers who we rely on to grow our food, stock our supermarket shelves and work in our meatpacking plants, again, disproportionately women and Nebraskans of color, have been among the hardest hit by the pandemic. On a national scale, the U.S. Department of Labor estimates that 60 percent of the jobs lost during the pandemic were held by women. And I think it's really particularly important that this legislative resolution is studying tipped minimum wage in Nebraska, because two-thirds of tipped workers are women and the poverty rate of tipped workers is 2.5 times higher than the poverty, poverty rate of workers overall. And according to one study, 80 percent of female restaurant workers reported being sexually harassed on the job. And I think that one reason for this is that tipped workers don't want to jeopardize their tips by speaking out when this harassment occurs. And then further, even we know that when women perform substantially similar jobs as men, they're all too often paid less. Women in Nebraska typically earn 80 cents for every dollar paid to men, and that wage gap is even larger for women of color. So I guess I would just conclude by saying that all aspects of this resolution, including studying the minimum wage, the tipped minimum wage and also the availability of sick leave and safe leave are all imperative to understanding the post-pandemic realities for Nebraska workers and, and really ensuring economic-- or equal economic and employment opportunities for all Nebraskans, regardless of race or gender. And so, in conclusion, the ACLU pledges our commitment to continue to work on these issues, and I wanted to reiterate our thanks to Senator Hansen.

B. HANSEN: Thank you.

SCOUT RICHTERS: Thank you.

B. HANSEN: Are there any questions from committee? Yes, Senator Hunt.

HUNT: Thank you, Senator Hansen, Chairman Hansen. Welcome back.

SCOUT RICHTERS: Thank you.

HUNT: And what is the tipped minimum wage here in Nebraska?

SCOUT RICHTERS: I believe it's \$2.13.

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HUNT: Yeah. And what percentage of tipped workers are women, did you say?

SCOUT RICHTERS: I know nationally it is two-thirds so, yeah.

HUNT: And from my research in Nebraska, it's about the same here.

SCOUT RICHTERS: Probably, yeah.

HUNT: And you also talked about how these tipped workers are less likely to report instances of harassment and assault on the job because they need those tips to work.

SCOUT RICHTERS: Exactly.

HUNT: And so they put up with a lot more than maybe other wage earners would. And another thing that I found from talking to the Department of Labor is that in these instances of harassment at work or wage theft at work, any of these things that maybe people would hesitate to report for fear of retaliation from an employer, when these get reported to the department, the department is sometimes months and months and months or years behind in being able to investigate these things because they don't have the staff to investigate these claims from workers in Nebraska. And so we have many people in the Legislature who say things like, OK, well, if, first of all, workers choose to have these low-paying jobs. Second of all, if they're having a problem at work, they just need to report it to the department, because we have means to take care of them. We have recourse in the law for them. But when we don't have staff in the department to follow up on these claims, then it's as good as nothing to me. Can you speak to the importance of making sure that the department is staffed or otherwise changing the policy so that people can actually, you know, be protected at work and, if they're not going to make a living wage, at least know that they can be safe and that they're not going to be taken advantage of?

SCOUT RICHTERS: Exactly. And I think what you said is exactly right. There's all these barriers to not speaking up for fear of jeopardizing your wages. But then if you do, it's almost kind of reaffirming that that harassment was OK, when it's not, not investigated or not taken seriously or pushed down the road where, where the time has just been

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too long. So I think that that just exacerbates the problems that, that we have with the [INAUDIBLE].

HUNT: Thank you.

SCOUT RICHTERS: Thank you.

B. HANSEN: Any other questions? I have one question, actually.

SCOUT RICHTERS: Yes.

B. HANSEN: With pertaining to LB140, I know one of the components of it to the state, I was hoping to kind of glean from, from the testimony was any potential improvement or changes to Nebraska's unemployment insurance system. Maybe not so much hiring more staff. Is there any other potential solutions or improvements that you think you or the ACL would recommend be done to the employment insurance system to improve it?

SCOUT RICHTERS: I'm just speaking on LR139.

B. HANSEN: OK.

SCOUT RICHTERS: So I don't feel--

B. HANSEN: Just curious--

SCOUT RICHTERS: Yeah.

B. HANSEN: [INAUDIBLE]

SCOUT RICHTERS: But maybe, maybe the testifiers following me will be better able to answer.

B. HANSEN: That's fine. I appreciate it. Thank you.

SCOUT RICHTERS: OK, thank you.

B. HANSEN: All right, we'll take our next testifier. Welcome.

VIC KLAFTER: Hello, there, Chairperson Hansen and the Business and Labor Committee, excuse me. I've got handouts that will have some feedback from community members about food insecurity and COVID. My name is Vic Klafter, I am a representative of Nebraska Appleseed.

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Nebraska Appleseed is an organization that fights for justice and opportunity for all Nebraskans.

B. HANSEN: Can I interrupt one second?

VIC KLAFTER: Yes.

B. HANSEN: Ben, right?

VIC KLAFTER: Vic.

B. HANSEN: Vic? OK, sorry.

VIC KLAFTER: Yes. No, you're good.

B. HANSEN: Can you spell your first and last name for me, please?

VIC KLAFTER: Yes. V-i-c K-l-a-f-t-e-r.

B. HANSEN: Thank you, very much. Appreciate it.

VIC KLAFTER: Thanks for clarifying. So throughout the pandemic we have talked with countless people who have been affected by the financial impact of COVID-19 and which has threatened to eradicate their housing or food security. Many people's stories come to mind in response to the inquiries posed by LR139. Here is a small selection of the experiences Nebraskans have been enduring over the past year and a half. Daniel [PHONETIC] was scared of contracting COVID-19 at his workplace. He was very proud of working at a manufacturing facility in Lincoln. He told me that was a really good job, I should have never said anything. What he had said was that he was feeling poorly and thought he should stay home in case he was sick. Mentally, he was also really strained. He said, I never went back. They never called me back or put me on the schedule after that. It's been a nightmare ever since. Daniel didn't have any sick or safe leave to fall back on. He was also technically a temporary employee, a categorization this large manufacturer often uses to be able to lay off workers and provide fewer benefits. He dealt with an eviction filing six months later and would have become homeless without rental assistance and free legal representation. Shannon [PHONETIC] had to quit her job at which she had just been promoted to stay home with her three children, one of whom is severely immunocompromised. Glitches in her unemployment claims, as we've been hearing about some of those issues, left her

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without income for months. Emergency SNAP allotments were a critical support to keep them all fed. She staved off an unlaw-- excuse me, she staved off an unlawful eviction. She looked for months for a job that paid enough and would allow her to work from home to accommodate her family's health risk. [RECORDER MALFUNCTION] business to needed food and housing supports, as well as minimizing very [RECORDER MALFUNCTION]. When a person's capacity goes to meeting basic needs, there's little to no margin for all the other ways people contribute. Always bracing for and mitigating insecurity creates weaker communities. The Legislature will have the opportunity to reflect some of these needs as it considers how to spend the federal funding that was allocated to Nebraska to aid and recovery. People are still dealing with acute effects of the pandemic, but we urge the Legislature to find and support ways these funds can be used to build long-term avenues for security and opportunity that makes our families, communities, cities and states stronger. I would take any questions that you might have. Yes?

B. HANSEN: Thank you. Oh, yes, Senator Blood.

BLOOD: Thank you, Chairperson Hansen. And thanks, Vic, for coming out again today. Quick question. First of all, is there a page two to this? Because there's nothing on my other side.

VIC KLAFTER: Is that the food handout?

BLOOD: No, it's the one that has your testimony.

VIC KLAFTER: Oh, I apologize. I'm not sure-- does everyone have that same issue?

HUNT: Yes.

VIC KLAFTER: Yes. OK.

BLOOD: So if it's possible, I would like to have that.

VIC KLAFTER: Absolutely. Yes, I apologize [INAUDIBLE].

BLOOD: So one of the things I haven't heard, and you know I'm familiar, familiar with this situation, from the lack of efficiency, from the contractors that we just heard about, to people waiting for weeks, months to, to get their money, sometimes being overpaid. Not an

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awesome waiver process that, that people can utilize. There's a lot of things that can be, we can do better. But one of the things I'm not hearing is how are we addressing long-haulers? I don't-- I'm starting to get, it's become cyclical, where we are talking to people who, and I know that they're having to address this in the medical field right now too. What are you-- what, if anything, are you hearing about the long-haulers, and pertaining to these LRs, what do you think we can do better to help them? Because their issues become they're required to look for work, but they can't really look for work. But are they considered disabled?

VIC KLAFTER: Yeah.

BLOOD: What's been your experience at Appleseed with that?

VIC KLAFTER: Yeah, and I can speak to the community members, especially who comes to mind who are in that situation. And the things I think they struggle with the most is all the work that they have done their whole life has been physical labor.

BLOOD: Yeah.

VIC KLAFTER: And maybe they have a high school diploma, maybe have a little bit of college, but they are not equipped to do a whole career shift into something that is much less physical or requires a certain other kind of education or skill set. And they aren't sure where to go, especially if they are a couple who are also immunocompromised, still have hesitancy about doing-- going into a totally new work space or going to, like, the job center because they're still trying to limit some contact. And a couple of them because of the, what we know about long-haul COVID, may be more susceptible to catching it again and having more severe cases. So I think programs, supports to help people do a major career shift at 40, 50 years old, that's something that I think would be meaningful to, to the folks that I'm thinking of.

BLOOD: And so as a long-hauler that may not necessarily feel well enough to even leave the house and go and take a certification class, I hear you saying that maybe if we could offer things like that in the virtual.

VIC KLAFTER: That I think, yeah, it could be a great idea, too. Yes.

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BLOOD: Thank you.

B. HANSEN: Any other questions at all? I have one question.

VIC KLAFTER: Yeah.

B. HANSEN: You specifically mentioned something and your takeaway is the pandemic has also brought upswing in food distribution and pantries that were critical supports of, for families. I heard that as well, like a lot more people donated to food banks and the pantries. How do you think they did during, during especially this last year during COVID with their ability to distribute those, that food to people in need? Because I've heard varying stories about the food pantries having food that just went to waste because they, they had to, you know, because they got so much of it and their inability to kind of distribute it appropriately to people who needed it. What's your thoughts on that? Do you think there's some improvement that could be done or have you heard stuff like that at all?

VIC KLAFTER: Yeah, no, that I think is a great question. And I will say that the supplemental handout comes from my colleague who deals especially in the food insecurity. I think I would love to bring that question back to her and she could probably answer that a lot better. She's had a lot of more of those conversations with pantries and folks using it so.

B. HANSEN: Appreciate it.

VIC KLAFTER: Yeah, absolutely.

B. HANSEN: Thank you. All right, any other questions, just to make sure? All right, good. Thank you for your testimony.

VIC KLAFTER: Thank you very much.

B. HANSEN: Appreciate it. Welcome.

JOEY ADLER: Thank you. Good morning, Chairman Hansen and members of the Business and Labor Committee. My name is Joey Adler, J-o-e-y A-d-l-e-r, and I'm here on behalf of the Holland Children's Movement, a nonpartisan, not-for-profit organization that strives to fulfill its vision for Nebraska to become the national beacon in economic security and opportunity for Nebraska's children and families. In January of

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2021, the Holland Children's Institute conducted public opinion research on policies created during the pandemic, and as well as some general policy issues. The public policy research reports a majority of Nebraskans support policies like food assistance for those struggling at 79 percent, continued unemployment aid for those who have lost their job at 72 percent, a temporary eviction moratorium and increased aid for those struggling, including landlords, at 70 percent, and health care for low-income Nebraskans at 69 percent, with 54 percent of Nebraskans not approving of the Legislature's handling of the coronavirus. When asked about the state's COVID-19 pandemic response, respondents were evenly split, with 44 percent believing the worst is yet to come and 44 percent believing the worst is over. Nebraskans are experiencing hardship during the pandemic, with 36 report-- 36 percent reporting that they or someone in their household has been laid off or had hours reduced or taken a pay cut due to COVID-19. Another 23 percent report they will have trouble paying bills over the next few months. Seven in 10 Nebraskans are supportive of eliminating the state's tip minimum wage. Strong majorities also favor establishing a paid family medical leave policy funded through income tax on the wealthiest 4 percent of Nebraskans at 61 percent, and raising the minimum wage in Nebraska to \$15 an hour with 56 percent. On behalf of the Holland Children's Movement, we would ask the committee to prioritize things like paid family leave, raising the wage and the programs that were continued during the pandemic to continue to provide support for those struggling. I'd be happy to answer any questions you might have.

B. HANSEN: Any questions? Yes, Senator Hunt.

HUNT: Just to be clear, it's 61 percent of respondents supported-- what was the one? Oh, the tax on, on the top 4 percent of earners.

JOEY ADLER: Um-hum.

HUNT: Not a 61 percent tax.

JOEY ADLER: No, no, a 4 percent tax on earners.

HUNT: Just to be clear. Thank you.

JOEY ADLER: Yeah.

B. HANSEN: Any other questions at all? Yes, Senator Blood.

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BLOOD: Thank you, Chairman Hansen. Thank you for coming in today, Joey. Are you aware of the Blueprint Nebraska announcement that came out yesterday?

JOEY ADLER: Yes. I mean--

BLOOD: So taking what you just said into consideration, and I don't mean to put you on the spot, but it seems really timely.

JOEY ADLER: Sure.

BLOOD: Do you feel a regressive tax against working class and our seniors and those with disabilities, considering the information that you just shared with us, is going to be beneficial? Or do you think it's going to continue to hurt them and make it harder?

JOEY ADLER: You know, Senator, I think that's a good question. And especially with the up-- with the discussion you all get to have in the next year, it's going to be, you know, on the forefront of everybody's mind. Specifically, I would say that the policies I outlined are things that people are supportive of and want to see happen. And we have continual research that shows support for these things were high before the pandemic and got even higher during the pandemic. So they have pol-- you know, the public has policies that they are supportive of and would ask that you guys look into those on a serious level.

BLOOD: So if we hear, if we actually hear what you just said, people are still struggling.

JOEY ADLER: Yes.

BLOOD: And concerned that they'll be struggling in the future.

JOEY ADLER: Um-hum.

BLOOD: And one of those issues, and I'm bringing up Blueprint Nebraska again, only because that's going to be presented to all of us individually.

JOEY ADLER: Sure.

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BLOOD: And we know that bills are going to get written that are in support of that.

JOEY ADLER: Yeah.

BLOOD: Then we see that things like medical services, prescriptions are going to now be taxed, even though there will be a small exemption. Wouldn't that be the opposite of what we're being asked to do through that research?

JOEY ADLER: I would agree with you. In fact, you know, there's the 69 percent support for health care assistance for low-income Nebraskans who are struggling right now. So I think that there is strong support for continuing to provide assistance to people struggling throughout the pandemic, not necessarily tax cuts.

BLOOD: Do we know, and I know I keep bringing this up, and I know none-- I don't think anybody in here today is a medical professional. Do we know the percentage of long-haulers in Nebraska?

JOEY ADLER: I don't know off the top of my head, but I'm sure I could find out for you, Senator, and provide that.

BLOOD: I think that would be an important number for us as we try and move forward to embrace potential legislation.

JOEY ADLER: One hundred percent, I can look into that for you.

BLOOD: Thank you.

B. HANSEN: Senator Hunt.

HUNT: Thank you, Chairman Hansen. Can you tell me about the sample size in your survey? Is this a phone survey? Is it like people filling out a poll on Facebook? Like what's the level here?

JOEY ADLER: Yeah, so it was 616 registered Nebraskan voters. Approximately 250 of the interviews were completed via live calls to landlines and cell phones using, like, a professional interviewer like you would get on the phone. Another 250 interviews were completed using an online panel and then another 116 were completed doing a text-to-Web platform. So you get a text message and then it takes you to an online platform to fill it out. And then they're weighted and

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tried to make it as balanced as possible that shows the representation of Nebraska.

HUNT: Thank you.

JOEY ADLER: You're welcome.

B. HANSEN: Yes, Senator Gragert.

GRAGERT: So with that, with that being said, do you have an age bracket, kind of relating to if they were older people, younger people, working people? Well, let's keep it older and younger.

JOEY ADLER: Yeah, I, I don't have that specific number right in front of me right now, but I do know that when we collect a sample size, it's a, it's a random sample size. So it's supposed to look as much as close to Nebraska demographics as possible. So we really try hard to, to make it representative of Nebraska because otherwise, what's the, you know, we try and give a fair.

GRAGERT: Yeah, I was just, I was just hearing text and--

JOEY ADLER: Yeah.

GRAGERT: --you know, I don't know of how many--

JOEY ADLER: And a majority of--

GRAGERT: --65 or older people are texting.

JOEY ADLER: Yeah. And a majority of them were completed via, well, 250 of them were completed via a phone call so.

GRAGERT: Thank you.

B. HANSEN: Yes, Senator Hunt.

HUNT: Would you be able to send us all a copy of that?

JOEY ADLER: I would love to.

HUNT: That would be better than probably asking questions.

JOEY ADLER: Yeah, I can definitely get that out to everybody.

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HUNT: If we could get that in our email, we would love it.

JOEY ADLER: I would absolutely be--

HUNT: Thank you.

JOEY ADLER: --more than happy to do that.

B. HANSEN: I think Senator Hunt beat me to my question. That's exactly what I was kind of hoping for.

JOEY ADLER: OK.

B. HANSEN: I was curious about the numbers. Can you-- and you, you spit a lot of numbers at us.

JOEY ADLER: For sure.

B. HANSEN: What's the one about how much they, the government response to COVID-19? I didn't catch that while you were--

JOEY ADLER: Yeah, 54 percent of Nebraskans disapprove of the Legislature's handling of the coronavirus pandemic.

B. HANSEN: That's what I was wondering.

JOEY ADLER: And there are other numbers in there, too. But that one specifically pointed out to us in that there are policies that people support and they would like you guys to do that.

B. HANSEN: All right, good. Thank you.

JOEY ADLER: Yeah.

B. HANSEN: Any other questions? Make sure. All right, thank you for your testimony,

JOEY ADLER: Thank you.

B. HANSEN: Appreciate it. And we'll take our next testifier.

JO GILES: Welcome. These chairs are not adjustable for people of different heights. Good morning, Chair Hansen and members of the Business and Labor Committee. My name is Jo Giles, J-o G-i-l-e-s, I am

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the executive director of the Women's Fund of Omaha. I'm here to share with you a brief overview of the impact of COVID-19 on women in the workforce and the challenges and opportunities of this recent economic disruption have presented. The barriers to full workforce participation for women that I'm going to discuss today are not new, but have been exacerbated by the pandemic. As our businesses are rebuilding and in desperate need of qualified workers, greater participation in the workforce by women is part of the solution to our state's workforce challenges. But until we make systemic and significant changes, we will continue to limit women's valuable contributions to our economic growth and security. Women in Nebraska make up about half of the population, but are less likely than men to be in the workforce despite being more highly educated than men. Prior to the pandemic, about 65 percent of Nebraska women ages 16 and over were in the workforce, compared to 75 percent of men age 16 and up. The primary barriers to women's workforce participation are not insurmountable if we can muster the collective will to create workplaces that support women's dual role as caretakers and as committed employees. Today I will focus specifically on the impact of caregiving responsibilities for women in the workforce. They're not limited to just young children, but increasingly include caring for an elderly loved one, a sick family member or relative in need of care. The responsibility of providing this support continues to be disproportionately impacted on women, specifically women of color, who may not have access to caretaker services. At the Women's Fund, we advocate for all women to have the opportunity to reach their full potential. We support women choosing if and when they want to start a family, and we also support the creation of systems and supports that will provide for families to have the power to choose whether or not they want to enter into the workforce or stay home and care for their family. The economic reality is that the choice to stay home and care for their children is a privilege that many Nebraska families cannot afford. It's also true that COVID-19 has disrupted the significant progress that women have made in the workforce as school and daycare closures and the pandemic have exacerbated existing inequities. Mothers work hours full four to five times as much as fathers' hours. Twenty-five percent of women considered leaving or stepping away from the workforce altogether. And women were three times more likely than men to not work to care for children. At this point, labor workforce participation rate of parents, particularly mothers, has not responded to prepandemic levels. So providing paid leave to keep women in the

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workforce is one solution. When paid leave is not available, workers may have to quit their jobs or reduce their hours, and this may cause more Nebraskans to rely on public assistance to supplement the incomes they lost while not at work. At the onset of the pandemic, 7 in 10 low-income workers lacked access to a single paid sick day. Nearly 1 in 4 workers report they have lost a job or were threatened by job loss for taking time off for personal or family illness. Because caregiving responsibilities typically fall on women, a lack of paid leave disproportionately impacts women's connection to the workforce. LB258, which failed to advance Select File last session, represents an opportunity for women to meet the needs of their families and stay connected to their jobs, and the Women's Fund would encourage the Legislature to reconsider this important policy. LB290, which currently awaits on General File, provides, provides another opportunity to build a system of paid family and medical leave insurance that would benefit workers and employers alike. Nationally, 17 percent of workers have access to paid family leave, and those who need paid leave the most are low-income workers and the lowest level of access to such benefits. The program of paid family and medical leave insurance created by LB290 will help small businesses and compete with large businesses and have paid family leave and who are already benefiting from reduced turnover and improved productivity, leaving small businesses behind. The cost of childcare is another barrier to workforce participation. I think we've talked about that a little bit. One of the things the Legislature did was enacting LB485 last session, which extended the initial eligibility for childcare subsidy. We would recommend that these changes be made permanent. And we would also suggest that the legislator-- Legislature consider exiting-- extending, sorry, the exit eligibility or the eligibility at which a worker transitions off the program to 85 percent of the state median income like the majority of our surrounding states. In conclusion, we ask policymakers and business leaders in our state to evaluate the ways in which our existing economy upholds barriers related to women in the workforce. A tremendous amount of economic growth over the past half-century can be attributed to women in the workforce, and there is significant opportunity for future growth in our economy if we can build more supports for working women. Creating systems that support women as employees and caregivers like paid leave and affordable childcare will not only support workforce engagement, but it will also help attract and retain young families to our state

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and boost our local economies. Thank you, I'm happy to try to answer any questions.

B. HANSEN: Thank you for your testimony. Are there any questions? Yes, Senator Blood.

BLOOD: Thank you, Chairperson Hansen. Sorry, I was writing out my question--

JO GILES: That's OK.

BLOOD: --so I didn't forget what I was going to ask. Jo, I'm gonna put you on the spot, and I don't know if you know the answer.

JO GILES: OK.

BLOOD: So last time I did research on women in the workforce in Nebraska, I thought that our average of-- the percentage of women that worked that were in the workforce was higher than the national average. Is that still the case? And do you remember what happened with that number is?

JO GILES: I don't, but I will find out for you.

BLOOD: Because I think that that creates an even more pressing problem.

JO GILES: The percentage of women in the workforce in low-wage jobs?

BLOOD: Just percentage of women in the workforce in general.

JO GILES: In general.

BLOOD: Which is higher in Nebraska than the national average, which I just found that to be very interesting that people like to work so much in Nebraska, which is, is clear by our unemployment rates.

JO GILES: Well, yeah.

BLOOD: So, so I will circle back to you on that one, or I can look it up when I get back to my office. So one of the things that I think is really telling, and I hope you can speak on a little bit more too, actually there's two things. So one of the things we talk about low-income workers, but wasn't it our own Governor who said that they

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were essential workers, like we needed to get restaurants open and we needed to put them on the front lines, but usually essential workers are well-paid, wouldn't you say?

JO GILES: A lot of our low-wage workers were deemed essential workers, yes.

BLOOD: And so they weren't necessarily compensated for that title?

JO GILES: Correct. And a disproportionate amount of those are women. A lot of single parents, single moms.

BLOOD: And then the, the things that you brought forward that you thought would make Nebraska a more welcoming state to young families, where do you get that data from? Because we keep hearing it's because of property taxes that young people don't want to come to Nebraska.

JO GILES: We do have some citations in the testimony, so I would refer to that. But I can get you more specific information. Just anecdotally, we've seen that childcare facilities, having access to quality childcare has been a barrier for a lot of people, particularly in our rural communities in our state, because they don't have childcare facilities.

BLOOD: Well--

JO GILES: So it's, it's much more difficult to recruit young families if there isn't a place for them, for parents to be able to leave their children that's safe and affordable.

BLOOD: Would you say that it's-- because from my experience of all the people that we've helped with unemployment and, and to find resources, we're seeing that a lot of women are going back into the workforce but are being now underemployed because they didn't have the benefit of childcare when they were trying to look for a job. They didn't necessarily have family or friends or a safe place to take their kids. And if they could find that place, they couldn't afford it because they'd been on unemployment for so long. So are you seeing that through the Women's Fund as well, where we had these highly qualified women who ended up having to take pay cuts because they had to take the job that they could, could get over either the computer or that they couldn't go for interviews in person because the childcare issue, are you guys seeing that same dilemma?

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JO GILES: Yeah, and then it's more difficult once women leave the workforce and they've been gone for a period of time. They've got that gap in the resume, so then they're trying to reenter and may not be able to reenter at the level that they were previously.

BLOOD: Well, and statistically we know through research that a man is not necessarily as qualified as a woman comes in and says, I'm competent, they will get the job over a woman who says the exact same thing, just because they're a man.

JO GILES: Yeah, and the workforce is disproportionately, systematically set up for men in a lot of ways.

BLOOD: Thank you.

JO GILES: Thank you. Any other questions?

B. HANSEN: Yeah, any other questions from the-- I have maybe one question.

JO GILES: Sure.

B. HANSEN: You mentioned anecdotally, and I as well have anecdotally heard about the significant increase in homeschooling in the state, Nebraska, and a lot of women now just decided to just-- who had maybe left their job and now are taking care of the children and decide to maybe homeschool for various reasons, whatever that is. Are there any statistics or have you seen an impact on maybe the reason why some women maybe are not going back to the workforce are because they're stay, staying home because of homeschooling now? Because I think it's quadrupled in the last year in the state of Nebraska. Have you seen any statistics or anecdotally from your perspective, how-- what kind of impact that has had on the workforce, women in the workforce?

JO GILES: Yes, because there haven't been the supports that women need to remain in the workforce. So because of COVID and concerns about spread, particularly for employers who have young children that aren't school-age eligible to-- are school-age eligible but are not eligible for a vaccine, so our 5 to 12 age group, those individuals are considering homeschooling because of safety issues. So the numbers have gone up. At the Women's Fund, we offer a very flexible work environment, so we've been able to retain employees who fall into those categories because of the way we've structured our benefits to

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allow for flexibility. So we would suggest that other businesses could use similar models in terms of providing the supports that are needed for women.

B. HANSEN: Well, thanks, that's--

JO GILES: Sick leave, flexible work hours, remote options, if it's available.

B. HANSEN: Good. I was kind of curious to get your perspective. So I appreciate that.

JO GILES: Yeah, thank you.

B. HANSEN: Any other questions? All right, thank you. Appreciate it.

JO GILES: Thank you.

B. HANSEN: Is anybody else wishing to testify? OK. Welcome.

BRAD MEURRENS: Good morning, Senator Hansen, members of the committee. For the record, my name is Brad Meurrens, B-r-a-d M-e-u-r-r-e-n-s, and I am the public policy director for Disability Rights Nebraska, the designated protection and advocacy organization for Nebraskans with disabilities. First, we want to thank Senator Hansen for raising awareness of the impact the pandemic has had on Nebraskans, and we are specifically pleased that the impact on workers with disabilities is particularly highlighted. So some background demographics. Across all age groups and educational attainment groups, unemployment rates for persons with a disability were higher than those for persons without disabilities. The Bureau of Labor Statistics indicates that in 20--2020, 17.9 percent of persons with a disability were employed, where persons without disability, 61.8 percent were employed. The unemployment rates for persons with disabilities and without those with disabilities both increased to 12.6 percent and 7.9 percent, respectively. That's a 5.3 percent increase of unemployment for persons with disabilities and a 4.4 percent increase from 2019 for persons without disabilities. Persons with disabilities are less likely to have completed a bachelor's degree or higher, and persons with disabilities were more likely to work in service occupations, production, transportation and material moving occupations, and less likely to have management, professional or other related occupations like that. The Office of Disability Employment Policy released data

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that shows the employment trends for persons with disabilities parallel those for persons without disabilities, pandemic included. But people with disabilities are consistently lower on all measures across the board. I've also included Nebraska county-level data on disability for 2019. The report indicates that the employment rate for people with disabilities in Nebraska was 49.5 percent, but the employment rate for persons without disabilities in Nebraska was 84.3 percent. Wages. First, Medicaid buy-in reform. We wanted to thank Senator Crawford, that's my error in my testimony, it's Senator Crawford, not Senator Walz, for introducing LB323 in 2019, and to thank you all for supporting it. This bill reforms the current Medicaid Insurance for the Workers with Disabilities Program. The program allows individuals with disabilities who utilize Medicaid for their health insurance to earn up to 250 percent of federal poverty and still retain their Medicaid benefits. As the article in The Reader I handed out demonstrates, and the data from the March 2021 study reinforces, this is a major barrier for employment for persons with disabilities and will likely be a key factor in helping people acquire, transition to, or advance in good-paying jobs. We wanted to raise this and highlight it so you are aware of it. Thank you for your attention and passing the bill. We look forward to seeing this program work effectively. Subminimum wage. President Roosevelt in 1938 signed into law the Fair Labor Standards Act, which established a minimum wage for employees. However, the act's minimum wage requirements do not apply to all workers. Section 14(c) of the act establishes an exception to the minimum wage for individuals with disabilities. If employers file for a 14(c) certificate from the U.S. Department of Labor, they can pay people with disabilities less than minimum wage simply because they have a disability. Simply because they have a disability. Workers without disabilities get minimum wage regardless of their production or speed. The U.S. Commission on Civil Rights reports that the national average wage under this program from 2017 to 18 was \$3.34 an hour, no tips, \$53.44 per week. Or, as Mr. Froemming related in The Reader article, perhaps even as low as 87 cents per hour. Currently, 46 states operate a 14(c) program, Nebraska included. Despite a flurry of legislation that has been introduced at the federal level, states are not waiting for the federal lead. The National Conference on State Legislatures-- or Council on State Legislatures reports that a handful of states have either repealed, prohibited subminimum wage or are in the process of phasing out these programs. Nebraska has approximately 12 to 13 organizations operating

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a 14(c) program, which translates into approximately 178 Nebraskans with disabilities being paid or allowed to be paid a subminimum wage. While the number is down from previous years, which is positive, there still is 178 people in Nebraska who are left with an undignified wage. Nebraska has statutory language to support paying Nebraskans with disabilities a subminimum wage, or at least there is language in statute that seems odd, antiquated or just out of place. For example, in Statute 48-1202 talks about employees and their wage, but it talks about how like employees are-- any person that does not-- it does not include any person who is receiving welfare and who is physically or mentally disabled and employed in a program of rehabilitation who shall receive a wage at a level consistent with his or her health, efficiency and general well-being. I don't know how we measure that. And again, reminding you that 48-1203, the employees in the state get a minimum of \$9 an hour. Thank you for your time and attention. Disability Rights Nebraska stands ready and willing to assist in any capacity that we can to address these issues to ensure better and more equitable employment opportunities and outcomes for our neighbors with disabilities here in Nebraska. I'd be happy to answer any questions that you may have.

B. HANSEN: Thank you for your testimony. Yes, Senator Blood.

BLOOD: Thank you, Chair Hansen. And it's nice to see you again. I'm going to put you on the spot, because one of the issues I see that is reflected in what you're talking about has to do with the organizations that are 14(c) organizations in Nebraska, and I'm going to ask you about your experience. So I apologize in advance because this is probably going to make-- be an uncomfortable conversation.

BRAD MEURENS: Well, my experience with the 14(c) organizations, is that, is that your question, Senator?

BLOOD: So I-- no, my question is, I was just leading up to it--

BRAD MEURENS: Oh, I'm sorry.

BLOOD: --just to soften the blow. Let's start with Goodwill. Isn't Goodwill a 14(c) program here in Nebraska. I believe.

BRAD MEURENS: I do believe that some Goodwill organizations operate 14(c) programs.

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BLOOD: I looked it up on my phone really quick.

BRAD MEURENS: Yeah.

BLOOD: I think that we're safe when we say that it's likely a 14(c) organization.

BRAD MEURENS: I think those are all-- they're all operated differently. For example, in the really good documentary that the Disability Rights Washington group put together called Bottom Dollars, which is available on YouTube, free of charge, they list the Goodwill in the, in Grand Island. I think it's called the Good-- Goodwill of Greater Nebraska, they indicated in that documentary that they are one of the organizations that is, is a 14(c) and pays subminimum wage. But when I contacted the Goodwill director several years ago to inquire about this, she said that they had terminated that program and were no longer paying subminimum wage. So I think that the answer to your question, especially in terms of those organizations that have multiple sites or-- is that they are, they would operate those programs independently.

BLOOD: OK, so leading to my question. So the question that I have and the concern that I have is that I hear you saying that there needs to be state action taken, but it seems that there's systemic issues within these organizations. So, for example, I know for a fact that when you look at the contracts that Goodwill has with the federal government, for instance, on Offutt Air Force Base, that there is a feeling that if, if you are a person with a disability, Goodwill always says that they want to find you a job that brings you respect and allows you to provide for your family. That's part of their mission. But yet there seems to be a disconnect that if you are a person with disability, then you must be getting an SSDI or SSI, and so we only have to pay you a certain amount because the rest is offset with benefits. But that's not necessarily true, correct, of all people with disabilities? We know that those contracts were still paid when people were furloughed during the pandemic to Goodwill, but yet I didn't see the state asking them for the money that we had to pay in unemployment to those employees. So the question I have for you, and I'm walking you through this so you know where I'm coming from, not because I want to listen to myself pontificate, is if we attempt to adjust the subpayments at the, the state level, what difference will it make when they don't change how they do business through these

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nonprofit organizations whose job it is to, to help provide jobs, find jobs, train people for the jobs and bring some dignity to these people with disabilities? With people, especially with mental health disabilities who are less likely to be on SSI or SSD, need jobs to provide for their families will never be able to reach any income level that they can truly provide, which then as, as Joe Giles just talked about, provides a big burden now on our system that we're gonna have to start finding ways to give them resources to provide for their family, be it food, housing, whatever. Right? So the question I have for you, because I'm not sure I'm really clear, it makes me really angry when we talk about this issue, because I see so many people with disabilities that, that are capable of having better jobs and look to organizations to get those jobs and then are treated in a way that they can never pull out of poverty because they can't get the jobs that they should have. Right? But yet we have this workforce of people that can do the job but can't necessarily get the job. You know what I'm talking about when I say that, right? If you work for people with disabilities. If we can't figure out what that disconnect is, why will it matter what we do at the state level? Because they'll continue to be punished through those organizations, and those organizations, the people that are at the top are making six digits, do they really care what happens at the bottom? That was multiple questions.

BRAD MEURENS: Well, I think you, I think you hit on a very important topic, and that is just like with many of these policy discussions that we have in this, in these chambers every year, this is not a quick fix. And it's not just going to be a simple change of shall to may or may to shall and all of a sudden it's done. Talking to folks on the national level and looking at the literature, one of the-- I think the key aspect that people raise is we all, we need to be looking at eliminating the subminimum wage portion, but we also need to be correspondingly and in tandem investing in programs in-- that will help those organizations or the regions or the states or the localities or businesses. Right? To help them-- or the providers, for example, you know, to build the array of employment, to build around the job employment architecture so that we can create jobs that we can put people in instead of forcing them into these sheltered workshop subminimum wage.

BLOOD: Right.

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BRAD MEURENS: So I think Maryland, for example, has a really comprehensive approach. They've, they have looked at, and I can't tell you, you know, I can't cite you the chapter verse in their legislation. I can get it for you. But they were really robust in looking at making sure that they're talking to all the vocational rehabilitation and other departments and the advocates and the families, and making sure that that, they're building a more robust array of employment opportunities for individuals while simultaneously phasing out the state's allowance for the payment of subminimum wage.

BLOOD: Did you see Maryland?

BRAD MEURENS: Maryland, yes.

BLOOD: Can you get that for me, [INAUDIBLE]--

BRAD MEURENS: I'd be happy to.

BLOOD: --please? So just to make sure I heard you correctly, you feel that it is going to take the state intervening with these organizations in a way that we bring to light that we have concerns about the types of jobs they are providing and how they're providing them, and that it's-- that we need to have that discussion?

BRAD MEURENS: I think so, yes.

BLOOD: All right, thank you.

B. HANSEN: Any other questions? No, OK. All right, thank you for your testimony.

BRAD MEURENS: Thank you.

B. HANSEN: Appreciate it. Is there anybody else wishing to testify on LR139 and on, and LR140? All right, well, with that, Senator Hansen, would you like to close?

M. HANSEN: Yeah, real quick.

B. HANSEN: All right.

M. HANSEN: Thank you, Chairman Hansen, and members of the committee. And thank you to all of the testifiers we had today to talk about this

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issue. Part of the reason, and I addressed this in my introduction is, I think there were a lot of kind of issues that we were struggling with on workforce, on childcare kind of prepandemic that the pandemic has made worse, highlighted in various ways. And as we go into our recovery, and especially as we go into next session, where we're going to have some interesting opportunities with recovery dollars, with infrastructure dollars, in terms of what investments can we make and what investments can we make specifically with workforce. I'm really appreciative of looking at-- this committee looking at it, because we've talked about this as a body, it's come up in the Rules Committee before. But, you know, workforce and economic development are kind of split among so many different committees. Childcare, you know, is very much a workforce issue, but is often in, you know, often in HHS. Housing is a workforce issue and it comes here occasionally, but it's more often in Urban Affairs. And so on and down the list, it's kind of split up. So I think having an opportunity to kind of talk holistically as comprehensively as we can was important. I do want to note, just for the record, the Department of Labor did send a letter kind of responding to some of the, the questions laid out in the committee. And I'm really appreciative of the statistics they provide and the perspective they [INAUDIBLE] in the letter. And I did want to note it, and it's been made available to the community members. If you look at the amount of unemployment claims specifically, we are obviously recovering from 2020. We are not anywhere near that pace. But as of August 7, we've already passed our total 2019 numbers. So in 2019, we paid out 41,000 regular unemployment claims. In 2021, through the first week of August, we've already paid out 57,000 claims. Sorry, that's how many claims have been filed. But how many weeks have been, you know, paid out, you could see we paid out \$62 million benefits in all of 2019, and we paid out 17-- \$79 million through '21, '21 already. And it's my understanding of this chart that's excluding any additional some of the short-term temporary pandemic unemployment benefits. Those are treated in separate categories, which makes the number even larger. So in terms of a recovery, just looking at raw unemployment numbers, we certainly aren't on pace for 2020 numbers, but we've already passed 2019 numbers. So that's kind of the lay of the land where we are. And with that, I thank the committee and thank all the testifiers for their time, and happy to ask-- answer any final questions.

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B. HANSEN: Thank you, Senator Hansen. Are there any final questions for Senator Hansen? All right, thank you very much.

M. HANSEN: Thank you.

B. HANSEN: All right. And that will conclude our hearings for today on LB139 and LR140. Thanks everyone.