

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate February 3, 2022

HUGHES: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the twentieth day of the One Hundred Seventh Legislature, Second Session. Our chaplain for today is Senator Dorn. Please rise.

DORN: Good morning, colleagues. Please join me in a moment of prayer. Thank you, Lord, for allowing us to be here today, for being a part of this process. Thank you for the beautiful sunrise, the beautiful day that we are about to experience. Be with the family of Senator Clements as they celebrate this weekend the wonderful life of his father, Dwight Clements. Comfort them and, yes, listen to all of the stories that Senator Clements has enlightened us with. We appreciate that very much. Be with many of the people that have in the last several years experienced difficult times through our COVID. Be with the ones that have experienced loss. Particularly, be with the ones now as they are hospitalized and working through the healing process. Lord, I ask that you also grant us the wisdom and the strength, the understanding and the courage as we continue the last 40 days of our session so that we are able to fulfill the work that is needed for the people of Nebraska. In your name we pray, amen.

HUGHES: Thank you, Senator Dorn. Senator Hilkemann, you're recognized for the Pledge.

HILKEMANN: Please join me in the Pledge. I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.

HUGHES: Thank you. I call to order the twentieth day of the One Hundred Seventh Legislature, Second Session. Senators please record your presence. Roll call. Mr. Clerk, please record.

ASSISTANT CLERK: I have a quorum present, Mr. President.

HUGHES: Thank you, Mr. Clerk. Are there any corrections to the Journal?

ASSISTANT CLERK: No corrections this morning.

HUGHES: Thank you. Are there any messages, reports or announcements?

ASSISTANT CLERK: There are, Mr. President. Natural Resources Committee, chaired by Senator Bostelman, reports LB804 and LB925 to General File. Additionally, Natural Resources Committee reports on two

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate February 3, 2022

gubernatorial appointments to the Nebraska Game and Parks Commission. Report of registered lobbyists as required by statute; also, agency reports electronically filed with the Legislature can be found on the Nebraska Legislature's website. Senator Gragert designates LB925 as his personal priority bill. And some announcements: Transporta-- Transportation and Telecommunications Committee will hold an Executive Session at 9:30 under the south balcony, Transportation, 9:30, south balcony. Finally, Mr. President, Government will have an Exec Session under the north balcony at 10:00, Government, north balcony, 10:00. That's all I have at this time, Mr. President.

HUGHES: Thank you, Mr. Clerk. Speaker Hilgers, for an announcement.

HILGERS: Thank you, Mr. President. Good morning, colleagues. I wanted to give you an update at the end of the week as we head into the next few weeks, into the meat of our session. So first and foremost-- Mr. President, can I get a gavel, please?

HUGHES: Colleagues, we have an announcement from the Speaker.

HILGERS: Thank you, Mr. President. So first, priority bill designations: The deadline for Speaker priority requests is February 17. That's just two weeks away. So the request deadline is on the 17th, and those requests have to be in prior to adjournment. I will be sending out a memo right after this announcement that details the procedure for requesting Speaker priorities. It's essentially identical to last year. I will be announcing those priorities on February 23, February 23. The day before, the 22nd, is the deadline for committee and senator priority bills, the 22nd of February. We have so far, to date, have 17 senators who have prioritized-- or have submitted their 2022 priorities and five committee priorities. That's about 20 percent of the overall total. As I mentioned to you before, we-- we are already a third of the way through the session. Time is moving very quickly. The-- you will increase your chance of having your priority bill heard if you get it to the floor right away. As a reminder, as well, during this scheduling period, if a bill is prioritized and reported to the floor and all the procedures are followed, we will be putting those on the agenda as soon as we possibly can, so I-- I ask you to continue to be nimble and watch the agenda every day to look for what's coming because something might get prioritized and reported to the floor on a Wednesday and come up the very next day for floor debate. Today is the dead-- deadline for consent, the first round of consent counter bills. That's 3:00 today. We will have our first consent next Tuesday. If you have made a request on a consent calendar for a consent calendar designation and

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate February 3, 2022

it is not up on next Tuesday, it does not necessarily mean it hasn't been accepted or it's been rejected. We may be doing some follow-up. If you have any specific questions about your consent request, just come and find me. The next-- we will do multiple rounds of consent, as I've said before, so we will have a consent the following Monday that what would be considered for that consent will be all the requests that we receive now. And then anything after 3:00 today through next Thursday at noon, next Thursday at noon, that will be the deadline for the next consent. As a reminder, I put this in my initial memo. Consent calendar requests that touch on controversial topics, even if the bill itself may not be controversial, if it touches on a controversial topic, it is very unlikely to be put on consent calendar. If you recall consent, we only have so much time to talk about these particular bills and those types of bills that touch on those topics tend to engender significant amounts of questions or discussions or uncertainty as to whether or not the bill actually is controversial or not. So I want to remind everyone, when you make your request, if it touches on a controversial topic, it's less likely to be accepted as a consent calendar request. That is all that I have for this announcement this morning. I know we've-- we're at the end of a long stretch. We had a five-day week last week and a short weekend, and we are now going into a long weekend. So I appreciate everyone's work so far. We have a lot of work to do, but in the meantime, enjoy your weekend. Thank you, Mr. President.

HUGHES: Thank you, Speaker Hilgers. Mr. Clerk, we'll now proceed to the first item on the agenda.

ASSISTANT CLERK: Thank you, Mr. President. LB450A, introduced by Senator McKinney, is a bill for an act relating to appropriations; appropriates funds to aid in the carrying out of the provisions of LB450. Bill was read for the first time on February 2 of this year. The bill is now before us.

HUGHES: Senator McKinney, you're welcome to open on LB450A.

McKINNEY: Thank you, Mr. President. LB450A is the A bill to LB450, which is the Innovation Hub Act. What the A bill does is take the-- the-- the fees from the application fees from-- for the innovation hubs and just transfers it to DED to carry out the cash fund for the innovation hubs. That's it, and I ask for your green vote. Thank you.

HUGHES: Thank you, Senator McKinney. Seeing no one in the queue, Senator McKinney, you're welcome to close on LB450A. Senator McKinney waives closing. Colleagues, the question before us-- before us is the

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate February 3, 2022

advancement of LB450A. All those in favor vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk.

ASSISTANT CLERK: 34 ayes, 0 nays on advancement of the bill.

HUGHES: LB450A is advanced. Next item, Mr. Clerk.

ASSISTANT CLERK: Mr. President, the next item, LB986, introduced by Senator Briese, is a bill for an act relating to revenue and taxation; adopts the School District Property Tax Limitation Act; harmonize provisions; provides an operative date; and repeals the original section. Bill was read for the first time on January 12 of this year and referred to the Revenue Committee. That committee placed the bill on General File with committee amendments. When the bill was left yesterday, there was a Revenue amendment, committee amendment pending, as well as an amendment from Senator Matt Hansen, Mr. President.

HUGHES: Senator Briese, if you'd take just a couple minutes to refresh us on LB986.

BRIESE: Thank-- thank you, Mr. President. Good morning, colleagues. LB986 would generally limit school property tax asking increases to the greater of 2.5 percent or inflation. It would allow for a school board to pass-- to bypass this amount when necessary by a 75 percent vote. In doing so, I believe it accommodates the concerns of education. It's a very small step we can take in the name of property tax relief. It's a very reasonable step, and it can be an important cog in any mechanism we utilize to reform education funding. Thank you, Mr. President.

HUGHES: Thank you, Senator Briese. The current amendment up is AM1716. Senator Matt Hansen, if you'd take a couple minutes to refresh our memory, please.

M. HANSEN: Thank you, Mr. President, and good morning, colleagues. AM1716 strikes the operative provisions in Section 3 of the bill. Obviously, that is not probably perceived as a friendly amendment. I will note that this arises from my opposition to the premise, including what Senator Briese laid out. I think this bill overly constrains education and overly-- is overly restrictive, such as allowing Lincoln Public Schools in the just mentioned extra override to go from 2.5 percent to 4 percent, much more limited than other school districts. That's the basis of my offering this amendment, and I'd like to make sure we have a good continued debate on it this morning.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate February 3, 2022

HUGHES: Thank you, Senator Hansen. Senator DeBoer, you're recognized.

DeBOER: Mr. President, my third opportunity?

HUGHES: This is your first for today.

DeBOER: Oh, OK. Yes. So good morning, colleagues. Want to talk about growing districts this morning. One of the districts that-- the school districts that I represent is Bennington Public Schools. One of the things about Bennington Public Schools is that we open a school pretty much every year. I think I mentioned that yesterday, or whatever day that was, that I went to a school district opening my first year as a senator in 2019, and by the time I'd gone back in 2020 to visit it, it was already incredibly overcrowded; they were building another one. So in these growing districts, you find that in over the last, I can't remember, five years, might have been four years, their growth is 11 percent in their-- their budget, is 11 percent because they're getting new students, they're getting, you know, all these new schools that they have to build, all the new teachers they have to hire, all of these things. And so I was talking with the superintendent there about how the-- the sort of-- we might call it a hold harmless clause would work for those growing school districts, and what he said is that you can't get enough growth in students to make up for all of the things that you have to do when you're growing like that. So they're-- not only are they 11 percent, which makes them one of the outliers-- by the way, even with 11 percent growth in their budget, they are still the least expensive per student cost in the state. So it's not like they're, you know, you know, spending a bunch of money per kid. They're not, but it's just that the growth because of all of these students. Last year when we had some bills like this that were talking about caps, we tried to put some real growth exceptions in. I think perhaps what the sort of equivalent this year is, that there's an annual percentage increase in student enrollment multiplied by four-tenths, and I'm not sure why it's four-tenths that you-- you don't get your whole increase in student enrollment as a recognition there. But this is under that way to increase the authority, and the thing that's sort of interesting about that is that you give four different factors. There's the ability to grow by the base growth percentage, which is that 2.5 percent, or the CPI over three years. That's one option. The next is this annual growth in students. The third is the percentage increase of English proficiency students multiplied by, in this case, 0.25; and then in the last one, a similar sort of thing, by 0.25 for poverty. But it's-- but it-- the-- the bill says "or," so it's-- you pick one of those things. So if you have a lot of students who are suddenly coming in your district that are

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate February 3, 2022

English proficiency-- proficiency students at the same time as you're also increasing, at the same time as maybe you have a lot of poverty increasing, you have to pick one of those. And the-- I mean, we did some simple math, my-- my staff and I, trying to figure out if there was a way that this would-- would work, but I don't-- I honestly-- I-- I'm trying to figure out why we're multiplying kids by four-tenths or 0.25, and so I'm really not understanding how that's going to handle these--

HUGHES: One minute.

DeBOER: --these very quickly growing school districts. You've got Bennington, you've got Gretna, you've got-- I think maybe Grand Island's one, you've got Elkhorn. There are just differences. One size doesn't fit all and because it's an "or," it's even more difficult. So, you know, maybe there's a reason why there's an "or" that I'm not understanding. But just generally speaking, this bill either hurts some schools or it doesn't do anything and, you know, neither one of those seems like things that I want to vote for. Thank you, Mr. President.

HUGHES: Thank you, Senator DeBoer. Senator Pansing Brooks, you're recognized. Senator Pansing Brooks is not on the floor. Senator Machaela Cavanaugh, you're recognized.

M. CAVANAUGH: Oh, thank you, Mr. President. Good morning, colleagues. I rise in opposition to LB986. I've been thinking a lot about the debate that was happening yesterday and, I have to be honest, I'm a bit flummoxed by it. I don't quite understand what is happening here. There seems to be this desire to put caps on local schools, but we can still override the caps in the same way that we initiate doing a levy in the first place, which is a majority vote of the school board and then it goes to a vote of the people. So we still have the same process. It's just whether or not you're asking them to override a cap versus just doing a levy, so that part is confusing to me. And then there's the why, and I heard yesterday conversation on the floor about bad actors, bad actors, and I know I-- I wasn't 100 percent tuned into all of the conversations that were happening on the floor debate, but I know that Senator Morfeld talked about it, Senator Walz talked about it, she asked questions of Senator Briese about it, Senator Matt Hansen was talking about it, and I just never could figure out who are the bad actors. What does it mean to be a bad actor? And I think this was said in one of my committees recently. You can't legislate stupid. Well, you can't legislate bad actors either, so, I mean, if we could legislate bad actors, then I-- have I got a bad actor for you. It's

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate February 3, 2022

the city of Omaha and TIF. So if we can legislate bad actors, I would love to talk about the abuse of TIF in the city of Omaha. But I can't legislate bad actors, so I don't really understand what we're trying to do here. And-- and also there doesn't seem to be a definition of what a bad actor is for this. Is a bad actor a school district that builds a new gym? Is a bad actor a school district that builds a new school? Is a bad actor a school district that pays their teachers a livable wage? Is a bad actor a school that invests in technology for their students during an unprecedented time where technology is essential? Is it-- I mean, what does it mean to be a bad actor? I don't know of anything that schools are doing. I have not heard of any gross misuse of money in schools. I know that they're building new schools because they-- because of growth. I know that they are building-- tearing down schools and rebuilding schools because of disintegrating properties. I know in Omaha, in Westside's district, they've been go-- periodic-- they've been making their way through rebuilding the grade schools, and it was cheaper to tear down most of them than to renovate them because they are so old. You have asbestos. You have ADA compliance. They are just really not-- it's not feasible to renovate them, so they were being torn down. And I know that had the ire of some people in Omaha that they were tearing them down.

HUGHES: One minute.

M. CAVANAUGH: Thank-- one minute? Thank you. So I guess I'd just like to know what a bad actor is because I haven't heard from anybody what a bad actor is and maybe today that can be explained a little bit more clearly as to what the-- the purpose of this is, because I still don't feel like we've had that explanation. And, yeah, I'm standing up here speaking in opposition to this bill, and I will speak in opposition to this bill until we get to eight hours. But it also is a serious and genuine question that I really do not understand what you mean when you say bad actors and why you're doing this. So, you know, sometimes a filibuster can actually be a robust debate, and I hope that we can have that here because we're going to be here anyway, so we may as well talk about the issues. Thank--

HUGHES: Time, Senator.

M. CAVANAUGH: Thank you.

HUGHES: Thank you, Senator Machaela Cavanaugh. Colleagues, the cookies being distributed today are in celebration of Senator Matt Williams' birthday. Happy birthday, Mr. Williams. Returning to debate. Senator Hunt, you're recognized.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate February 3, 2022

HUNT: Thank you, Mr. President. Happy birthday, Senator Williams. I'm so happy to see treats coming back out on the floor. Nebraskans might not know, and some of the pages and colleagues might not know, we would typically be having snacks in here like all the time before COVID. And, I mean, we're still in the midst of the pandemic, and I don't know if it's the right time for snacks to come back and-- or anything, but it is really nice. Speaking of someone who's, like, very treat motivated, I am happy to have those back. So, new senators, colleagues, this is like a really fun thing to happen. Last night I-- I was at my office in Benson, in my district working, and as I work, I manage a lot of constituent communications on social media. And a lot of people reach out to me via Instagram and Twitter and Facebook all the time, and I think it's really important to just meet people where they are. I really go by that saying that, especially in government, it's really wrong to ask people to come to you and to communicate with you as an elected official in a way that is most convenient for you, because we're already asking so much of people. We're asking them to engage with their elected officials, to run their households, to have their jobs, to take care of their kids, and it's a lot to ask to be like, OK, but here's the exact perfect way that I want to be contacted or I won't listen to you. So whenever people reach out to me, I consider it part of my job to go to them and engage with them on whatever platform that is, whether that's some app or whether that's on the phone or email, or when people come into my office in-- in Benson, in my neighborhood, which frequently happens too. And what I've heard from constituents in the past couple days who have been watching this debate is that this bill just doesn't reflect the priorities that they have, and I'm not saying that this isn't important to many Nebraskans, but I'm taking time on the mike this morning to just relay what's been said to me by the people in my community. And they don't agree with limiting property tax growth if it ends up cutting funding for schools. And this is consistent with what I heard at the doors when I was knocking doors and canvassing, running for office. It's consistent with what people have reached out and said to me every single year that we've discussed proposals like this, is that we want to fund our schools, we want to keep our public schools in Nebraska, and in my district especially, really strong and serving every child that-- that has needs in Nebraska, making sure they can get a quality public education. And to lower property taxes at the expense of that, it's not a good deal. I do a survey of my constituents every year over the interim and I ask them to rate their top issues, and consistently what comes up for-- for my folks in Omaha is access to healthcare, support for schools, and the other thing that comes up all the time is reducing the-- the partisan division that we

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate February 3, 2022

have increasingly in the Legislature and definitely in other areas of politics. And these kind of specific things about property taxes, that, for my folks, is usually down like seventh or eighth on the list, five-- fifth or sixth, depending on who you are. But I also have a lot of renters in my-- in my district. My district is one of the top ones in the state for people who rent. I'm a renter myself. I don't own property. And so that's why it's frustrating to take so much time talking about property tax relief or to hear the Governor talking about creating a fund and giving all of this relief to homeowners in Nebraska who have been impacted by the pandemic, but we don't--

HUGHES: One minute.

HUNT: --do things like take-- thank you, Mr. President-- we don't do things like take federal assistance for renters that would be at no cost to Nebraskans. And what that happens, what that basically means is that all of the state taxpayers in Nebraska are paying their federal taxes to support renters in every other state but our own, and those are our neighbors, those are our family members, and those are people that we're leaving behind. So when we talk about issues, you know, around LB986, that's not only not at the top of mine for my constituents, but it's also a little bit tone deaf in terms of the conversation we need to be having at the state level about who we're supporting and making sure that that's not just property owners, that's not just the wealthiest people in our communities, but the people who are struggling as well. And I know that people struggle paying their property taxes.

HUGHES: Time, Senator.

HUNT: Thank you, Mr. President.

HUGHES: Thank you, Senator Hunt. Senator Linehan, you're recognized.

LINEHAN: Thank you, Mr. President. Good morning, colleagues. I'm not going to participate in a filibuster against a Revenue Committee bill, but I do think there's some questions on the floor I would like to address. As I said yesterday, maybe not as calmly as I should have, you can't look at this bill separate and apart from TEEOSA funding in general. So there's been several comments about new schools and student growth. So in the current TEEOSA formula, as written, the law today, there is a student growth adjustment, and in '21-22 there were 19 schools that took advantage of it. There's a two-year new school adjustment, of which ten schools took advantage of. There's an elementary site allowance, which 11 schools took advantage of. There

is a student growth allowance, of which 18 schools took advantage of. This is money that comes from the state to address these growths and new buildings. There's a two-year new school adjustment-- I should be reading the amounts-- over \$17 million, of which nine schools received. There is-- so the student growth is over \$14 million; new year-- new school adjustment, \$8 million; elementary site allowance, over \$5 million. So there is money currently in the TEEOSA formula to adjust growth. Then another thing I haven't-- maybe didn't hear it because it wasn't said this morning or I wasn't paying enough attention. There's the constant refrain that we're not-- the state isn't picking up its fair share. So I have handed out a sheet that was provided a couple years ago by OpenSky. It's Chapter 4: Evaluating Nebraska Education Funding System. And if you go to the bottom, you'll see that in 2018 the total from state sources for our-- from Nebraska was 33.2 percent, where the average across all states is 45 percent. This is old information. If you would look at those numbers today, state funding, with the property tax credit going only to pay school taxes, is now at 48.5 percent, so we're above the national average. So the talk about we're not-- we're 49th or we're way below the national average, it's just not so anymore. We're above the national average. As far as bad actors, two days ago, the people filibustering this bill said that we were beating up schools, which we weren't, and then yesterday we were called out for not beating up schools. I have examples of bad actors. I have newspaper stories. We have schools that have bonding issues fail and they turn around and figure out another way to do after the people said no. And finally, I'm going to-- I know a lot about Westside. I moved there so my kids could go to Westside and I understand that they are redoing their elementary schools one by one. But what the disconnect is, when somebody from Omaha stands up and talks about Westside and how they have to remodel their schools--

HUGHES: One minute.

LINEHAN: --and they're beautiful, what about the kids who are in Lewiston, Nebraska, or any other small agricultural community, that are going to school-- Lewiston's different. The school burnt down in the 1960s. They put up a metal, like, temporary building that they're still using, but we have a lot of schools in Nebraska that are probably close to 100 years old and they're holding them together barely. So I don't think, if you're-- want to talk about needs, if we're going to talk about buildings, then we need to talk about the whole state, not just what we're doing in Omaha. Thank you, Mr. President.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate February 3, 2022

HUGHES: Thank you, Senator Linehan. Senator Matt Hansen, you're recognized.

M. HANSEN: Thank you, Mr. President. Good morning, colleagues. Colleagues, I appreciate Senator Linehan's previous comments because, as I've said, we-- and I agree with her 100 percent. She just said it. She can't take a bill like LB986 and account for it without thinking about school funding and overall tax policy. There are some things, though, fundamentally, we are just getting to a point of disagreement on because we've been told, and part-- some of the things that I've said on this microphone about what supporters of this bill want are things that I'm paraphrasing from supporters that have also said that on the microphone during this debate, so I don't feel like I'm projecting, I don't feel like I'm guessing, like I'm just repeating what I've heard. It's my understanding that people want to shift more into TEEOSA. If Senator Linehan doesn't want to do that anymore and she thinks it's fine, OK, I'll take her at her word for that, but that was not my understanding of what the plan was moving forward. We've heard many speeches on this floor talking about building up this Property Tax Credit Fund in order to make significant changes in TEEOSA, to spend more money on TEEOSA. If that's-- we-- we've got some opportunities there. That's things people have openly discussed on the floor of this Legislature. And the reason I bring all of that up is we see this as-- pitched as a fundamental step. It was said at the openings on the first day of this debate, on the first day of this filibuster, that they wanted to pass LB986 or some other cap on school spending to give them leverage to change TEEOSA. That was one of the goals and one of the accomplishments and one of the intents of LB986, and I can appreciate that and I'm taking you at your word at that. And my point is, when you're asking me to vote on a bill that puts stricter limits on Lincoln Public Schools than most other school districts in the state, and then you also tell me you want to change the school formula in a way that I have to presume is not going to necessarily benefit Lincoln Public Schools compared to the other school districts in the state, I feel like my school district's getting singled out and hit twice. They're going to have a stricter cap than everybody else. I know they're gonna start off with the same 2.5, but they can only go up to 4, while many other school districts can go up to 7. So they're gonna have a stricter kind of backup cap, or whatever you want to call it, than everybody else, other than a few metro-area school districts. And when we change TEEOSA, I can only assume we're shifting school-- the goal is to shift aid away from the equalized school districts like Lincoln Public Schools. So when you tell me these bills are tied together and you tell me that's what you

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate February 3, 2022

want to do, I have to assume that both of those things, especially when I'm being asked to kind of consider something that I haven't seen yet on TEEOSA, I have to assume that both of those things are going to be bad for Lincoln Public Schools, because, again, when we talk about bad actors, when we talk about the list of out-of-control school districts, the only school district that's been mentioned by name so far in this debate that I've heard-- and I'll correct the record if somebody else has said one already-- is Lincoln Public Schools. Lincoln Public Schools is the one that's been mentioned by name for its spending year over year, not mentioning that the year and year-- yes, sometimes spending went up in a-- spending went up in a year that inflation didn't because they also built a new elementary school that year. That's just what happens when the voters approve a school bond to build a new elementary school, like you-- you can't spend less money on students. When your student enrollment goes up by 2 percent, you build a new elementary school, and it's tough that, you know, inflation doesn't match or your-- the economy's not doing great, but you don't have less students to educate, you don't have less teachers to pay, you don't have less classrooms to run; in fact, you have more, probably more of all three. So when we're talking about this in a holistic thing, school funding all the way through, this is a beginning to put restrictions on school districts so that when we change TEEOSA in some undetermined way in the future, we have some backstops to make sure that they actually use TEEOSA in a way we want. That's what I feel that supporters have said. That's what I said-- feel that supporters have been very clear on this microphone, both in this bill and others, that they want to do.

HILGERS: One minute.

M. HANSEN: Thank you, Mr. President. And when you pitch that as your goal and your desire, again, I want you to point out-- I don't know why you would expect a Lincoln senator like me to vote to cap their school district harsher, to also help enable a bill in the future that probably isn't going to treat them any better than this bill treats them. I'm being asked to cap and, in my mind, genuinely-- I genuinely view it as harming my school district. You're asking me to harm my school district in order to let you do more things with TEEOSA in the future, which I have to presume is also going to harm my school district, because that's what I think this bill right here does now. That's just-- I understand if you don't want my vote, but that's where I'm coming from, and that's where I just simply can't get over. Thank you, Mr. President.

HILGERS: Thank you, Senator Hansen. Mr. Clerk, for items.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate February 3, 2022

ASSISTANT CLERK: Thank you, Mr. President. Your Committee on Retirement, chaired by Senator Kolterman, reports LB700 to General File with committee amendments. Additionally, your Committee on Revenue, chaired by Senator Linehan, reports LB926 as indefinitely postponed. Your Committee on Transportation, chaired by Senator Friesen, reports LB1148-- LB1147 and LB1148, as placed on General File. Notice of committee hearings from the Revenue Committee and the Education Committee. Additionally, committee report from the Education Committee concerning gubernatorial appointments to the Nebraska Educational Telecommunications Commission. That's all I have at this time, Mr. President.

HILGERS: Thank you, Mr. Clerk. While the Legislature is in session and capable of transacting business, I propose to sign and do hereby sign LR288. Returning to debate on AM1716. Senator Morfeld, you're recognized.

MORFELD: Thank you, Mr. President. Colleagues, I again rise in opposition to LB986. And we've talked a little bit about the numbers and we've talked a little bit about what the impact of this would be. And again, I've got to be honest, I was thinking about it a little bit more last night. I'm still concerned about the fact that we've got this bill, but the people that are pro-- proposing this and the people that are supporting it did not actually model what the impacts would be. And I get that you can't predict the future, but you can look to the past and go, if this would have been in place four years ago, what kind of impact would it have based on everything that's happened from then up until now? And that's exactly what OpenSky did. And if you look at the numbers, this is not some small change. This is a drastic change. It's a change that would cost the district that I represent hundreds of millions of dollars, and that's not even including a bunch of districts that I do not represent. So even under this bill, if the Board of Education took all of the action that they would be able to take under the bill, all the different mechanisms to be able to carry over revenue and all that stuff, let's just go through: Grand Island would lose \$51 million; Hastings would have lost \$10 million-- this is over the course of four years-- Lexington, they would have gained some money, looks like; Lincoln, \$268.1 million is what we would have lost; if the board takes no action, then \$310 million; Millard, \$67 million they would have lost; Omaha, \$197 million dollars is what they would lose; Scottsbluff, \$10 million; South Sioux City, \$3.8 million; and the list goes on. So this is not an insignificant change. This is a change that would lead to deep vertical cuts in the schools. It would lead to teachers being laid off. It would lead to programs being shut down. It would lead to a lot of the different supplemental programs

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate February 3, 2022

that are important that deal with behavioral and mental health being cut. There's real consequences to this. So when we get up and we say, well, I mean, it's a really complex formula, it's tough to figure out exactly what would happen into the future, we don't really have those numbers, that's to me the wrong answer and it's not also the answer that is very-- engenders a lot of confidence in what we're doing here and how we're making decisions, without actually knowing what the practical impact is. And I'm not asking people to predict what happens in the future. I'm at least asking us to look to the past a few years and go, OK, if we would have implemented this policy, what would be the impact? And the bottom line is, is the impact would be severe for districts like Lincoln Public Schools, like Omaha Public Schools, and other districts throughout the state, like Scottsbluff, South Sioux City, and many others. So there's real consequences here, colleagues, and I think that we need to start talking a little bit more about what are these districts going to do if we pass this into law, what's our expectation, because I tell you what, there's been some tough decisions that have had-- have had to be made in a lot of our districts, one of which is Lincoln Public Schools. Because of the surge of COVID, because of teachers not being able to come in because they were sick, they actually had to stop school on Fridays for several weeks.

HILGERS: One minute.

MORFELD: And I've received a lot of communications from parents saying, listen, what are we supposed to do, we have a job, and I don't have childcare. So this has real consequences. So we think that that-- that's bad now with COVID? Just wait until you cut a few of our biggest school districts by hundreds of millions of dollars and some of our medium-sized school districts by tens of millions. And I don't hear anybody talking about what those districts are supposed to do, because that's the real-world impact here, colleagues, and the bottom line is, is we already have accountability. It's called the elected school boards. Thank you, Mr. President.

HILGERS: Thank you, Senator Morfeld. Senator Erdman, you're recognized.

ERDMAN: Thank you, Mr. Speaker, and good morning. I was going to ask Senator Aguilar a question or two, but I see he has left, so I won't ask. But, you know, as I listened to the conversation in the last couple of days on LB986, and I watch around the room and there's like three people listening-- perhaps Senator Pahls is listening-- that's all that listens, two or three, but there are people back home

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate February 3, 2022

listening. And so the conversation continually always focus on those who collect and spend the taxes, always. And when we get ready to make a change on how local units of government, schools, cities, counties get their funding, they have paid lobbyists that come in and lobby us for more money. The other day in Appropriations, Lancaster County lobbyist came and-- and lobbied us, Lancaster County. It is a peculiar-- well, I don't know if that's a good word. How about stupid? It is stupid that local units of government who get tax dollars have a lobbyist. Game and Parks has a lobbyist to get more tax dollars. The university has a lobbyist to get more tax dollars. Where is the lobbyist for those who pay the taxes? Where-- where are those people? Where is the people that represent those people that are overburdened by the taxes that they have to pay? Who represents those people in the lobby? Who represents those people in the Chamber? Very few, very few. But we continue to focus on those who collect the taxes and we say things like, oh, man, they have to have more money this year because of this, that or whatever, but we never take into consideration whether those who write the check or have the money withheld from their pay can afford that. We never talk about that. So we're going to talk about this bill for eight hours. And if you think about it and you're keeping score on how many times or how many people spoke about those who pay the taxes, the tally would probably be 200 to 1. But I'm here to tell you that we're focused wrong and we're worried about the schools getting money in the county and the chamber of commerce needs more money for their projects. It's not their money. It belongs to the people. It's their money. It's the people's money. The people should be able to decide how much they're going to pay and when they're going to pay it, but they don't get that chance, no, we don't, because someone decides that you're going to pay this property tax on April 1 in the big counties and May 1 in the smaller counties, September and August 1. They decide. They also decide how much. And then they have this little provision that says, if you don't pay your property tax, someone else will because they get 14 percent interest, so they're always guaranteed to get property tax, always. The amount of property tax it isn't paid is 0.001 percent, so they're assured to getting more next year than they had last year if they need it. But we don't ever take into consideration if those people's mortgage goes up--

HILGERS: One minute.

ERDMAN: --mortgage payment goes up because their taxes went up, and we don't take into consideration those people in business that may be affected by COVID and their business revenue dropped off and they don't have the money to pay their property tax. We don't take about-- talk about that. So there is a solution, and I talked about it before

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate February 3, 2022

and I'll talk about it again. There is a solution to fixing our broken tax system because, as I've said many times and I'll say it again, we all agree the tax system is broken. And I've said before, and let me repeat it, I appreciate Senator Groene, Friesen, Linehan, Briese, those people who have spent hours and hours working on property tax relief. I appreciate that, but it doesn't answer the real problem, and that's fixing our broken tax system. Thank you.

HILGERS: Thank you, Senator Erdman. Mr. Clerk, for announcement.

ASSISTANT CLERK: Thank you, Mr. President. In addition to the Government Committee, Urban Affairs Committee will be holding an Exec Session under the north balcony at 10:00, Urban Affairs, Exec Session, north balcony, 10:00. Thank you, Mr. President.

HILGERS: Thank you, Mr. Clerk. Senator Pansing Brooks, you're recognized.

PANSING BROOKS: Thank you, Mr. President. I still rise opposed to LB986. On the discussion we have here today, and there are-- I am one of the people listening, Senator Erdman, but I agree we need more in the-- in the discussion. In the discussion we seem to be talking a lot about the larger schools and the urban schools, but I wanted to read a little bit from NRCSA, which is the Nebraska Rural Community Schools Association. They-- Jack Moles is their executive director, and he said that one concerning aspect of the work-- loc-- work these locally elected boards of education are starting to deal with is the growing crisis in the workforce. They are faced with growing teacher shortage, not to mention a shortage of noncer-- on noncertified employees such as paraprofessionals, custodial and maintenance workers, and bus drivers. They're working against competition outside of the schools; for example, within the past month, the state announced an increase on correctional workers from \$20 to \$28 per hour, which he supports. He's just pointing it out. And then just this week, Senator McDonnell introduced LB1055, which gives-- will provide COVID funds to frontline school nurses. And he goes on to talk about the fast-food business has been increasing starting wages, and so the local school boards are having trouble competing with those growing wages. So again, we're having issues. We know that workforce development is a large part of what these schools are dealing with. It-- to me, it's just we want to continually attack the schools when we won't explain the problem. And everybody's running around-- well, not everybody. Some people are saying, oh, we can't reveal the information about the outliers and the bad actors. We don't want to have that discussion on the floor. There's a lack of transparency in this discussion. So we're talking

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate February 3, 2022

about nebulous bad actors and unable to discuss why they were an outlier, why they were outside the parameters of other schools. As-- as we pointed out yesterday, Senator Morfeld pointed out, in Lincoln, two of its highest growth years were at times when we built four schools in Lincoln. So I think that, you know, we have to understand we-- we cannot live in this bubble where we-- where we look at the entirety of all the schools and determine that XYZ is bad because they're different than ABC. That makes no sense. We have to know the schools we're talking about, we now have to know the issues we're talking about, and we have to be able to come forward with why those schools were different at that point. I also understand that there's another bill that's been introduced that's coming up that limits the number of bond issues that a school can do. So take that with this and basically I think that the desire is to just cut all funding to education, to public education. I can't-- I cannot figure out why we can't talk about-- and I understand you don't want to criticize some of the smaller schools that you're talking about because I've seen the list. I've seen your list. It's not my list. I can't talk about it because I don't know if it's correct or not, but I'm pretty tempted to talk about the list that's going around on the floor so the people of the state of Nebraska could understand what the heck we're talking about. And to speak about the specific schools that many of you represent, these are not just Lincoln and Omaha schools.

HILGERS: One minute.

PANSING BROOKS: So-- and I-- I also would like to ask Senator Brieese a question.

HILGERS: Senator Brieese, would you yield?

BRIESE: Yes.

PANSING BROOKS: Senator Brieese, at this point, inflation is-- is at an all-time high. Correct? So in my opinion, by lev-- limiting revenue growth, then we have to start cutting staff be-- due to increased expenses. So, for example, the three-year Consumer Price Index average at the end of December, on December 31, was 3.6 percent, but inflation is rising and they're predicting 7 percent inflation in the first quarter. How will your bill enable schools to move forward and handle their expenses?

BRIESE: Yeah, the bill provides for a look back on a three-year average of the-- of the C--

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate February 3, 2022

PANSING BROOKS: But what-- what about right now?

BRIESE: --of the-- of the CPI change, so this wouldn't go into effect until 2023, excuse me, 2023.

HILGERS: That's time, Senators.

BRIESE: So the first look--

PANSING BROOKS: Thank you.

HILGERS: Thank you, Senator Briese and Senator Pansing Brooks. Senator Machaela Cavanaugh, you're recognized.

M. CAVANAUGH: Thank you, Mr. Speaker. If Senator Briese wanted to finish what he was saying, I would yield the question to him.

HILGERS: Senator Briese, would you yield?

BRIESE: Yes.

M. CAVANAUGH: Do you-- would you like to finish what you were saying?

BRIESE: Yes. Thank you for that. I just wanted to clarify that it would be a three-year look back and take the average CPI increase for those three years. This bill wouldn't going into-- into effect until 2023, so the time periods we're talking about is the CPI change from June of 2020 until June of 2023, and I would submit to you that that's going to catch this run-up in inflation. You know, the real question is, is it transitory, permanent? Who knows? But it's-- it's going to catch this little surge and I think schools are going to be well-protected against an inflationary surge. But thank you for the question, Senator Pansing Brooks, and thank you, Senator Cavanaugh.

M. CAVANAUGH: Senator Briese, a follow-up question, if you don't mind, is then if we don't-- accounting for inflation and we have the look back, but what happens the next time down the road when we have inflation again?

BRIESE: Pardon? Repeat that, please.

M. CAVANAUGH: Sorry. If we-- you're talking about having a look back, but if down the road we have another inflation--

BRIESE: Yeah.

M. CAVANAUGH: --how is that going to impact?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate February 3, 2022

BRIESE: Yeah, it's arguably not a perfect system, because if-- if inflation is transitory this time and if we have some cycles, inflationary cycles, it will catch the front end or back end. At times we'll overshoot it that way; at times, we might undershoot it at times. But-- but again, that's why we have relief valves built into the bill to account for any concerns that arise because of that.

M. CAVANAUGH: What is a relief valve? Sorry, that's just a term I'm not familiar with.

BRIESE: Yeah, yeah, the supermajority vote of the school board--

M. CAVANAUGH: Oh, OK, yeah. Thank you.

BRIESE: -- or-- or the public vote. We need to remember there's public vote too.

M. CAVANAUGH: Right. Thank you very much. Thank you, Senator Briese. I appreciate you finishing your thoughts and answering a few extra questions. I mentioned on my last time on the mike talking about the TIF in the city of Omaha, and I would like to continue to talk about the TIF in the city of Omaha. I pulled up an article from the World-Herald that was in on January 27, and it's actually about Senator Justin Wayne's objections that he made on the floor of the Legislature about the TIF that's going on in the city of Omaha. So for those that don't know, the city of Omaha has decided to designate downtown Omaha as extremely blighted. And I would not argue that parts of the area are downtown blighted-- or are extremely blighted, not the parts that they are necessarily designating that way. Extremely blighted is supposed to be used for places that are extremely blighted for economic development. And I think if we're going to be using TIF for extremely blighted areas, we should be blighting Senator Wayne and Senator McKinney's districts and using TIF for some of that economic development that they've been talking about and advocating for. And I-- you know, I'm upset about the library, yes, yes, I am. I'm not upset about Mutual of Omaha building a new building and bringing more businesses down to downtown Omaha, but TIF shouldn't be the answer for corporations all of the time. TIF takes money out of the tax rolls, which takes money out of the schools. So if we're going to do TIF, it should be to impact-- positively impact communities that need economic development, and Mutual of Omaha is not a community that needs economic development. Mutual of Omaha is-- is an economic driver, sure, they create jobs, yes, but--

HILGERS: One minute.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate February 3, 2022

M. CAVANAUGH: --thank you-- but they don't-- they're not creating economic development for north Omaha, a community that needs housing, needs jobs, needs investment in small businesses. So I just-- every time I think that I can't be more disappointed by the city of Omaha, they show up and show me that I'm wrong. I can be more disappointed in the city of Omaha. Everything that they've been doing in the past couple of months has been, in my view, disgraceful and disrespectful to the people that elected them. Thank you, Mr. Speaker.

HILGERS: Thank you, Senator Cavanaugh and Senator Briese. Senator Briese, you're recognized.

BRIESE: Thank you, Mr. President. Good morning, colleagues. I appreciate the questions from Senator Cavanaugh and Senator Pansing Brooks. That's what we're here for, to try to explain some of these things. But go-- going back to the modeling situation, you know, modeling is only as good as the assumptions you use. And I understood someone earlier to say that LPS would have lost hundreds of millions of dollars over the last few years, even if the board had voted to exceed the limitations. And I think there is some data suggesting a loss there, but I'm not sure the numbers that we heard accurately reflect what the board can do. As we spoke about yesterday, the board can vote by a 70-- by a 75 percent majority to exceed the 2.5 by 4 percent in the case of LPS. And, you know, and again, there's some confusion on that, and I heard a senator earlier say, I'm quoting the person, it can only go up to 4, LPS can only go up to 4. Well, that's not true. The language of the bill, page 4, line 3 and 4, may exceed the property tax request authority by a percentage, so exceed the authority already established by a percentage, and that percentage would be 4, so the reality of it is it would be 4 plus the 2.5. So that, that does change the OpenSky analysis a little bit. You know, it doesn't-- it's not a huge change, but it still is significant. And so we need to make sure that, you know, we're running the right numbers when we-- when we do modeling and talk about that. But perhaps more importantly, relative to the modeling, we need to remember that the public can override this. The public, by a 60 percent vote, can override this. And so it seems to me that any one of these doom-and-gloom, so-called modeling scenarios are making one important assumption. They're assuming that the public would not have voted to override the limit, and in doing so they appear to concede that over 40 percent of the voters do not approve of the way that any-- that these particular schools are spending and taxing, and that is troubling. And to me, that reinforces the need for legislation like this. And so going back to the numbers, the modeling, etcetera, as I have indicated on the floor multiple times that I'm not married to all

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate February 3, 2022

of these numbers. If-- if there's a better way, if there are different numbers that, would help move things along, I'm-- I'm open to suggestions, but so far I haven't really heard any suggestions. So thank you, Mr. President.

HILGERS: Thank you, Senator Briese. Senator Hunt, you're recognized.

HUNT: Thank you, Mr. Speaker. We're having an Exec Session over there for Urban Affairs, so I gotta get myself together. But my underlying opposition to LB986 is just based on the fact that the people in my district have never told me that this type of thing is a priority for them, and anything that erodes local control, taking power away from the elected bodies that-- that we have across the state to represent the people who put them there, I think that we ought to trust the voters and say those school boards, those commissions, all of those local bodies that are made up of the people in your community, the people who go to school with your kids, many of whom have lived there their entire life, that they know what's best to run the school better than any of us here, better than me, who's from midtown Omaha. And I agree with the point that Senator Linehan made, which is, you know, we've-- we've heard people talk about building new schools for Westside, building new schools for Omaha Public Schools, for Lincoln, and these are really nice schools that are built in affluent communities oftentimes, and why aren't we standing up for the kids in Lewiston? What about the kids in other parts of the state who don't have those resources? And that's exactly why I'm opposing things like LB986, because we want to make sure that those resources aren't taken out of the property taxes and then taken out of the pool that we have to support these kids. And it's not just the kids and it's also not just the teachers and it is not administrators. It's all the support staff that not only make sure our kids get their education, but really make up the economy of these local communities. Another thing my constituents con-- consistently say to me is it seems like homeowners, property owners, who are not all wealthy but who have more resources typically than those who rent, than those who struggle with poverty and other socioeconomic hardships, in Nebraska, we really bend over backwards to give a lot of advantages to these other groups. We're talking about lowering the-- the top income tax rate in Nebraska, where what I think we need to do is make a few other income tax brackets because the point that, you know, someone making, you know, \$60,000 a year and someone making a million dollars a year are paying the same tax rate in Nebraska, I agree that's not great and that's not reflective of the ability that people have to support their communities through taxpaying. But doing things like lowering property taxes for property owners, lowering the income taxes for the top

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate February 3, 2022

earners in our state, and giving assistance to homeowners who struggled in the pandemic, those things are all-- all great and I will support those things as soon as we turn around to the renters and the people living in poverty in Nebraska and say we're going to be there for them, too, and we have lots of bills to do things like that. For the fourth year in a row, I'm trying to advance a bill to allow people who have drug convictions to receive SNAP. Do you understand that there's no other crime in the entire state that someone can commit where then the state turns to them and says--

HILGERS: One minute.

HUNT: --thank you, Mr. President-- where the state turns to them and says you're not eligible for food assistance. If you commit murder, if you do robbery, whatever, any other crime you commit, once you've paid your debt to society, you can come back and live life like everybody else. And that means if you lose your job in a global pandemic and find yourself on hard times, you can apply for food assistance unless you have a drug conviction, unless you have a conviction for three counts of possession or one for distribution, and this is an inequity. Saying no to federal assistance for renters is an inequity when we're saying we need to give assistance to all the other people in our state who are top earners, who are property owners, who have more advantages. I will support things like that--

HILGERS: That's time, Senator.

HUNT: --if we can be consistent and support the people who need other things too. Thank you, Mr. Speaker.

HILGERS: Thank you, Senator Hunt. Senator Matt Hansen, you're recognized.

M. HANSEN: Thank you, Mr. President, and good morning again, colleagues. Colleagues, I want to rise in my continued opposition to this bill. And one of the things I think I've been touching upon, and I'm glad we're kind of talking about this, this was-- parts of this debate have felt like some of the debate that I and others have been trying to encourage us from the beginning as we've talked through a series of revenue bills this year, and I'm sure we'll talk through a series of spending bills this year, is that our tax system, our school finance, and our budget have to kind of be viewed together. Now, of course, for the public, and of course we all know, you know, that's not how necessarily bills come forward. We don't have an omnibus tax bill that has the same status as the budget. TEEOSA is largely set in

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate February 3, 2022

statute and gets tweaked every year. So instead, we have usually committee priorities from Education and Revenue. We have some personal priorities, this, that, and the other thing, that work on the system from different components. So you see a bill like LB986 and LB986 might be just the limits on the school districts, and that's the only thing that the bill itself is talking about. But of course, all of us here in the body, all of us who are working on this issue know, and some of the introducers and supporters have indicated that this is a part of a longer overall reform, change, restructure, however you want to talk about it, to our school, tax, and spending system. So talking about this bill inherently ties with TEEOSA. Of course, there's a variety of different levers and mechanisms that, of course, interact and bounce back and forth between the two. And part of the reason I feel so strongly on this, and part of the reason I keep talking about these issue-- bills, is, frankly, because of some of the things we've seen before in this Legislature. And I know I just kind of keep up and hitting this same point over and over again, but I've been hitting the same point over and over again for years now in the sense of there's often proposals in my mind that very directly limit Lincoln Public Schools or harm Lincoln Public Schools, and I'm told they're necessary to pass another bill that will probably also harm Lincoln Public Schools. And again, if you don't need my vote, you don't need my vote. I understand that you can't negotiate with everybody on every bill, but that's a proposal that's come throughout, over and over and over in the Legislature. There was a bill several years ago that would have both, I think, raised taxes more or less in Lincoln and cut LPS's aid through the state aid formula, and people looked at me like I was weird for not wanting to vote for that. And I was like, how do I go tell a family in my district that I raised their taxes and cut the aid to their school? That's simply not what I was sent here to do by the people of Lincoln. And I bring all this up and over and over again. I bring all this up over and over again. I know yesterday was Groundhog Day. In the spirit of the movie, I know we're going to be here having some of the same discussions and some of the same talks. And so why this might be repetitive on this bill, part of the reason it's repetitive on this bill is because it's been repetitive year after year after year. LB986 in my mind is functionally the same as a bill we docked and debated and defeated last year, other than you've changed what government entities it applies to; you've narrowed it a little bit in terms of the government entities, but you kept schools in and schools were the main issue last year, too, not-- not the-- and so functionally, you know, when you say you narrowed it, you changed it, you updated it, it-- the main opposition was there, you know the main opposition was there. And again, I also-- just for the public,

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate February 3, 2022

when you talk about, you know, some of the supporters occasionally said they've accommodated education's concerns, you can go ask educators, you can go ask school board members, and they will tell you no. I'm sure maybe there's somebody out there who does support it in the education field, but--

HILGERS: One minute.

M. HANSEN: --there's certainly many people in the education field who don't. And I bring all of this up because, again, it's a holistic picture, and as we see over and over again that I'm being told that we have to pass a bill like LB986 so that we can change TEEOSA, that's one of the things is if we're going to move forward with school finance reform, we have to pass a cap like this, you know, it's non-negotiable. For me, it's non-negotiable the other way. We can't harm our school districts, we can't harm Lincoln Public Schools, and the threat of not changing TEEOSA if I don't harm Lincoln Public Schools is kind of an empty threat because that's not something I want to do in the first place, anything to harm Lincoln Public Schools. So when you're holding other bills hostage by using this bill as a leveraging point, that's just immune to me, and I think some of my colleagues, because it's not my side, not the people representing Lincoln Public Schools who, or many of us at all, included in that discussion. And so if that's the negotiations that are going on elsewhere--

HILGERS: That's-- that's time, Senator.

M. HANSEN: --I understand. And with that, thank you, Mr. President.

HILGERS: Thank you, Senator Hansen. Senator John Cavanaugh, you're recognized.

J. CAVANAUGH: Thank you, Mr. Speaker. Thank you, Senator Matt Hansen, for making the Groundhog Day reference. I made it yesterday and nobody seemed to notice, so I-- it's a great movie. Everybody should check it out. And I do think about it a lot down here. So I again rise in opposition to LB986, and I've actually-- this is my first time on the mike today, which is a little late in general. But I was sitting here doing-- working on Excel, which if you're not familiar with Excel, it's-- it is really a pretty cool system. So I downloaded the document I was reading yesterday that had all of the school districts and their-- their assessed value and their levies and their-- their bond levies and their student population. And so I created a formula that could-- that would kind of contemplate, I think, the section here that

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate February 3, 2022

is, let's see, on page 2, Section 3, the part about the addition to the base growth rate, where basically it says if you have-- you know, you take the percentage growth rate times 0.4 and then you can add that onto the 2.5 in population and then that's the amount you can go over. So I just was, like I was talking about yesterday and I didn't get the chance to do that math before we kind of ended yesterday, so I did the math for everybody, and if anybody wants to look at their school district, I'm happy to share this with you. But OPS has-- essentially their levy revenue for their standard levy, not their bond levy, not their state aid, but the amount of money is about \$271 million and some change. So if they had an increase of 1 percent in their student population, which essentially would increase them from 4-- 51,626 to 56,789, which is an increase of 5,163 students, is 1 percent of OPS, would allow them for a 0.4 percent increase. So that is a 2.9 percent increase in their-- their total asking of property taxes, which is about an increase of \$7,886,000, which turns out to be \$1,527 a student. So the reason I did that is I wanted to see how this particular increase cap plays against other school districts, and I did pick on Adams County yesterday more than is probably kind. So I-- I'll pick another county today that has another school district. So let's take a look. We can take a look at Burt County and the Tekamah-Herman Community Schools. So they have, let's see 536 students, for a total levy asking of \$5,898,000. With an increase of 54 students, they would have an increase of \$3,191 per student. And so that is actually a school that would be into the second tier of this bill. If you recall that conversation, over the 400 and, I think, 71-student tier, which is the arbitrary cut-off for the difference between a 7 percent and a 6 percent increase. But the point is that these school districts, again, are wildly different. Here we go. Here's another one that's interesting. This is in Banner County. Banner County Community Schools has 145 students, so it's in the smallest category, and that would be an increase of 15 students at an average increase of \$5,100 a student, so almost \$3,500 more per student when we're taking into account student population growth for these smaller districts with this sort of one-size-fits-all approach to how--

HILGERS: One minute.

J. CAVANAUGH: --we address that. Obviously, there are other parts of this bill that need to be contemplated. But though I do enj-- I did like working with Excel and I'm working on it, I'm not a master at Excel. So if somebody else has got the better ability to do this kind of information, I-- that would be helpful. But this information to me tells a story. I was telling Senator Brandt I started this endeavor

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate February 3, 2022

because I wanted to see what it said, not because I had a preconception of what it said, and so this is what I've discovered so far. But again, this is another indication that a one-size-fits-all approach does not work for schools because, when we do it, we start to constrain them and that has other impacts and that decreases some schools; it hurts some schools more than other schools. And so that is one of the reasons I'm against LB986. Thank you, Mr. Speaker.

HILGERS: Thank you, Senator Cavanaugh. Senator Wishart, you're recognized. Is Senator Wishart on the floor? I don't see her. We'll-- we will move into the queue. Senator Morfeld, you're recognized.

MORFELD: Thank you, Mr. President. Colleagues, I want to talk just a little bit about some of the concerns that-- that I have, particularly, not only with this bill, but then also the announcement that the Governor would not be taking on some of the-- the rental assistance, taking on some of the-- the rental assistance that is provided by the federal government. And just to give some context on why this particularly matters to me, and I know it'd matter to several other people in this body as well, is, first, if you look at-- believe this is produced by, yeah, it's Districts at a Glance, produced by the Legislative Research Office. District 46, my-- my district, ranks number one in terms of rental units as a percentage of all house-- occupied housing units. And in my district, there's 62 percent of the people are renters. And then after that, we have District 7 at 62.1, District 11 at 60.2, and then District 9 at 52.5 percent. So this is something that particularly impacts people in my district and half my district is students. So first, they're renters one way or the other, whether they're at the-- the dorms at the university or the surrounding neighborhoods and communities, and they deserve to have the same relief that homeowners have. And in many cases, these are students that, quite frankly, are the people that we talk about every single day about keeping in our state, the need to retain and attract students, workforce, young Nebraskans. And yet the Governor decides, in all of his wisdom, to reject federal aid that we've already paid for as taxpayers that are now going to go to different states. What a slap in the face that is to renters across the state. What a slap in the face that is to people experiencing the same hardship as many of our homeowners, but not going to be able to avail themselves of the same dollars, the same dollars that, in many cases, they've paid for in taxes and the same dollars that people who are homeowners and fortunate enough to have a home also receive. It doesn't make any sense. It doesn't make any sense, and particularly when we're talking about how we need to keep and retain workers, particularly younger workers in this state, when younger workers are more likely to also be

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate February 3, 2022

renters. So what kind of message are we sending the same type of people that we're saying are critical to growing our state? The message that we're sending is, is, well, we don't really care; if you need that, too bad; we'll give it to homeowners, but we won't give it to renters. And homeowners need it too. What message are we also sending when we put artificial caps on our school districts that will lead inevitably to large cuts? What kind of message is that sending to people that are looking at Nebraska and going, hey, is this a place I want to live, do they have a high-quality public education, do they take care of-- of the people that are working in their restaurants, in their grocery stores, in their manufacturing centers, in their meatpacking plants, because that's the vast majority of the people, in many cases, that are renters. And some people, they don't want to actually buy a house. They want to rent, and so for some people it's a choice. These are the types of things that we do that make us unwelcoming as a state, whether it's rejecting specific federal-- federal aid--

HILGERS: One minute.

MORFELD: --for a certain type of person or whether it's sending a message to the schools that's, quite frankly, unnecessary because they already have elected boards and they're already accountable to their people, but sending a message that, hey, we're going to reduce spending in public education and that's where our priority is, is reducing spending in some of the best schools in the country. That makes no sense, but yet we're always getting up here and talking about how are we creating a state that's more competitive, and it seems like some people on the floor only have one answer or one solution to that: cut, cut, cut, even cut the things that attract people to our state, like public schools. And then we send messages that, hey, listen, if you're a renter, we don't need any federal support for you, but we'll give federal support to everybody else, businesses, homeowners, things like that, which I'm in support of.

HILGERS: That's time, Senator.

MORFELD: Thank you, Mr. President.

HILGERS: Thank you, Senator Morfeld. Senator Friesen, you're recognized.

FRIESEN: Thank you, Mr. President. So I've been listening to some of the debate on and off, and pretty well we're hearing the same thing over and over, that we're going to hurt schools. And again, I-- I--

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate February 3, 2022

I've not ever been a big fan of any kind of spending lids, but if that's what it's going to take to get some more property tax relief out there, if that's the direction we're going to go, that's where I'm going. And again, I don't think these bills are that onerous. I think they've built in plenty of protections. I think they're very doable. I've not had any calls from any of the schools in my district thinking that they're going to hurt them. I know last year even, they didn't care about the 3 percent-plus growth. That was not really going to affect them because they've not increased spending. But then it was yesterday I think that this piece of paper from Senator Linehan showed up on my desk here and it talks about David City schools buying a \$78,000 smart table. And when we talk about funding for education and them not having enough money, and I know this was with COVID money, but there's costs ongoing with this forever. Who's going to replace it? Who's going to buy the software? Who's going to do the updates? And we can't seem to even get the K-12 education done right, much less getting into things like this. We [SIC] sending kids out that don't know how to read, and I haven't seen a study yet that says giving them more money will get better results because I don't think it has because we've been spending more money and our results have been trending down. So maybe it's time for schools to focus on educating kids. Let's focus on K-12 and getting them that diploma. It seems like it's a very minimal requirement to graduate from K-12, reading, writing, arithmetic, some math. But if we don't have them reading when they graduate, they'll never have a decent job, never. And we've lost our focus. K-12 is doing all kinds of things now. Community colleges are doing K-12 stuff. The university is doing all of it. Maybe if K-12 would focus on that diploma and getting those kids ready for the real-life world, because there's some of those kids are not going to go to community college, they're not-- they're going right into the workforce because they're sick of school, and I could have been one of those. And they don't need to go to school, some of those kids, they're smart enough, they're going to be doing it on their own. But we should be sending them out of high school ready to do that, and we're not. For 20 or 30 years, we said you had to have a UNL, you had a four-year degree or you're nobody. I heard that over and over. And it's not true. I've known kids that went straight into the workforce, and they're doing better than anybody with a degree or four degrees. They're doing great and they're having fun. So again, let's focus back on getting K-12 teaching what it's supposed to teach, and maybe there's just plenty of money for doing that. Let's focus on what we're supposed to be doing. Let's look at the whole system and see once where we can make efficiencies, because I think we could save dollars on all levels. But we're not.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate February 3, 2022

HILGERS: One minute.

FRIESEN: Instead, we fight over how much money we can give them and what we can do to make things better with more money instead of fixing programs. Thank you, Mr. President.

HILGERS: Thank you, Senator Friesen. Senator Machaela Cavanaugh, you're recognized.

M. CAVANAUGH: Thank you, Mr. Speaker. Is this my third time?

HILGERS: It is your third opportunity. Yes.

M. CAVANAUGH: Thank you. First, I would like to say I am so sorry to Senator John Cavanaugh that I did not acknowledge his joke about Groundhog Day yesterday. That is my bad. Secondly, I would like to also point out that Groundhog has a character in it, Ned, who looks remarkably like former Senator Burke Harr, and I just would hate to have that not go-- go unsaid. So I am looking at our budget and I am going to let the people at home know if you would like to do some arithmetic, I'm going to throw out some numbers. So grab your pens and pencils and paper. OK, so we have what some people refer to as the Tier 1 fund, it's the property tax credit fund, and for those who would like to look at the budget, it is on page 34. And if you are at home and you would like to look at the budget, you can download it, you can get it online at the Legislature website. You go to reports to the budget Fiscal Office and then it'll have the budget there. So page 34 and it has the property tax credit fund. So it had in '20 and 2021, \$272 million and now has \$310 million. There is potentially going to be \$13 million more put into it in this biennium, but we'll just go with the \$310 million for now. So we have \$310 million going to the property tax credit fund for school and then we have \$570 million going to the LB1107 property tax credit fund for school aid or to pay for what you pay for in schools at the state level. And that brings us to \$880 million in tax-- property taxes that are collected that the state then use the state funds to give back to the citizens. Instead, the state could use \$880 million to fund education. So there's this pie chart-- one second, this pie chart that says that the state formula aid is 23.6 percent, which makes us 40th in the country. This is from 2015-16. So the only change to that is that we have this \$880 million that some count towards state aid to education. I would not count that towards state aid to education because it doesn't actually go to state aid to education. It goes back to the taxpayers, which I'm happy to have money go back to the taxpayers. I just feel it's disingenuous to say that it's state aid and inflate the numbers of

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate February 3, 2022

what we actually give in state aid. We could give it to state aid and that would be a realistic inflation of how much we do. OK, so \$880 million in credits for property taxes. And then we have, let's see here, the state spends \$1,292,895,846 in state aid to education, counties-- county taxes collected for state aid-- or for education, county collection for education is two billion five hundred and thirteen thousand-- or thirteen million, sorry, three hundred and ninety-seven thousand nine hundred and thirty-five dollars. That brings us to a total--

HILGERS: One minute.

M. CAVANAUGH: --thank you-- of education spending of \$3.8 billion. So the state, if we put that \$880 million towards proper-- or towards education in state aid, then we would be needing an additional \$1.6 billion for state aid or county aid for education. So we're not at 50 percent in state aid, even with the \$880 million, we're not at 50 percent for state aid. And I think we should really be talking about that if we really care about lowering property taxes because state-- the prop-- or the education piece on your property tax statement is like 50 percent of your property taxes, and the state could be putting more money towards that at least \$880 million. Thank you, Mr. Speaker.

HILGERS: Thank you, Senator Cavanaugh. Senator Walz would like to welcome 22 representatives from the Nebraska community colleges. They're seated in the north balcony. Please rise and be recognized by your Nebraska Legislature. Mr. Clerk for a motion.

ASSISTANT CLERK: Thank you, Mr. President. Senator Hunt would move to recommit the bill to the Revenue Committee.

HILGERS: Senator Hunt, you're recognized to open on your motion.

HUNT: Thank you, Mr. Speaker. I appreciated Senator Morfeld getting on this stuff that I was talking on about support for renters and support for people in poverty and support for people who are economically disadvantaged by the system systemically and how we here in this body and the Governor perpetuate that systemic oppression by denying assistance that the federal government is paying for. And then we come in here and say the way that we're really going to solve things in Nebraska, make sure our schools are funded, make sure we have workers in jobs, make sure that our communities stay strong with their economy is by giving more benefits to the people who are wealthy and giving more benefits to the people who already have property, who are already at the top tier, and who might be going through hardships in terms of

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate February 3, 2022

property taxes in many cases. But you know what, a lot of those people are renters too. A lot of those people face tough economic issues, too. And to hear a millionaire on the floor saying that we have to do anything we can to get more property tax relief to farmers, you know, it's out of step with what I'm hearing most Nebraskans tell me. If somebody has to move from, you know, a \$700,000 home to a \$500,000 home, that's too bad. But until we address the issues that the least advantaged people in the state are telling us consistently exist, that's not something that I can support. I have empathy for that. But why doesn't everybody have empathy for those people? The money that we could be giving these renters for assistance would cost nothing to the state and actually people in our state are paying money to give that assistance to folks in other states. How is that conservative? Fiscally responsible people, why isn't that upsetting to you? I hear people say a lot like just general frustration and anger about federal spending, right? Everyone's got a problem with something the federal government is spending money on, me included. But the fact is, you know, on February 3, 2022, those resources for renters are there. And Nebraska is cutting off its nose to spite its face by, you know, turning its back on that resource and saying, no, because we have these lofty philosophical ideals about, you know, not supporting federal spending on poor people. Aren't we so intellectually and morally consistent? Like, who cares about that attitude when people are struggling and we have a resource right here at our door and we're turning it away and giving it to other states? Nebraskans, you paid for that. I wasn't even going to talk about this more, but then I got on something with it. But Senator Friesen's remarks about how we can't get K-12 education right, could it be that a big reason that some schools struggle and some students don't get the resources they need and some families feel disappointed in the education their children get is because of policies that originate here. Policies that start in the Nebraska Legislature and trickle down contributing to the bureaucratic, you know, clog in the arteries of our school system, more regulations, more paperwork. Is it going to be .08 percent or .056 percent? Like, oh, my God. And it's not just in things like caps on the limits or, you know, eroding the local control that's so upsetting, it's bills that we introduce. Like, Senator Albrecht has a bill to make sure that kids aren't looking at porn in school because apparently schools haven't been doing a good job managing that themselves. Do you think that educators and administrators and districts in Nebraska want kids looking at inappropriate material on the computers? I went to school in the early 2000s. I was in junior high and people were doing that then. And the schools were already trying to get us to not do that then, we had, you know, ad-- we had

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate February 3, 2022

the blockers. We had all kinds of stuff on the computer that prevented us from looking at it. Trust me, guys, the schools are on it. This bill-- bills like that are not helping anything. Us going to school administrators and saying, hey, let's make sure that kids aren't looking at inappropriate stuff. Like really, you think no one ever thought of that? We geniuses in the Legislature have really swooped in to solve that problem for them. Senator Albrecht has another bill to ban teaching of sex education. That's something schools aren't asking for, and it's another instance of conservative erosion of local control either to help the wealthy or to do moralizing policing. But in both of those cases, it's just people in the Legislature telling individuals in local communities what's best for them? And you guys hate it when progressives do that. When we want rights for LGBTQ people, you say, you guys, this is all you talk about Megan, you just want people to have special rights. They're not discriminated against. I've had conversations with colleagues on the floor who say, you know, oh, my son is gay, and he says that he doesn't experience any discrimination. Well, good for him. I hear from people every single day where that's not the case for him-- that's not the case for them. So can we take some of the empathy that we have for the poor property owners and give it to the people in Nebraska who are hurting, but we are ignoring? I have enough empathy for all of them, but I don't see that reflected here in the body. When people like Senator Friesen say we need to focus on real-life education, people can't read, people can't do these basic things, they don't want to graduate and go to college, they're having more success going right into the workforce. I mean, I studied German in college and so you see how, how much money I've made doing that, but it is about having fun. He said people are, are going from-- they're going from high school straight to the workforce, and it's fun for them. And to that, I say great. That's the whole thing government should be making room for people to do is pursue what they want to do, whether that's college or trade school or going right to work or, you know, building a cabin in the woods. I don't care. I want people to do what makes them happy. And to give people a, quote unquote, real education, which LB986 has to do with property tax relief so I don't know what that has to do with like a real education or whatever that means. But in the opinion of Senator Friesen, who says that K-12 education can't get it right. Could it be that one reason that they can't get it right is because of policies coming out of here? Senator Ben Hansen has a bill to ban the teaching of critical race theory, which is like the outrage topic du jour on the far right. It's always something. It's, it's the caravan. It's critical race theory. There's always some boogeyman that clogs up the system, and then we got to take time and talk about it. We got to have

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate February 3, 2022

a bill about it. We have to signal to all the voters that we're, we're doing the conservative thing du jour, and that's what's cutting into the ability of kids to get a, quote unquote, real education. Things have happened in history that were not great that sucked. And some of the things that happened might hurt the feelings of specifically white people,--

HILGERS: One minute.

HUNT: --thank you, Mr. Speaker-- but that doesn't make them any less true. And when we say we're not going to teach those things to kids, that's when we're not giving them a real education. When we say we're going to teach teenagers nothing but abstinence and expect them to be, you know, completely monogamous, no sex until marriage and no sex without procreation, you are living on Mars if you think that's ever going to happen. Somebody told me that every generation thinks that they invented sex. And every generation thinks the one after it is like doing something really immoral and terrible to the family unit around sex or something. But the idea that people in here think that we can, we can prevent kids from learning information, whether that's about their own bodies, about reproductive health, about consent--

HILGERS: That's time, Senator.

HUNT: Thank you, Mr. Speaker.

HILGERS: Thank you, Senator Hunt. Debate is now open on the motion to recommit. Senator Hunt, you're recognized.

HUNT: Thank you, Mr. Speaker. When we take the opportunity from kids away by passing policies in here to learn the truth about life, whether that's the reality of racial atrocities committed in our country, that Senator Hansen and several cosigners want to ban by saying we can't teach things that hurt people's feelings, when we say that we can't teach comprehensive sex education that's medically accurate, research based, and age appropriate for kids in public schools, we're denying them the real education that they're going to need to succeed in life. The whole reason I'm here is because, you know, the thing that made me want to run for office is in 2015, I was working with a bunch of local organizations in Omaha and Omaha Public Schools on updating their sex education curriculum. At that time in 2015, the curriculum hadn't been updated since 1971. So in some cases, there were kids in OPS, in Omaha Public Schools, getting the same sex education that their grandparents had gotten. And since then, of course, we've had an increasingly out and increasingly depressed and

suicidal LGBTQ population. We have the internet and all of the challenges that brings, including porn, Senator Albrecht. We've had the AIDS epidemic, so the landscape that we live in, in 2022 or 2015 in that case is really not the same as 1971, obviously. So long story short, we did it. We updated the sex education standards and it was the most-- I think even to this day, I think that was the most brutal political fight I've ever been a part of. And I was a part of that, that effort as a public school parent, as a normal regular, "degar" citizen, I wasn't elected. I wasn't running for anything. And I remember one guy saying to me who was opposed to teaching sex education, that these are matters for adults, that kids can learn about these things when they're 18 and they're, you know, adults in the world that that's the right time for them to experiment and learn about these things. What is so magic about the age of 18 that makes that the time when people can learn about reproductive health, about consent, about STIs and STDs? You know, Douglas County had some of the highest rates of STIs and STDs in the entire country. And after we passed, after the school board passed comprehensive health education, which is still not quite comprehensive, but we, we did update it, those rates started to go down. Do you think that there could be any correlation between teenagers knowing how to have healthy sexual relationships and healthy relationships with themselves and a decrease in the rate of sexually transmitted diseases in our community? Do you think for public health, that could be kind of a good thing to say nothing of just people having the self-knowledge of their own bodies that they need to get by in the world? Also, things happen to people that are out of their control: assault, harassment, attacks that happen because of the choices made by other people through no fault of, of the survivor. Health education helps people deal with that, too, and it breaks down the stigma that, you know, I had in my generation around surviving an assault, around dealing with harassment.

HILGERS: One minute.

HUNT: So when we say that K-12 needs to focus on real-life education, I'm going to tell you about real freaking life, there's a lot more to it than reading, writing, arithmetic. And we all know that. And we're all in here for four years, maybe eight years, we want to feel like we really did something so we're going to make sure the kids aren't looking at porn, that they're not learning about racism, and that they don't get to know about STDs. Really great work, guys. I hope that we keep cutting taxes for the rich and that'll really attract more people to Nebraska. You know how insane that sounds. It's just that it's hard to do things that are politically unpopular among the far right. But

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate February 3, 2022

it is right to do them. Do I think you're going to, to abandon this fealty to the cult of far-right conservatism? No. But it is the right thing to do. Thank you, Mr. Speaker.

HILGERS: Thank you, Senator Hunt. Senator DeBoer, you're recognized.

DeBOER: Thank you, Mr. President. It's just really a weird time to say we're going to put a one-size-fits-all cap to hamstringing schools. Eighty percent of a cost of the schools is for teachers and staff, for, for, for personnel. Some school district, maybe it's 75 percent, some it's 90 percent, it's roughly 80 percent. And we talk about allowing schools to use a CPI escalator for how much they are going to go up. CPI is calculated based on things like bread and gym shoes. They don't do a CPI of teacher salaries and, you know, intangibles. So it isn't necessarily the best measure. In fact, it's a pretty bad measure of what it's going to cost to get more teachers. And that's something really we have not been talking about that is kind of strange that we haven't been talking about, and that's, that's on me too. There is a teacher shortage. I mean, it's insane how short we are on teachers and it's across the state, small schools, big schools, there's no distinction. We had one kind of before COVID and then COVID hit and a lot of people who might have taught well past the age of retirement decided maybe not. A lot of people retired. Other people left teaching for a variety of reasons. It's, it's a stressful job. It's a stressful job, so we have a teacher crisis right now where we can't hire enough teachers. I know someone who's a teacher at a math-- a math teacher in a public school, high school. He doesn't have a plan period because he's taken on extra classes. He goes in and teaches in the zero hour, which is before school starts very, very early because they don't have enough teachers. That's not sustainable. I know all of our teachers are tired. If you feel tired from COVID, so do the teachers. And there's not enough of them. And now we're saying, well, maybe instead of paying teachers more so that we can attract more to our state so we can attract more to the profession, maybe instead we should cap what schools can spend, 80 percent of which is for their personnel costs. We know that the schools are one of the chief building blocks of our communities. If you don't believe that, look at what happens to a small town when the school leaves, you've all seen this across the state. When the school leaves a community, it starts to falter. The schools are, in some cases, the main hub where the people of the city or the, the community can get together. And they're teaching our kids,--

HILGERS: One minute.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate February 3, 2022

DeBOER: --right? This is how we develop the workforce, the community for the next generation. It's kind of like putting money into a retirement plan because every single one of us, hopefully in here makes it long enough to a point where we're not able to add to the economic interests of the state. But those kids that are in school now, they're the ones who are going to be there for us who are going to keep our economy thriving after we're no longer able to support it, no longer able to keep it thriving. That's what we're doing, we're educating our kids. We're teaching them how to be mechanics. We're teaching them how to be nurses. We need nurses. How do you get nurses? You have to have them grow up and go to school. If we want more of any, any profession, we need to make sure that they have access to education.

HILGERS: That's time, Senator.

DeBOER: Thank you, Mr.--

HILGERS: Thank you, Senator DeBoer. Senator John Cavanaugh, you're recognized.

J. CAVANAUGH: Thank you, Mr. Speaker. Well, I was sitting here working on my math problems while other people have been talking, I've been listening and I appreciate the comments everybody is making. And Senator Hunt's comments struck me as I was sitting here thinking about Senator Friesen's comments that we are asking schools to do too much, and it reminded me of when the pandemic started and schools shut down. I was invited, and I'm sure other people were, to go help school districts distribute the meals they normally would distribute to kids when kids come to school, because that's the only meal some kids get. And they had social workers that were going and delivering these meals in, in back-- backpacks to households and checking to make sure people had, you know, what they needed, the lights and those sorts of things. And the reason I'm telling that story is we ask schools to do more, more and more all the time. We ask them to be mental health providers. We ask them to be food providers. We ask them to make sure kids have a safe place to live. We're asking more and more because we refuse to do it the other way. We've had many bills here to expand SNAP benefits. We've had-- I've talked a lot about this-- the rental assistance program. Senator Morfeld just explained it nicely there, and I, I would point out that my district was one of those top districts. I think he said 52 point something percent of people that live in my district are renters. But we are-- we have a tendency to take the one thing that is doing something and then just layer other things on top of it. Ask more from them and schools take it on because they care

about the mission, the mission of educating children, making sure that they have a safe, healthy, productive life. And so when we ask them to take on meals, they say, yes, it helps us get a better outcome. It helps these kids. When we ask them to do counseling, mental health services, schools say yes because it helps the students have a better life to be more likely to, to graduate and be productive. When we ask them to check on kids at home when the, when the school is closed, they do that too. They do all of these things and we ask more and more of them, and we keep saying, gee, why is this costing so much? Why are we getting worse results? Well, as Senator Friesen was talking, I thought about the, I guess, it's a agricultural adage of you reap what you sow. We have sown this disaster across our country of asking schools to do so much more, and we are reaping the benefit or the result of that. And now we're talking about the fact that, that we are getting less or not enough out of what we are putting into it. And so that is a fundamental problem that we are ignoring in these conversations of all the things that we're asking schools to do that we should be doing other ways, that we should be addressing and we have tried. Some people have proposed ideas to try, try them in other ways as Senator Hunt correctly pointed out, some people have proposed going the other way, but other people have proposed constructive solutions to taking some of these things out of schools, to putting them into the, the streams that they should be in. So that's what struck me as I was listening to this conversation, I actually rose to give you my report on my recent math. So the amount of increase in per student amount is an average of about \$3,900. And if you recall, OPS, if they had a 1 percent student population increase, that would add up to about an average of \$1,500 per student, which essentially means that OPS to get on parity with everybody else in terms of student population per pupil tax revenue would be, property tax revenue would be an increase of \$1,900-- \$1,999, so almost \$2,000, \$10 million across the school district that they would have to come up with to meet the amount of money that other school districts would be allowed to, in under this formula, increase their property tax asking. And so OPS would then either have to go without that additional per pupil expenditure or would have to go through the, the onerous ballot initiative process established in this, this bill or the board would--

HILGERS: One minute.

J. CAVANAUGH: --regularly have to vote to override this limit just to keep up with what other school districts are allowed to do. And so that is a problem with this formula. Again, formula attempts to recognize the differences in size, differences in challenges of school districts. It just-- it misses the mark because when you try to create

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate February 3, 2022

a one-size-fits-all system to apply to every school district in the state, it, of course, is going to be different in how it impacts states. Because there are just so many different factors at play in all of these different school districts. And we have a system to address it now. It is democratically elected, local control school boards. They're doing it now, they're setting the budgets, they're setting the levies and those levies are wildly different based off of the size of a school district, the makeup of the property, the value of the land, the types of students they have, all of the school districts take those things into consideration when they set those levies and when they set their budgets. And that is what the current system is, and it works. We do not need to change this and add this on top of it--

HILGERS: That's time, Senator.

J. CAVANAUGH: --to make it more complicated. Thank you, Mr. Speaker.

HILGERS: Thank you, Senator Cavanaugh. Mr. Clerk for items.

ASSISTANT CLERK: Thank you, Mr. President. Amendments to be printed from Senator Briese to the committee amendments of LB890. Additionally, committee reports from your Committee on Education, chaired by Senator Walz, reporting LB868, LB890, LB1169 to General File. Excuse me, LB868 and LB890 to General File with LB890 having committee amendments, LB1169 as indefinitely postponed. Your Committee on Urban Affairs, chaired by Senator Wayne, reports LB974 to General File. Government, chaired by Senator Brewer, reports LB733, LB769, LB786, LB791, LB807, LB847, and LR263CA to General File. In addition to LR271 reported for further consideration. Additional committee reports from the Revenue Committee concerning the gubernatorial appointment on an appointment to the Tax Equalization and Review Commission, as well as Government to the State Personnel Board. Amendments to be printed: Senator Walz to LB890 and Senator Blood to LB689. That's all I have at this time, Mr. President.

HILGERS: Thank you, Mr. Clerk. Senator Walz, you're recognized.

WALZ: Thank you, Mr. President. I stand still in opposed to LB986. And I guess throughout these conversations, I'm trying to still understand the problem that we're trying to solve. I'm still trying to get data to substantiate the problem. Still wondering, you know, if we've had conversations with school districts to find out what, you know, if there is an issue, what caused the issue? I'm still trying to gather actually stories from the outliers to find out exactly, you know, what

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate February 3, 2022

happened in those years. Senator DeBoer talked about the teacher shortage, which is a, a very serious problem right now here in Nebraska. And I'm just wondering if that was anything that, you know, was taken into consideration when this bill came up. Still looking for models, I, I don't know if there's any way that they can, you know, bring models, but I'm not comfortable voting for any type of bill without having some type of model and data to back it up. So I guess I'm, I'm still, you know, opposed to this because I'm just not comfortable. I, I have a lot of confidence in our school boards. I think that-- I know my school boards in my district do a great job, and I believe that in every district, I think they're very conscious again of the taxpayers. And I know that they spent a lot of time having some really serious conversations about, about their school districts. I believe that somebody-- I think it was Senator Linehan, I'm not sure so, but I think Senator Linehan during the-- a Revenue Committee meeting had asked Jack Moles's for some data regarding how many schools were actually negative in their tax asking. And I got a copy of, of this data from Jack and I just wanted to go over some of the schools. I, I just picked a couple from, you know, A, a couple from B, a couple from C, but I just wanted to go over and, and review a couple of those schools so people understood that there really are, you know, many schools that are negative on their tax asking. So I picked out Alma, I guess. In '17-18, they were 0.61 below their tax asking. In '18-19, they were 2.28 percent below their tax asking. In 2021, they were 3.98 below their tax asking. Another one is Auburn. In '17-18, they were 0.21 below their tax asking. In '18-19, they were 0.78 below their tax asking. And in 2021, they were at 1.99 below their tax asking. I'm going to go on to the Bs now, Banner County. In '17-18, they were 2.76 percent below tax asking. In '18-19, 1.06. These numbers are small below tax asking. In '19-20, they were 2.17 below tax asking. Beatrice, '16-17, 0.97 below tax asking. In '18-19, 5.52 below tax asking. And in 2021 below tax asking. Now, you know, obviously in some of these cases I, I can look at these-- this data sheet and there may have been or there is obviously a school that, you know, was above tax asking one year. For example,--

HILGERS: One minute.

WALZ: --Cedar Bluffs. In '15-16, their tax asking was 6.93. And then the next year in '16-17, they were below tax asking by 5.59 percent. That tells me there's a story there someplace and I don't know what it is. I'm going to find out. But I mean, the data that I'm seeing right now definitely shows that every school district does have a story. There are lot of school districts that were below tax asking. I didn't

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate February 3, 2022

count them up, but I, I certainly can. But that's just some data that I wanted to share with you. Thank you, Mr. President.

HILGERS: Thank you, Senator Walz. Senator Wishart, you're recognized.

WISHART: Thank you, Mr. President. Keep sneaking up on me. Good morning, colleagues. I rise in opposition to LB986. I, I just fundamentally disagree with the underlying premise of the bill that local control should be taken away from entities when it comes from communities when it comes to making decisions about education. I think decisions, especially when it comes to education, are best made at the very local level. And if communities like Lincoln, for example, want to elect school board members that want to invest dollars in quality education, that should be allowed for that community to do that. It's just that simple to me. So any type of legislation that's introduced that would create further restrictions on parents and families and their schools from investing in the children of their community, it will be very hard for me to be voting in support of that. You know, I'm a product of Lincoln Public Schools, a very proud product of Lincoln Public Schools. When I went away to college, I went and sat next to students who had gone to very expensive, private college preparatory high schools and my degree from Lincoln Public Schools allowed me to be just as competitive in the classroom in college as they were. And I attribute that to the incredible teachers and school system that I existed within. And it's incredible that people who live in Lincoln are able to get this level of an education for their children without paying the equivalent of college tuition for them to have that education. If it were up to me, and I go back to what Senator Lathrop said earlier on, I would like us to spend this session talking more broadly about our needs in our education system. If it were up to me, I would be pushing for us to reduce every single class size in our public schools. I think if we want to address reading issues, behavioral issues, special, special education needs, I think you start with reducing the amount of youth that every teacher is responsible for every day so that they can have more one-on-one quality experiences with those kids. And then I would expand out access to after-school programs, recognizing something that Senator McKinney said last year, which is that 80 percent of a kid's waking hours is spent out of the school day in summer and after and before school. And that's a wonderful time for our community to invest in quality, quality, educational experiences for those youth. The best investments that we can make in this state are in children all the way from early childhood education through college. Why would we not want to have and invest in having the brightest individuals coming out of our state? So in fact, I think--

HILGERS: One minute.

WISHART: --as a Legislature, we should be investing more dollars in education and supporting youth while they're in school and in those after-school and summer periods, and ensuring that tuition is affordable when it comes to postsecondary education as well. I think there's no better investment that you can make. And I think it would solve a lot of the problems that we have when it comes to juvenile justice, Corrections, brain drain, economic development, you name it. And so again, I go back to I would not want to be voting for legislation that would hinder a local community's decision to actually do that, to actually invest in their youth. I don't want to hinder a local community's ability to say, you know what, we're actually going to make preschool free and universal.

HILGERS: That's time, Senator. Thank you, Senator Wishart. Senator Morfeld, you're recognized.

MORFELD: Thank you, Mr. President. Colleagues, I want to talk a little bit more about what we were discussing a bit earlier. You know, in particular, one of the things that I've been hearing a lot in the Education Committee this year, we've had a few different bills. I think actually just yesterday it all kind of blurs together by Day 20 here. But looking at how do we recruit and attract teachers? We have a huge teacher shortage issue in the state of Nebraska. That's not, that's not uncommon, it's been that, that case for about 20 years or so now in varying different levels and varying different parts of our state. But now it's, it's acute. It used to be there were certain districts that struggled that-- with that, and now all districts are struggling with retaining and attracting teachers. And in the Education Committee, we actually had some bills this week that would provide relief to teachers in, in many different ways, but one being loan forgiveness in particular. And that's one way to do it. I think the other way to do it is by making sure that the institutions that they work for are fully funded and the people in the best position to be able to do that are their locally elected school boards and the superintendent who's accountable to the school board. We should not be tying the hands of schools, particularly right now, particularly in this, this kind of time of disruption with COVID-19, where they're barely able to keep their doors open as it is with their workforce. And now we want to restrict their funding to be able to stay open in the future. It makes no sense. I also want to go back a little bit, I think Senator Hunt brought up a lot of good points, particularly dealing with the Governor's decision not to accept more federal aid for renters. And I, I wanted to go back and make sure that I wasn't

misquoting or mischaracterizing the Governor, particularly on this topic, and, and Aaron Sanderford, who's a reporter, was actually, I believe, live tweeting here. And the question was why didn't you apply for a second round of rental funds? Governor Ricketts' answer, quote, We don't have the data to show that we need the assistance. We just don't see that we have the justification for this. We're not trying to create a welfare state here. So first off, I can tell you, I hear from a lot of renters. Because again, my district has the highest percentage of them. And many of them are struggling still to make ends meet. There is a need out there. And did we do the same analysis for all the other federal programs that are going to businesses, nonprofits, you name it? Is that creating a welfare state too? All those businesses that were able to stay open because of PPP, all those people that we're able to keep their jobs or be able to provide for their rent, be able to provide for their mortgage, be able to provide for themselves and their family, is that a welfare state as well? It's interesting what certain people call welfare and apparently what is absolved of the term of welfare. Because there's people all across the state and within this body that have received hundreds of thousands of dollars of government aid at some point in their lives. It's all public record and I'm not discounting it. I think we need to have subsidies for critical industries. I think we need to have government assistance when there's a global pandemic and everything is shut down. But it's really disappointing when we single out certain people, particularly the people that we propote-- excuse me, purport to want to retain and keep in our state because most renters are the working-class folks that we are trying to recruit and attract and retain.

HILGERS: One minute.

MORFELD: Yeah, there's a bunch of other folks that we're trying to do the same thing with, but particularly renters. And when we say giving them government assistance during a time of need is somehow creating a welfare state, but yet when we're giving government assistance to everybody else, somehow that's not. That doesn't make any sense. It also doesn't make any sense to pass this legislation which would tie the hands of school districts to be able to recruit and retain some of the most essential workers which are the people who teach our children. Thank you, Mr. President.

HILGERS: Thank you, Senator Morfeld. Senator Kolterman, you're recognized.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate February 3, 2022

KOLTERMAN: Thank you, Mr. President. Good morning, colleagues. I hadn't planned on talking on this bill, but couple things have-- I've been listening, and I, I just had to say a few things. I do not support LB986 for Senator Briese. He and I have talked about it. He understands my rationale behind it. But I've got a couple of things I just got to say. First of all, I'm pro-education as good as you can get in education. I'm a product of a private school, a public school, a community college, got degrees from all of them. Private college, I attended for a while. State college, I have a degree from there, and I attended the University of Nebraska. Now, it took me a long time to get my degrees, but I got them. I'm, I'm what you'd call a nontraditional student. But it bothers me when we, when we stand on this floor and we try and take local control away from the people that we help elect. We saw it this summer when we were trying to fight the, the, the idea of sex standards. Sign on to a letter. Let's tell those people what they can do and what they can't do. Well, my feeling is we elected those people. Let's let them do their job. And as it turned out, it played out the way we wanted it to. You know, we elect school boards, state school boards, community college boards, boards of regents, city councils, NPPD boards, OPPD boards, REAs, community colleges, and the list can go on and on. What makes us smarter in this body to think that we can know more than the local people? I happen to serve on a school board. I don't think they wasted money when I was on that school board. I consider myself pretty conservative, and yet there's nothing more important to me than to see a kid in any school get a quality education, whether it's a private school that Senator Linehan's promoting and I promote, or whether it's a public school or a private college. We need to let them do their jobs and support them in what they're doing. When did we get a lot smarter than the voters? That's my question. There's, there's moves to let's appoint people to all these boards. Well, we've seen how appointments work out in this body. People, people that have been appointed didn't get reelected because the voters didn't think they were doing a good job. The voters know what they're doing. Trust them. Now the last thing I want to talk about is the criticism of David City Public Schools purchasing a smart table. You know what, when the, when the virus money comes out, when the COVID money comes out, when it came to us as a state, Senator Stinner asked us to prioritize it, use it for one-time purchases that we might not ever get a chance at again. So the David City Public Schools has a meeting. They invite the communities, they invite the Butler County public health people, they look at this table and they say, hey, this makes sense. Let's, let's purchase this. It's a one-time purchase. We'd never do this if we didn't have the COVID money, and they purchased it. And then it shows up on the floor of the

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate February 3, 2022

Legislature like we're supposed to be upset about that. I think it's a wonderful purchase. Aren't we supposed to be teaching STEM, science, technology, engineering and math? What better way to educate kids and to show them on a table like this, a smart table, that we can learn--

HILGERS: One minute.

KOLTERMAN: --by listening and by looking. It's hands on, folks. It's hands on. So I understand the need to control costs. I think our local school boards, our local county officials, our community colleges, they're all doing what they can. It costs a lot of, a lot of money today to educate kids. But if we don't have an educated workforce, we're not going to attract people to this state. We're not going to bring the, the technology people to this state if we don't educate the kids that we have and give them a workforce to work with. So with that, I oppose LB986. I have one-- I've learned a couple of things since I've been here. I've learned patience because we take eight hours on about every bill anymore. And in that period of time, I've learned how to waste time.

HILGERS: That's time, Senator.

KOLTERMAN: Thank you.

HILGERS: Thank you, Senator Kolterman. Senator Matt Hansen, you're recognized.

M. HANSEN: Thank you, Mr. President and good morning, colleagues. I'm really glad that I had the opportunity to follow Senator Kolterman, and I'll get to that in a second. But just for some context, colleagues, of how this debate has been going, I believe all these numbers are accurate or very close to accurate. But when we had started this morning about two hours ago, a little over about two hours and seven minutes ago, we had done about three hours and 37 minutes of debate so far. In my-- by my count, we've done a little over two hours from there, so we're about 5:45, we're about 5:45 hour-- five hours and 45 minutes of debate, granted split across several days on this bill. And this bill is brought forward to rein in out-of-control spending and out-of-control school districts. And as Senator Kolterman pointed out, the only specific instance of any sort of inappropriate spending was a one-time purchase of a smart table in David City and some sort of hand-waving at Lancaster-- sorry, Lincoln Public Schools for just spending too much. But it wasn't even necessarily out of particular event or budget item or incident. It was just they spend too much. So we have one one-time purchase of a smart

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate February 3, 2022

table and just generally LPS spends too much. Colleagues, we're being asked to change how every school district in the state will budget for the rest of time, presumably, until there's another 33 votes to disagree. But for the foreseeable future, at least, we're going to change how every school district in the state budgets in a very restrictive way based on those two examples. Those are the two examples we've got. We have a one-time purchase and just kind of generally LPS something. Why would we expect people like myself, why would we expect other senators who have spoken out in opposition to this bill to be jumping on in support when we can't even necessarily clearly explain what the proponents think the problem is. When I get up and say, I think bills like this are going to harm education. The reason I think that is just the general expenditure of money on education seems to be the overall problem. Like, just the fact that it kind of exists and takes money away from a property tax is, is, like, is the problem. There's not a particular complaint on a particular building, school, teachers, any sort of thing like that. It is just this grand total of we don't like property taxes. The schools take a lot of them. Let's make the schools take less. I agree we shouldn't necessarily be focusing on this debate the way it always gets focused, but I want to point out I want to focus the debate, and I think we should focus this debate on the students. And that's why I don't-- I keep framing it as harming LPS. When I say talking about I'm not willing to do harm to LPS, I'm not worried about, like, the budget administrator in district office having to do more work. I'm worried about actual services in the classroom being cut. I'm worried about class sizes increasing. I'm worried about new schools, needed new schools or expansions not happening. I'm worried about, like, language options or other, you know, benefits that we offer in LPS being cut and narrowed. And I know we've seen that in other school districts and other places have some of those challenges. You know, earlier a senator talked about a, a local school district they had that has a 100-year-old building. Colleagues, that's kind of what I'm worried we're going to start forcing all school districts to do if we don't allow them to grow in or expand or do what their constituents want. There are plenty of places where they probably could do more needed targeted investments. There are probably many school districts who benefit. The way to help those school districts is to find a way to help those school districts not bring a hammer on other school districts. We can lift school districts. We can do things like that.

HILGERS: One minute.

M. HANSEN: We don't-- thank you, Mr. President-- we don't have to do this harsh limitation on all schools. And again, we have talked about

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate February 3, 2022

this now for well over five hours, and we're coming up with a two-point list as far as I've heard of what out-of-control spending is. And one of them is just generally the budget. If we're going to claim and claim and claim we've got an out-of-control school spending in this state, let's say it out loud. Let's tell our constituents what we think that is so they can tell us, hey, that thing that David City, hey, that thing that Lincoln Public Schools did, hey, that thing that, you know, Elkhorn or Gering or whatever did, we like it. That wasn't an expenditure. That's something we, as taxpayers don't mind paying for. Because when you actually say it out loud, our constituents, the parents, the students, they want these things. That's, that's the focus we should be having on actual services to students. Thank you, Mr. President.

HILGERS: Thank you, Senator Hansen. Senator Machaela Cavanaugh, you're recognized.

M. CAVANAUGH: Thank you, Mr. Speaker. Good morning, colleagues. I rise in opposition to LB986, and I would welcome the opportunity to vote for the motion to recommit to committee so that we can move on with the agenda. Although, I really did want to vote on Senator Matt Hansen's amendment because I was going to vote against it, and I don't know if I've ever voted against Senator Matt Hansen in our time together, so I thought that would be a great way to end our year together. But OK, so this bill, now I'm looking at the committee statement and I do like to say as often as I can to our committee coun-- legal counsels that I read the committee statements. So thank you for your work. I always read the committee statements on the floor for any bill that's on the floor, and I always read them for any bill that's in my committee and I rely very heavily on the committee statements for committees that I am not in. So thank you to our legal counsel and also to our Fiscal Office because I also pore over our fiscal notes. I probably look at those two things even more than I do the bills. So I just wanted to tell the staff that work in this building that I appreciate their work. So this committee statement says that LB986 provides two mechanisms to, to exceed its property tax request authority. It appears each mechanism is only available for a one-year override to the property tax request authority. I'll come back to that one-year thing in a moment. The school board may ask for a special election. If 60 percent or more of the legal voters approved to recommend-- approve the recommendation of the school board, the school district may exceed its property tax request authority. OK, let's go back. So a one-year override, it can only last for one year. So then we have to-- if it needs to be multi-year, we're going to have to have multiple years of special elections. So that's an additional

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate February 3, 2022

cost to the taxpayers. Any time we have any election, it costs money. Any time we have an extra election, it costs more money. But then there's the 60 percent, 60 percent or more. And this language of legal voters is-- what's the word, redundant. If you're voting, you're a legal voter. If you're a registered voter, you're a legal voter. So I'm not sure what that's about. It seems like we're putting some, you know, toxic language into statute, but that's just me. But the 60 percent, I'm not aware, and I stand for correction if I'm wrong, but do we have any election in this state where you have to get more than the majority? Just a simple majority on-- I mean, I know we all got elected here by getting the majority of the votes, not a certain percentage. I mean, if you had to get 60 percent of the vote for the Legislature, I think a lot of people in here would then have to have a runoff, which would cost more money. So I don't, I don't particularly think it's a good idea to go down that road of more than just a simple majority of the vote. OK. The amount of--

HILGERS: One minute.

M. CAVANAUGH: --this-- OK. The property tax request authority may be exceeded by a percentage approved by an affirmative vote of at least 75 percent of the school board. OK. Which I think is already the case. The amount of this percentage increase is based on the average daily membership of the school district. So, so smaller schools can have larger percentages. So a school of 471 students can do 7 percent. A school of three thousand forty-four-- forty-- forty-four students can do 6 percent, 10,000 can do 5 percent. More than 10,000 can do 4 percent. A school district that chooses not to increase its property tax request for the full amount of its property tax--

HILGERS: That's time, Senator.

M. CAVANAUGH: Oh.

HILGERS: Thank you, Senator Cavanaugh. Senator Hunt, you're recognized.

HUNT: Thank you, Mr. Speaker. I appreciated Senator Kolterman's comments about the continued theme of us in the Legislature telling other elected boards and groups and bodies and cities and counties and villages what's best for them. And I think a lot of that is just motivated by the short time that we have to be here and that we want to feel like we did something in the short time that we have here. And so we're taking all this low-hanging fruit of like, you know, what are you lying awake at night thinking about, oh, what's something new that

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate February 3, 2022

I can tell people to do as if, like, that's the best use of government, as if that's the best way for government to run. The other day, Senator Friesen was talking about with Senator Patty Pansing Brooks's bill to increase funding for diversion for kids before they get more caught up in our criminal justice system that we're just giving out too many participation trophies. Today, he's talking about we're not giving kids an education. We need to focus on educating kids in a real-life education. So how do we think we're going to do that in the body, by supporting bills like Senator Slama's bill to get rid of the Department of Education? Is that one yours? Sorry, Senator Slama. It's not her bill. But are we going to give kids a real education in Nebraska by getting rid of the Department of Education, by continuing to tell teachers what it is that they can teach in their classrooms, by telling school boards how they have to run their business? We don't know what's right for everybody. I remember a few years ago we did Senator Hughes's bill to ban cities from banning plastic bags. A ban on bans. And as soon as he's out of here, I'm going to bring a bill to, to repeal that law because we have to stop going down this spiral down the toilet of telling other cities and municipalities what's best for them. This measure, LB986, would make it so much harder for schools to provide salary increases for teachers that have hung in there during the pandemic. So how does it make sense for us to tell schools you're not going to have the funding that you need to support the teachers who are hanging in there? Oh, and we're getting rid of the Department of Education. Oh, and here's a list of stuff you're not allowed to talk about in school. No consent, no sexually transmitted diseases, no reproductive health, no critical race theory, which isn't a thing being taught in schools anyway. The Governor has identified priorities like cutting the top tier of income tax, like this LB986 cutting property taxes, but we're not listening to the people in Nebraska who are the ones who are the future of our state. The issues that they're talking about are not things like benefits for homeowners, benefits for property owners.

HILGERS: One minute.

HUNT: Thank you, Mr. President. And we're really doing our kids in Nebraska a disservice if we don't support the school boards and the teachers that are educating them and trust them, just as Senator Kolterman said, to trust the voters. I trust the voters too. I trust the people in David City and Lewiston and Gering and all over the state to elect people to represent them. And you know, I personally, I don't have anything to do with, you know, no one in Gering sent me here as they remind me all the time, some of them, but I still support

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate February 3, 2022

their right to have the local control and run their schools and run their cities the way they want to. And that, to me--

HILGERS: That's time, Senator.

HUNT: Thank you.

HILGERS: Thank you, Senator Hunt. Senator Pansing Brooks, you're recognized.

PANSING BROOKS: Thank you very much. I appreciate the comments from Senator Hunt about how we want to criticize everything that the schools are doing. Senator Erdman talked about the fact that some of these, some of these school districts have hired lobbyists. And while that may seem unreasonable to some people, fortunately, the educators are not spending their days here trying to educate us about the issues as well as and then leaving the children who need to be educated makes no sense. So yes, because we continue to bring laws that deal with the schools, they have to have people to come down and tell us why they don't think it's a good idea. We are not all experts in every law that is, is, is attempted to be brought before us. I'd like to ask Senator Briese some questions if I could, please?

HILGERS: Senator Briese, would you yield?

BRIESE: Yes.

PANSING BROOKS: Thank you, Senator Briese. So one question I have is, could you explain the thought process on having a higher board override authority for smaller districts, but a lower authority for larger districts?

BRIESE: Yeah, that's a great question, and I was talking to my--

PANSING BROOKS: Thank you.

BRIESE: --staff about that the other day. When we developed this bill, we were talking to some folks in education, and that was actually a suggestion of some folks in the education community. And I can't tell you exactly who it was offhand, but I think the thinking was on a small district with small enrollment, you know, if they have to go out and purchase a bus or something or a very substant-- it'd be very easy to hit a-- quickly hit a percentage that might be problematic for them in a, in a larger district with a bigger budget. Those ebbs and flows would be, I think, a little bit smoother. But that's about all I can do on that particular issue.

PANSING BROOKS: I just-- I don't really still understand it because it does seem a little bit unfair to the various districts. But also, I'm wondering, school districts have to provide services for students and their costs can vary greatly from year to year. And you mentioned the purchase of a school bus or another might see a huge jump in insurance costs. How do these schools raise enough revenue to cover this cost?

BRIESE: Yes, and I would like to back up too, I think I've indicated a couple of times that I'm not particularly married to some of these numbers and those percentages in particular I'm not married to. But yes, those-- we do need to give schools the ability to cover those unexpected, unforeseen circumstances. And that's what this measure tries to do with the 75 percent vote of the board. And again, those percentages, I'd sure talk about those if anybody was interested.

PANSING BROOKS: So again, I, I have concerns about the 75 percent because it means six out of seven members have to agree on the Lincoln School Board and a school board with six people, five would have to agree so that's a really high, high percentage. But I'm also wondering whether or not wouldn't a, wouldn't a cap in revenues result in schools levying the maximum growth each year because they want to protect themselves from future, future fluctuations in valuations? Doesn't it just cause them to just take the most possible because they see that they're going to be capped at some point, so we might as well take the highest we can right now?

BRIESE: Yes, that, that is a, a common concern often voiced by opponents of caps, but in this situation--

HILGERS: One minute.

BRIESE: --that unused can be carried over. And I, I think the taxpayers are sufficiently protected. But yeah, that's an issue that does arise.

PANSING BROOKS: So again-- thank you for your answers, Senator Briese. I just-- local control is continually the bedrock. That's what I've learned so much in this body about how important local control is. And I just don't understand because the local, the local officials, are the ones that will answer to the communities they serve, and the schools are already subject to spending limits and to, to levy limits. So I just don't even get why we aren't trusting them to do their jobs, hampering them once more, putting them in shackles to not be able to do what they need to do for their communities. So thank you very much, Mr. Lieutenant-- or Mr. Speaker.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate February 3, 2022

HILGERS: Thank you, Senator Pansing Brooks and Senator Briese. Senator John Cavanaugh, you're recognized.

J. CAVANAUGH: Thank you, Mr. Speaker. And again, I rise in opposition to LB986. I don't have any new numbers for you. I'm sorry. I've worked on those. I'll look at some more. But the conversation about local control had me thinking about a lot of the other stuff as well. And, you know, I, I agree with the concept of local control. You know, we have, I think Senator Kolterman pointed out, a lot of elected positions in this state. We elect probably more things across the state than just about any other state with our public power and our, our water utility and our, well, NRDs as well. I was thinking of our MUDs, water utility, and then our NRDs. And, you know, being on one political side of the political spectrum or, or the other, you know, everybody has their-- they're happy or upset with the outcomes of local elections and people take different approaches to that. And I can tell you, I've been on my fair share of the losing side of elections. And you know, I, I don't-- I, I have not gone and tried to change the system of how we elect and make those decisions. I have been involved in elections and tried to change the outcome of those elections the old fashioned way. And I have obviously come here and advocated for policy positions that I agree with and against ones I disagree with and but always keeping in mind that, that the people have a voice and that their voice should be respected and considered, and it sometimes becomes convenient to argue local control when you don't like who's in charge at the top. We rail against the federal government when the opposition party is in control of all the branches of government and rail against the state government when the opposition party is in control of those levers. And when you are at the state level and you don't like what a local entity is doing, apparently it's up to you to change how those boards can be elected or apportioned or how they-- what powers and levers they have because you don't like how the people of a local entity are exercising the power that has been retained by them. I'm sure Senator Halloran and others, we had that conversation about LR14 and other, I guess, philosophical arguments about how government works. And there is the idea that all power comes from the consent of the governed and goes to the state to be exercised. But it still is reserved by the people, and that's why we have the initiative referendum process that is still reserved to the people for their exercise of their opinion. And, of course, this bill has a, a referendum process in there that is more difficult to exercise than other referendum processes we have in the state, which is another picking and choosing which opinions have value or get exercised. I, I don't see us telling school boards with the referendum

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate February 3, 2022

process how to do other things or making it difficult for other referendum process. We're not lifting the standard for statewide ballot initiatives or actually people might not know this, but we have the potential for a referendum process within the city of Omaha, at least, where you could make a-- propose a city ordinance by referendum. And we don't-- we aren't addressing either of those concerns because we don't care about those outcomes at this point, right, sometimes some of us like the outcomes of some of those and some of us just like other outcomes. And so this is a specific approach at making it harder for people to exercise their one power that is inherently their right to exercise, which is--

HILGERS: One minute.

J. CAVANAUGH: --to elect a local school board to make the decisions about the budget and management of that school as they see necessary. And Senator Pansing Brooks and others have just mentioned that we already have a number of fiscal restraints on how they-- there's already a levy limit, there's already budget constraints. There's lots of other constraints on these boards in terms of how they administer the money currently. And this would just be one more layer on top of that to put between the people and their right to make this decision for themselves. So again, I would stand in opposition. Thank you, Mr. Speaker.

HILGERS: Are you finished, Senator Cavanaugh? Thank you, Senator Cavanaugh. Senator Morfeld, you're recognized.

MORFELD: Thank you, Mr. Speaker. There we go, we got the microphone working, things are good. We're almost to lunch. OK. So colleagues, I do want to, you know, first, there's two things that were pointed out. One, it's David City Public Schools' purchase here being used as, I guess, the, the example of why this bill is needed. And then the second thing that I didn't realize, I'm glad some of my colleagues brought this up. I didn't realize that it would require a 60 percent vote and then a three-fourths vote by the board to be able to override. So I guess I am not aware and I could be corrected, I'd love to be corrected on this, I'm not aware of any other requirement that we have a super, supermajority vote of the people in order to pass a bond issue. So not only do I have concerns about this bill in terms of what kind of impact that this will have on our public education system, it's also kind of an anti-majoritarian democratic bill. I mean, I think that that should concern all of us. Are we going to set the precedent now that when there's something that's important to us, we just ignore the majority will of the people and decide to have a

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate February 3, 2022

supermajority? How is that fair? Is that a good precedent to set? Where do we end with that? So we'll talk about that in just a little bit. I want to do a little bit more research on that. I guess we'll talk about it next Tuesday. But in any case, in terms of the David City Public Schools and this purchase of technology, I don't understand why this is a bad thing. I mean, do we just want our kids, you know, going to school and rubbing rocks together and playing in the dirt and learning about just math and how to read and write? I mean, those are all really important things. I want them to learn that at a base level. But I also want them to be able to go in the workforce and actually, I don't know, work in 21st century fields. So the fact that a piece of technology was bought that helps promote STEM, and also, more importantly and more specifically, helps promote training kids on how to be in the healthcare industry and become doctors and nurses and healthcare professionals is somehow held up as the example of waste is just kind of surreal. This is the example is that a school out in rural Nebraska bought a piece of technology to make it so that their kids can actually go into a 21st century workforce and fulfill a healthcare shortage need? This is it? But you know what, all the other examples we have to keep secret. Those are really secret. We don't want to embarrass anybody, but what we do want to do is make it so all these schools then have to go make even tougher decisions about where to cut and who to cut in their districts after we pass this. But we have to keep it a secret. Colleagues, this is a bunch of nonsense. I want schools to be investing in 21st century technology so that our kids are actually competitive and can actually go out and work in the workforce. I hope more school districts purchase this. If Lincoln Public Schools hasn't purchased this technology, I'm going to be going out in the lobby and asking why? So that we can be competitive with David City Public Schools. This is how absurd this conversation is. This is how absurd this bill is and the rationale for it.

HILGERS: One minute.

MORFELD: It's not necessary. If we had a spending problem in our public schools, you would see a wave of public school board members get unelected, booted out of office. You don't see it. It's not happening because this bill is not addressing a problem. Thank you, Mr. President.

HILGERS: Thank you, Senator Morfeld. Senator Matt Hansen, you're recognized.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate February 3, 2022

M. HANSEN: Thank you, Mr. President, and good morning again, colleagues. Yes, kind of fundamentally, that's the, that's the, that's the, that's the issue here is we are being told that there is runaway school boards, out of control spending, all sorts of things and we as the state have to come down as a hammer. And this bill has been described as a hammer at some point by some of the supporters, by some of the proponents. It's also been described as symbolic and do nothing by some of the supporters and some of the proponents. This alludes to, I think, Senator DeBoer's speech a couple of times of genuinely trying to figure out how bad it is or how not it is. But in either case, when you're trying to decide between useless or vindictive, neither of those are good outcomes for describing legislation. And in my mind, it's very clear. I mean, the examples that we hold up as things we want to rein in, things we want to eliminate, things we want to take away from our local school boards are things like buying technology and like building elementary schools. That's like what's been discussed so far in this debate in support of the idea of reining in school spending. And again, I want to remind everybody reining in school spending, putting these harsh caps on is also openly discussed as being the first proponent-- first step in a process to ultimately then change the school funding formula or TEEOSA formula. And when we are starting with that level of debate to where we don't want schools buying technology, we don't want schools building new buildings, I'm uncomfortable of how the debate on school funding is going to look because that's approaching education from such a different place of myself and a number of colleagues. I don't know how or why I should be looking forward to or excited for that conversation. I'm willing to work on issues. I've certainly been willing to work on issues in the past related to taxes, related to school finance, related to spending, all sorts of things. But when we're starting from this premise of treating schools as kind of like an enemy to be reined in as opposed to, you know, the embodiment of our local citizens wanting to spend things on their own children, as has been pointed out, you know, issue after issue in the city of Lincoln, bond issue passing and passing these school board members serving, you know, it's they seem to be doing the public's will. They seem to be doing the public's will. And people who aren't elected by those bodies who aren't elected from Lincoln largely are trying to come in and hold them out and single them out and say, no, you have to stop doing what you're doing. You have to stop doing what your constituents want and continually approve of because we want to pass a different bill in the future and we have to control your spending first before we possibly cut your state aid later. Again, when this is pitched to us, this is what's said and some of the openings we had a couple of days ago as the strategy moving

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate February 3, 2022

forward is the thing we in this body all know that the property tax credit formula is growing and growing to be used for some other mechanism in the future. Why on earth are we expecting people who represent districts like mine to vote for this in any way, shape, or form? Why aren't we expecting the fierce opposition we get? Colleagues, I think the other day somebody kind of, can't remember exactly who, but described this as not worthy of a filibuster, not worthy of eight hours. This is inherently worthy of eight hours because it is a direct attack on the quality of education that the children in my district provide. And if there's one thing I've shown over and over again is that when you are going in and you are trying to make the classroom experience for children worse, or if you don't care whether or not you make the classroom experience for children worse, I'm going to fight that tooth and nail to the end of the day, to the end of the eight hours, whatever I have to do. I'm appreciative that I've had--

HILGERS: One minute.

M. HANSEN: --so many other-- thank you, Mr. President-- I'm appreciative that I've had so many other senators standing with me and standing with, frankly, the children of the state of Nebraska these past two days. And I want people to know going into this long weekend that we're going to continue this and we're going to keep defending just basic principles of education going forward in the state of Nebraska. So with that, thank you, Mr. President.

HILGERS: Thank you, Senator Hansen. Senator Wayne, you're recognized for an announcement.

WAYNE: Thank you, Mr. President. And colleagues, before you leave today, and have a great weekend and have a safe weekend, I just want to announce that on Tuesday at 9:30, we will be doing a briefing in either 1524 or 1525 regarding LB1024, which is the north, north Omaha and south Omaha recovery plan we have combined. And we just want to give a briefing because I think there's a lot of rumors that we're just throwing money at this. But if you would have come in and listened to the testimony that was brought, this is a very pro-business plan. This is not a social program plan. And I want to hit on some key developments that the chamber brought out and that one person actually came and testified and said they are going to move their company here. And there's four other companies who are looking in this area. It's a big development for an area that's been neglected by all levels and all political parties. So I've asked a couple of you already to attend, but I couldn't get to everybody before we got done,

Transcript Prepared by Clerk of the Legislature Transcribers Office
Floor Debate February 3, 2022

so I would ask you to attend at 9:30. There will be an email before session. I'm just asking for 25 minutes of your time to hear the, the big ideas that we're talking about that are not some pie in the sky, but actually the chamber and other people have put studies and dollars behind these already to make sure this happens. Thank you, Mr. President.

HILGERS: Thank you, Senator Wayne. Mr. Clerk for items.

ASSISTANT CLERK: Thank you, Mr. President. Your Committee on Revenue, chaired by Senator Linehan, reports LB939 to General File with committee amendments. Designation from Senator Morfeld that LB519 will be his personal priority. In addition, letter from Senator Linehan as Chair of the Revenue Committee selecting LB933 [SIC--LB939] as the committee priority bill. Amendments to be printed to LB773 from Senator Brewer. Mr. President, Senator Wayne would move to ask unanimous consent to move the public hearing on AM1737 to LB446 by the Urban Affairs Committee from 1510 to 1525 on Friday, February 11, 2022.

HILGERS: Without objection, so ordered.

ASSISTANT CLERK: Notice of committee hearing, the Business and Labor Committee gives notice of an Executive Session at noon, Business and Labor Executive Session, noon on Tuesday, February 8. Name adds: Senator Blood to LB779 and LB841, Senator Brewer to LR284. Finally, Mr. President, priority motion, Senator Wayne, excuse me, would move to adjourn the body until Tuesday, February 8, 2022.

HILGERS: Colleagues, you've heard the motion. All those in favor say aye. Opposed say nay. We are adjourned.