

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Government, Military and Veterans Affairs Committee January 22, 2025  
Rough Draft

**SANDERS:** Welcome to the Government, Military and Veterans Affairs Committee. I am Rita Sanders, Senator Rita Sanders, from Bellevue. I represent District 45, which is the Bellevue-Offutt community. The committee will take up bills in the order posted. This public hearing is your opportunity to be part of the legislative process and to express your position on the proposed legislation before us. If you are planning to testify today, please fill out one of the green testifier sheets-- Julie usually holds that up-- that are on the table in the back of the room. Be sure you print clearly and fill it out completely. When it is your turn to come forward to testify, give the testifier sheet to the page or the committee clerk. If you do not wish to testify but would like to indicate your position on a bill, there are also yellow sign-in sheets on the back room table for each bill. These sheets will be included as an exhibit in the official hearing record. When you come up to testify, please speak clearly into the microphone. Tell us your name, spell your first and last name to ensure we get an accurate record. We will begin each bill hearing today with the introducer's opening statement, followed by proponents of the bill, and then opponents, and finally anyone wishing to speak in the neutral. We will finish with a closing statement-- usually by the introducer-- if they wish to give one. We will be using a three-minute light system for all testifiers. When you begin your testimony, the light on the table will be green. When the yellow light appears, you have one minute remaining. And the red light indicates your time has ended. Questions from the committee, though, may follow. Also, committee members may come and go during the hearing. This has nothing to do with the importance of your bill being heard. It is just part of the process, as senators may have bills to introduce in other committees. A few final items to facilitate today's hearing: if you have handouts or copies of your testimony, please bring at least 12 copies and give them to the page. If you do not have enough copies, the page will make sufficient copies for you. Please silence or turn off your cell phones. You may see committee members using their electronic devices for more information. Verbal outbursts or applause are not permitted in the hearing room. Such behavior may be cause for you to be asked to leave the hearing room. Finally, committee procedures for all committees state that written position comments on a bill be included in the record must be submitted by 8 a.m. the day of the hearing. The only acceptable method of submission is via the Legislature's website at the

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Government, Military and Veterans Affairs Committee January 22, 2025  
Rough Draft

nebraskalegislature.gov. Written position letters will be included in the official hearing record, but only those testifying in person before the committee will be included on the committee statement. I will now have the committee members introduce themselves to us, starting on my right with Senator Hunt.

**HUNT:** Hi, everybody. I'm Senator Megan Hunt, and I represent District 8 in the northern part of midtown Omaha.

**GUERECA:** Senator Dunixi Guereca, LD7: downtown and south Omaha.

**ANDERSEN:** Good afternoon. Bob Andersen, representing District 49 in Sarpy County, Omaha.

**SANDERS:** And Bob is-- Bob Andersen is also my vice chair.

**LONOWSKI:** Senator Dan Lonowski. I represent District 33, which is Adams, Kearney, and Phelps Counties.

**WORDEKEMPER:** Senator Dave Wordekemper, Legislative District 15, which is Dodge County and western-- northwestern Douglas County.

**McKEON:** Dan McKeon, District 41: central Nebraska, eight counties.

**SANDERS:** Also assisting the committee today: to my right is our legal counsel, Dick Clark; and to my far left, our committee clerk, Julie Condon. We have two big-- two pages for our committee today. And I will ask the pages to stand up and introduce themselves.

**DEMET GEDIK:** Hi, my name's Demet Gedik. And I'm a political science major at UNL.

**LOGAN WALSH:** Hi, I'm Logan Walsh. I'm a junior at UNL studying econ and finance.

**SANDERS:** Thank you. With that, we will begin today's hearing on LB126. Welcome, Senator Holdcroft.

**HOLDCROFT:** Good afternoon, Chairman Sa-- Sanders and members of the Government, Military and Veterans Affairs Committee. For the record, my name is Senator Rick Holdcroft, spelled R-i-c-k H-o-l-d-c-r-o-f-t. And I represent District 36, which includes west and south Sarpy County. Today, I am introducing LB126. This bill is brought on behalf of the Nebraska Association of County Officials to allow counties that

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Government, Military and Veterans Affairs Committee January 22, 2025  
Rough Draft

sell their bonds using a competitive sale process to have a ten-year call rather than the current five-year call for all bond sales. There are two approaches to selling bonds: a competitive approach and a negotiated approach. Under a competitive approach, underwriters submit bids to purchase the issuer's bonds in accordance with the terms set by the issue in a notice of sale. LB126 would allow counties using a competitive sale process to use a ten-year call. A ten-year call is a customary provision in the national bond market, where competitive sales occur. This flexibility is expected to help lower borrowing costs for counties that use this method. Can-- counties that currently use a negotiated sale process would continue to be able to use a five-year call. Negotiated bond sales for counties normally involve underwriters selling bonds to Nebraska bond purchasers who are accustomed to the five-year call provisions. In addition to the call provision, Section 3 of LB126 would modernize the statutory bond provisions to match current practice. A representative from NACO will follow and can explain the process in more detail. Chairwoman Sanders and members of the Government, Military and Veterans Affairs Committee, thank you for your consideration of LB126.

**SANDERS:** Thank you, Senator Holdcroft. Are there any questions from the committee? I see none. You will stay for closing?

**HOLDCROFT:** I will stay for close.

**SANDERS:** Thank you. I'll now open for testifiers on LB126. I'd like to give consideration to anyone traveling a pretty far distance. If they would like to go first, please do so. Again, LB126 proponents.

**BETH BAZYN FERRELL:** Good afternoon.

**SANDERS:** Welcome.

**BETH BAZYN FERRELL:** Thank you. Good afternoon, Chairwoman Sanders, members of the committee. For the record, my name is Beth, B-e-t-h; Bazyn, B-a-z-y-n; Ferrell, F-e-r-r-e-l-l. I'm with the Nebraska Association of County Officials, otherwise known as NACO. And I'm here in support of LB126. We'd like to thank by-- start by thanking Senator Holdcroft for introducing this bill on our behalf. He's done a great job of explaining the difference between competitive sales of bonds and negotiated sales of bonds. As he said, the goal of LB126 is to provide counties with an ability to respond to market conditions and

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Government, Military and Veterans Affairs Committee January 22, 2025  
Rough Draft

use whichever approach is more appropriate for them, whether that has a, a longer call period or a shorter call period. There are other public agencies that are authorized to use a longer call period, as would be provided in this bill. For example, public power districts, cities with a metropolitan and primary class, some school districts, the University of Nebraska, and some others are allowed to do that. For counties that don't want to use a competitive sale, they would stay with the five-year call period. Most of those counties are smaller in the sense that they're under 150,000 population. But we support this because it gives counties more flexibility in their bonding process. I would be happy to answer questions, but if you have technical questions, I will defer them to Mike Rogers with Gilmore and Bell. He will follow me. He's the expert in bonds.

**SANDERS:** Thank you for your testimony. Are there any questions? I see none. Well done. Thank you. Welcome to the Government Committee.

**MIKE ROGERS:** Thank you, Senator. Good afternoon. My name's Mike Rogers, M-i-k-e R-o-g-e-r-s. I'm a bond attorney with Gilmore and Bell. Here representing Sarpy County. Senator Holdcroft did an excellent job of explaining what this bill does. It's relatively short, so I will see if there are any questions and not double up on saying the same things he just, he just said and Be-- Beth just mentioned.

**SANDERS:** OK. Thank you. Are there any questions? I see none. Whoa. We're moving along pretty quick. Thank you for your testimony.

**MIKE ROGERS:** Thank you.

**SANDERS:** Are there any other proponents on LB126? Any opponents on LB126? Neutral? No? Good. No one on the neutral. Senator Crawford-- Crawford, if you'd like to--

**HOLDCROFT:** Holdcroft.

**SANDERS:** Holdcroft. His close.

**HOLDCROFT:** We just met. Well, thank--

**SANDERS:** Thank you, Holdcroft.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Government, Military and Veterans Affairs Committee January 22, 2025  
Rough Draft

**HOLDCROFT:** Thank you. So this bill is one that I brought actually last, last year. It was formally LB1175, which came out of this committee 6-0, with two people a-- being absent. And it was-- as you can see, it's, it's really, I think, a, a no-brainer going forward. We did submit it to consent calendar last year, but it did not get picked up as one of the ones that was done by consent-- consent calendar. And we could not find another avenue for it to get passed. So, you know, I think, you know, we have an opportunity here. This bill was presented later in the session. You know, now, during the first part of the session, we have kind of a period of where the Speaker will schedule nonpriority bills. And so if a committee can get some of these easier bills out sooner and let the Speaker schedule them for the floor, then we might be able to pass more, more legislation that way. I think this is a great candidate for that. If not, if, if we can at least get, you know, a 6-0 or 8-0 result, I will submit it for the consent calendar, and I think we have a good possibility there also. So with that, I'm, I'm happy to answer any of your questions.

**SANDERS:** Thank you, Senator Holdcroft. I see no questions. We don't have a summary on any online comments, and so you're--

**HOLDCROFT:** I checked and I didn't see any either.

**SANDERS:** Thank you very much. And now we will open on--

**HOLDCROFT:** LB135.

**SANDERS:** LB135.

**HOLDCROFT:** OK. So that was the easy one. Now we have a little more interesting one. Not challenging, but interesting. Good afternoon, Chairman Sanders and members of the Government, Military and Veterans Affairs Committee. For the record, my name is Senator Rick Holdcroft, spelled R-i-c-k H-o-l-d-c-r-o-f-t. And I represent Legislative District 36, which includes west and south Sarpy County. Today, I'm here to introduce LB135. LB135 is a reintroduction of a similar bill I brought last year, LB878. LB878 was advanced by the Education Committee to General File during the 2024 session. I am hopeful that this committee will again see the merits of moving this bill forward. When I ran for Legislature, like many of you, I knocked on thousands of doors in my district. Overwhelmingly, the constituents I talked to repeatedly told me stories of how property taxes were rising, and

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Government, Military and Veterans Affairs Committee January 22, 2025  
Rough Draft

significantly. Part of my platform as I ran for the Legislature was a commitment to work hard to find solutions to help lower the property tax burden facing Nebraskans. Issues of bonding and levy authority impact property tax bills. School districts in Nebraska rely heavily on special mail-in elections. In 2023, two schools in my district-- Papillion-La Vista School District and Millard School Districts-- utilized the special election process. Now, Millard's special election for a levy override passed with only a 34.5% voter turnout. 34.5%. Papillion-La Vista special election for a new bond passed with just a 33% vote turnout. 13 days after the 2024 general election, the Millard Public School Board voted unanimously to put a bond question to a vote of the people through a special mail-in election that will occur on February 11, 2025. I can't help but ask, why couldn't they have proposed this sooner so that it could have been put to vote of the people in Nebra-- in November of 2024? There was a 53% turnout in Sarpy County for the November 2022 general election and 78% of voters turned out for the November 2024 general election. I think it's important that there is as much voter input as possible when it comes to the proposed ballot questions impacting our tax bills. That's why I'm bringing this bill. LB135 proposes that schools and educational service units seeking voter approval for the issuance of bonds and exceeding levy limits only do so in conjunction with a statewide primary or general election in even years or in conjunction with a political subdivision's primary or general election in odd years. When it comes to electing those who govern us, we strive to engage voters and encourage them to make their voices heard. Given the escalation in property valu-- valuations and the taxes we pay on those parcels, I think it's equally important to engage as many voters as possible on issues such as bonding and levy overrides because they too impact the property taxes we pay. Chairwoman Sanders and members of the Government, Military and Veterans Affairs Committee, thank you for your consideration of LB135. I will be glad to answer any questions you might have.

**SANDERS:** Thank you, Senator Cro-- Holdcroft. Are there any questions from the committee? I see none.

**HOLDCROFT:** OK. I will stay for close.

**SANDERS:** Thank you very much. We'll now open for the public hearing on LB135. Are there any proponents? Welcome to the Government Committee.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Government, Military and Veterans Affairs Committee January 22, 2025  
Rough Draft

**NICOLE FOX:** Good afternoon, Chairwoman Sanders and members of the Government, Military Affairs-- Military and Veterans Affairs Committee. I'm Nicole Fox, N-i-c-o-l-e F-o-x. And I am director of government relations at the Platte Institute. Platte Institute supports policies representing both good governance and reduced economic burdens for Nebraskans. LB135 is one such proposal, and I want to thank Senator Holdcroft for introducing it. LB135 is a proposal that reflects a policy solution that we've promoted in multiple publications over the past two years to address rising property taxes. Nebraska has the seventh highest property tax rates in the country, and school bonding and levy overrides are contributing factors. Nebraska's statewide school bond debt currently totals \$373 billion. School bond taxes levied for fiscal year '23-24 totaled \$318 million. While those promoting bond proposals claim that passing the bond issue will not increase property tax levy rates, the passage of new bonds contributes to additional property tax dollars being paid by Nebraska property owners, and you-- one of my handouts illustrates that. After the 2024 general election, York County officials reported in a press release that a \$39.5 million school bond passed at a preliminary levy cost of 11.8 cents over 25 years based on current valuations. While there may not be a resulting sharp increase in the tax levy rate, officials confirmed the school bond passage will come with a cost over time. LB135 is a good governance bill. It, its intent reflects the need to limit bond elections to when voter turnout is higher. Special elections generally take place in the shadows of the news cycle. Because of this, both the media and the general public tend to overlook these elections. General elections are more desirable because we want a broader spectrum of voter representation as well as for voters to be well-informed on each side of an issue so they can make well-informed decisions. Additionally, the cost of all elections ultimately gets passed on to the taxpayer. Regardless of the number of voters, there are fixed costs associated with elections. Per discussions with county election commissioners, when comparing the cost per voter, special elections are significantly more expensive, sometimes three to-- times more costly. Special elections introduce added cost drivers, primarily those related to staffing needs. Finding the added staff needed for a special election is difficult. And because there is often a shortage of workers, overtime pay is necessary. Regular staff also have requirements for-- or-- regular staff will also often require overtime pay, and that is because state statutes require the election offices be, be open beyond regular hours

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Government, Military and Veterans Affairs Committee January 22, 2025  
Rough Draft

to allow voters to register. In 2023, our neighbor Iowa passed a broader yet stricter version of what LB135 is proposing. It requires that all political subdivisions hold their bonding elections during November general elections only, ensuring more voices are heard when the issue of local debt is in question. On behalf of the Platte Institute, I thank you for the opportunity to testify today. And I'm happy to take any questions.

**SANDERS:** Wow. Well done. [INAUDIBLE] three minutes.

**NICOLE FOX:** I try.

**SANDERS:** Thank you. Are there any questions?

**LONOWSKI:** I have one, ma'am.

**NICOLE FOX:** Sure.

**LONOWSKI:** Senator Lonowski. So it-- is it a disadvantage for these-- for a school district to hold a bond issue in an off year? Or is an advantage to them? Does that make sense? I'm asking what--

**NICOLE FOX:** Well, I, I, I would say that-- I mean, in an off-- when, when you say an off year, you mean a, a nonnat-- like a--

**LONOWSKI:** Right. A nongeneral election time.

**NICOLE FOX:** Well, I mean-- and say that again. You're asking is it to the disadvantage-- say that again.

**LONOWSKI:** Either. So, so we're asking that these bond issues be held, like, during general election to get out-- to get more voter turnout.

**NICOLE FOX:** Yup, to get the message out on both sides [INAUDIBLE].

**LONOWSKI:** Wouldn't that be prudent of the people wanting that bond issue to pass? Wouldn't that be prudent for them to always do that, to always be on the general election--

**NICOLE FOX:** You would--

**LONOWSKI:** --cycle?



Transcript Prepared by Clerk of the Legislature Transcribers Office  
Government, Military and Veterans Affairs Committee January 22, 2025  
Rough Draft

**NICOLE FOX:** Well, you would hope. Obviously, with a general election cycle, you're going to [INAUDIBLE] voter turnout, more people are going to be paying attention. So I guess it depends on if they're hoping people are paying attention. I don't know if that answers your question, but.

**LONOWSKI:** OK. Yeah. I'm just curious. OK.

**NICOLE FOX:** Yeah.

**SANDERS:** Thank you. Are there any other questions? Mr. Gue-- Senator Guereca.

**GUERECA:** Do you know how many school districts, if, if they do do an off-cycle bond election, would use mail-- the mail-in process, only mail-in process?

**NICOLE FOX:** I mean, it seems-- you're saying special elections? I'm sorry.

**GUERECA:** Yes, special elections [INAUDIBLE].

**NICOLE FOX:** I mean, based on looking back at recent years-- and when I say recent years, I'm talking, you know, past four or so-- I-- it appears to me that pretty much all special elections have been mail-in.

**GUERECA:** Thank you.

**SANDERS:** Any other questions? Seeing none. Thanks, Ms. Fox.

**NICOLE FOX:** All right.

**SANDERS:** Appreciate it. Any other proponents? Opponents? Welcome back.

**MIKE ROGERS:** Thank you. Nice to have these on the same day. Good afternoon again. My name is Mike Rogers, M-i-k-e R-o-g-e-r-s. I am a bond attorney with Gilmore and Bell in Omaha. I represent multiple school districts around the state of Nebraska as a bond attorney. I'm here testifying in opposition to LB135 because it would eliminate significant legal rights and authority for school districts throughout the state of Nebraska. Many school districts opt for special elections because they experience higher voter turnout and higher voter participation at special elections that are conducted by mail. This is

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Government, Military and Veterans Affairs Committee January 22, 2025  
Rough Draft

because voters receive their ballots in the mail and have multiple days or weeks to consider their decision and to study the, the question carefully rather than only one day to show up for an election that's crowded out by other issues and candidates vying for attention. Pardon me. The, the committee should explore data from election commissioners throughout the state to see what voter turnout looks like for special elections compared to general and primary elections. In the last four years alone, there have been multiple districts in Nebraska that have seen voter turnout at special elections in excess of 65% or 70%, including Laurel-Concord, Stuart, Crofton, Raymond Central, Humphrey, Twin Rivers, Wakefield, Bancroft-Rosalie. Those districts all had mail-in special elections at exc-- that saw high voter turnout. Not all of them passed. Some of them the voters refused to, to permit the, the bond, bond issue. In addition, there are occasions with higher voter turnout and, in fact, a substantial number of instances where a school district calls a special election within a year of a primary or a general election and sees higher voter participation at the special election than they do at the primary election or general election. That would almost certainly be true in the case of elections held in the city of Lincoln or the city of Omaha, where voter turnout is dramatically lower than at the statewide general and primary elections. The, the language, incidentally, regarding city elections is unclear, and there is language that exists in the statutes that would make it clearer as to what the intent there is. It appears from, from the, the, the bill that it's intended to allow for special elections in odd years for school districts that are in Lancaster-- or, in Omaha or Lincoln that would produce some interesting outcomes. For example, Omaha Public Schools has territory in Sarpy County. So the Sar-- Sarpy County would need to set up polling places in connection with the city of Omaha election if Omaha Public Schools would-- were to call an election there. Similarly-- I'm sorry. I'm out of time.

**SANDERS:** Would you like to finish your thought?

**MIKE ROGERS:** Please. Thank you. While Gretna Public Schools does not have any territory in the city of Omaha right now, there is territory immediately adjacent to the city of Omaha, and it would seem likely that the city of Omaha would annex that territory, resulting in territory for Gretna Public Schools in the city of Omaha and the possibility of, of that school district calling a special election in an odd-number year to be held in connection with the city of Omaha

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Government, Military and Veterans Affairs Committee January 22, 2025  
Rough Draft

election, also requiring Sarpy County to set up polling places in, in that area. In-person versus mail-in elections. Incidentally, that's a, a, a decision that the election commissioner in each county gets to make. So whether something is a special election is held by mail, that's-- the-- that decision is solely held by election commissioners, in case the committee is wondering.

**SANDERS:** OK. Thank you, Mr. Rogers. I'll check to see if there's any questions from the committee. Senator Andersen.

**ANDERSEN:** Thank you, Chairwoman. Mr. Rogers, your contention that the-- can you present to this committee the details of a mail-in ballot? You-- I mean, your contention is that they're equally, if not higher, than the in-person voting. Can you provide that data to this committee?

**MIKE ROGERS:** I don't have it with me, but I could, I could find it and, and provide it to the, to the committee, yes. I, I don't know how complete it would be. That's why I don't-- and I, I don't know what the committee's resources are for seeking that out. It would involve going to election commissioners around the state. I found some, some data to indicate that there is higher do-- voter turnout with mail-in elections compared to the regular cycle of primary and general election that would immediately follow that mail-in election. But I, I will, I will find some of the data and, and provide it, yes.

**ANDERSEN:** Thank you.

**SANDERS:** Are there any other questions? Seeing none. Thank you.

**MIKE ROGERS:** Thanks.

**SANDERS:** Any other opponents? Welcome back to the Military, Government, Veterans Affairs.

**JACK MOLES:** Thank you. Morning, Chair-- Chairperson Sanders, members of the committee. My name is Jack Moles. That's J-a-c-kM-o-l-e-s. I'm the executive director for the Nebraska Rural Community Schools Association, a group made up of 244 public rural schools, educational service units, and a few colleges, representing almost 89,000 rural public school students. And on behalf of NRCSA, I would like to testify in opposition to LB3-- LB135. Tying school elections or-- for board elections, levy elections, or levy override elections to

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Government, Military and Veterans Affairs Committee January 22, 2025  
Rough Draft

statewide primary or general elections causes many timeline issues that would cause districts difficulties. Some examples. First of all, current school budgeting statute allows the Board of Education to put a vote of the, the people to the ability of the board to exceed the levy limitations. If the election is tied to a primary or general election, the local board would only get to go to the people every other year to seek approval for an override. The sheer timing of the statewide primary or general elections does not coincide with the timing that a board of election-- Board of Education would need with a levy override vote. A November vote comes a month after their budgets are due. A May vote would come about a month after schools are required to tell certificated staff whether they're going to be-- whether they will be coming back or not. If a district would have a failed bond election, the Board of Education might go back to the patrons to receive more input. Under LB878, it would need to-- it would need to wait one and a half to two years to run an amended bond election. In the meantime, costs for materials for the projects will likely go up, thus causing the price of the project to rise dramatically. The timing of a bond election is often suggested by the districts financial advisors based on when other projects might be beginning. This can often save the district's taxpayers' money in, in a successful bond election. It is true that only having elections coincide with the statewide primary or general elections could save money for the districts just on the cost of the election. However, removing the board's opportunity to consider all factors with cost hinders its ability to make sound financial decisions. If all school districts were required to hold bond elections at the same time, the effects on rural school districts would be especially detrimental. Construction groups and subcontractor groups would pay less attention to rural projects in favor of larger urban projects. This would cause less competition, which would likely result in higher bids. Simply put, there would be fewer bids, and those bids would be higher. And finally, it is already very difficult to hold a successful bond election in rural districts. According to my figures, about half of the-- a little less than half of the bond elections in C and D districts pass. But in Class A and B schools and the bigger school districts, about 75% pass. So putting that up against that, that competition, we would see even less of those passing. With that, I would-- I see my time has run out.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Government, Military and Veterans Affairs Committee January 22, 2025  
Rough Draft

**SANDERS:** Thank you. It was right about, right about there. Thank you for your testimony. Are there any questions for Mr. Moles? Oh, we do have one. Senator McKeon.

**McKEON:** Mr. Moles, your question about scheduling [INAUDIBLE] because I'm-- my district's all rural. And I sit there looking at two about-- looking at scheduling [INAUDIBLE] have a lot of construction companies either. So it's going to be a timing-- [INAUDIBLE]. If you want to expand on-- a little bit of that.

**JACK MOLES:** Yeah, I, I think timing's everything in a, in a bond election. I-- the-- you know, we're not-- I, I was a superintendent one time. We did a building project, a bond election. I was nowhere near an expert in that process. So we, we get our good advice from bond people, from the construction people. And-- so that's what we depended on for that. So they would be able to give us the best ideas in order to have the, have the best chance of passing a bond election, but also to save costs for our, our taxpayers. You know, one of the things I-- as I talked about with, with less bids-- the higher bids, what's that going to do to the cost to the taxpayer? Going to go way up. So.

**SANDERS:** Thank you. Are there any questions? I see none.

**JACK MOLES:** Thank you.

**SANDERS:** Thank you. Are there any other oppositions, opponents? Welcome to the Government, Military and Veterans Affairs Committee.

**CLEVE REEVES:** Thank you. Good afternoon, Chairwoman Sanders and members of the committee. My name is Cleve Reeves, C-l-e-v-e R-e-e-v-e-s. And I'm respectfully submitting my testimony in opposition to LB135 on behalf of myself, BVH Architecture, where I am a partner at, and AIA Nebraska, the professional association for architects in Nebraska. BVH Architecture has a major stake in this type of legislation. Over the past 40-plus years, BVH has been involved in many school bond projects throughout Nebraska and the Midwest. With offices in Omaha, Lincoln, and Denver, we know firsthand the impact of similar legislation in our surrounding states. These changes are bad for schools and bad for business. Some of the factors that come to mind as I think about this include increased pressure on the design firms who would be working on these projects. There's a

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Government, Military and Veterans Affairs Committee January 22, 2025  
Rough Draft

limited pool of qualified, local architects that understand local codes, climate, and the Nebraska standards for education design. As we-- as has already been discussed, there would be increased pressure on the construction industry. Both the labor and material supply chain would be adversely affected. There would be artificial inflation to project budgets, higher costs, meaning lower improvements afforded through those projects. There would in fact be lowered competition for rural school projects when urban districts run their bond projects at the same time. We've seen that time and time again over our history. There would be increased hardship on teachers and students due to waiting additional years to address the real needs that are present in our schools today. There is an emergency clause that's been proposed. My personal opinion is that that would be poor stewardship for schools. That's not how I run my home, how I want to run my business, and not how BVH-- being involved with a re-- renewal of this building for several decades-- has worked with the State Capitol for this building. Why wait for the roof to leak and the HVAC system to fail? We've seen in Colorado in the November 24 election that \$7 billion in school bonds were passed under similar legislation. That is a huge amount of work hitting that market all at once. School districts are now working very hard to get design firms and contractors on board quickly because they know that market saturation is a real thing and pandemic-like in-- inflation is going to hit their projects. We're seeing new firms move into that market who do not know the local codes, the climate, and how education design works in that area. This increased competition might be considered good. However, our firm has stepped in far too many times to fix errors when the design was rushed or a construction firm that wasn't qualified was awarded a project because they were the only ones available. The ability of school districts to continue to provide quality instruction in the classroom is directly impacted by the educational environment. LB135 would hamper school districts' ability. And I urge you not to advance this. I'm open for any questions you may have.

**SANDERS:** Thank you. Way to wrap it up. Are there any questions for Mr. Reeves? Mr. Anders-- Senator Andersen.

**ANDERSEN:** Thank you. Sir, you mentioned-- talking about replacing roofs and HVAC systems. Are you talking about sustainment of buildings or are you talking about new construction--

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Government, Military and Veterans Affairs Committee January 22, 2025  
Rough Draft

**CLEVE REEVES:** Both.

**ANDERSEN:** --or both?

**CLEVE REEVES:** Both.

**ANDERSEN:** Both. So then when it comes down to the sustainment to, to repair aging buildings and all those things, would it not be better served to actually have it within the operating budget of the school district as opposed to a bond?

**CLEVE REEVES:** If the state funding was there for that, yes. What we find is that those costs are usually beyond the school district's abilities for the larger projects.

**ANDERSEN:** Thank you.

**SANDERS:** Thank you. Any other questions? Seeing none. Thank you, Mr. Reeves. Are there any other opponents? Welcome to the Government, Military and Veterans Affairs Committee.

**VANESSA SCHUTTE:** Thank you, Senator Sanders and committee. This is my first time testifying. I-- my name is Vanessa Schutte, V-a-n-e-s-s-a S-c-h-u-t-t-e. I'm here representing DLR Group and the Association for Learning Environments, which is a professional organization that represents industry partners, school districts, and the like. I going to actually start with countering some testimony that was stated earlier in support of this, specifically Iowa's legislation to go to funding just once a year. They have other opportunities to fund school construction. They have SAVE and PPEL. So they have other opportunities to fund building construction beyond a bond. That is something that Nebraska does not have the opportunity to do. So it's limit-- it hurts our, our schools. When we look at the financial impact that this would pose-- several people have talked about the inflation and the rush to market, but I also think we need to look at how buildings are designed. I'm going to use Adams Central as an example. We did a new elementary school for them several years ago. We knew that there was market saturation in Kearney, where they pull many of their contractors from. So we've designed that building specifically out of precast instead of load-bearing masonry, knowing that the marketplace is going to be saturated. If we have everyone running at the same time, those, those challenges are not only going to impact schedule, but they're also going to impact cost and

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Government, Military and Veterans Affairs Committee January 22, 2025  
Rough Draft

inflation as we, as we look at the school districts themselves. Specifically, rural districts are also at a greater financial challenge waiting every two years because they will see two years of inflation year over year, as opposed to Omaha and Lincoln have the ability to go in the following year. So it, it creates an imbalance between those that are within rural districts and those that are within metropolitan areas. And for those reasons, we're in opposition of this bill. Any questions?

**SANDERS:** Right on time. Thank you very much. Are there any questions for Ms. Schutte? No. Getting off easy. Thank you for your testimony. Are there any other opponents? Welcome to the Government Committee.

**JEREMY KNAJDL:** Thank you. Good afternoon, Chairperson Sanders and esteemed members of the Government, Military and Veterans Affairs Committee. My name is Jeremy Knajdl, J-e-r-e-m-y K-n-a-j-d-l. I am the business manager of Minden Public Schools. And I am here today representing the Nebraska Council of School Administrators in opposition to LB135. As we all know, LB135 eliminates the provision for school districts to call special elections for issuances of bonds and levy increases and overrides and only allows these issues to be put on a ballot at either a primary or general election. The bill does not aim to limit the authority of any other political subdivisions in the state of Nebraska other than schools-- not cities, not counties, not local fire districts, only schools. This is a loss of local control and an undue burden for our schools and our school boards. Special elections for school bonds allow schools and their boards to have the opportunity to choose the time most advantageous for their local district to help minimize their costs and plan around their incoming tax receipts. By eliminating this provision, a new school-- a school board is now limited to only having one chance every two years to try and pass a school bond, as it not can-- cannot go out for a bond in the primary and the general election because ten months of time have not passed in between the two. The cost not only gets more expensive two years down the road, but with many schools operating out of 80-, 90-, even 100-year-old buildings, the chances of something significant happening to those buildings in that time period only increase. Special elections for levy increases and levy overrides will face similar challenges and hardships. Schools do a great job of planning and looking for financial stability, but they can only make do with what they have in the cards that they are dealt. For example, if a law were to be passed during a legislative session that were to



Transcript Prepared by Clerk of the Legislature Transcribers Office  
Government, Military and Veterans Affairs Committee January 22, 2025  
Rough Draft

adversely affect school district financially in a way that they would need to increase their tax or their levy authority, that school district may have to wait up to a-- from a year to a year and a half before they can even bring that to a vote of the people, and over two years before they can receive any funds from it. This long lapse could force the school district to make drastic cuts in its essential educational programming and services just to make mends-- ends meet until the funding can be secured should the voters approve that. Finally, special elections also allow voters to give more thoughtful consideration to the issue when it stands alone, as opposed to being on a primary or general ballot with a litany of other elections and other issues. For rural areas of the state, the primary and general elections occur during the two busiest times of year in the agriculture section, section. They happen in May and they happen in November. We're putting crops in and we're taking crops out. So a special election allows them to vote more at their leisure over a period of time as opposed to having only a one-day window in which to cast their vote. This concludes my testimony in opposition of LB135. I would like to thank the committee for their time and would gladly take any questions that the committee-- should they have any. Thank you.

**SANDERS:** Thank you for your testimony. See if there are any questions from the committee. I, I see none. Thank you. Are there any other opponents?

**JON NEBEL:** Excuse me.

**SANDERS:** Welcome to the Government Committee.

**JON NEBEL:** Thank you for having me. My name is Jon Nebel, J-o-n N-e-b-e-l. I'm here on behalf of IBEW Electrical, Electrical Workers Local 22 in Omaha. We're opposed to this primarily because of the timing. I want to get into the construction concerns around that. But first, I just want to explain the handout I provided, which I think might clarify Senator Lonowski's concerns about, if you have a bond under a general election, is it more favorable or not? Results from the Iowa law that people have been talking about-- there was a study done by the Iowa-- Iowans for Tax Relief, and they, they looked at bonds that, that were special bonds specific to those bonds being in the election that mattered there. And it wasn't a foregone conclusion that just because there was a bond outside of the normal election times that it was going to pass. I think 13 of the 21 bonds they

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Government, Military and Veterans Affairs Committee January 22, 2025  
Rough Draft

looked at did not pass. So it's not a green light to get a special election for a bond. And if you look at the Omaha-- or, the Douglas County results of all the bonds that passed in the general election, they all passed. So if you, if you want to get it passed, I think maybe put it on the general. But I think more of the concern here is about saving taxpayers' money. And speaking to that, with the construction costs, timing is everything. A lot can change in construction. It could be-- it could be an issue of the federal government saying, hey, we're going to tax different imports. And, and that can cause concern to our district. We might want to, hey, ramp up a, a bond to beat the timing of that. There's other issues. You know, at the state level, if there's an executive order, hey, we've got to shore up security infrastructure of these schools under a certain timeframe. Now we got to worry about, can we get it done in that timely manner? It's likely going to cost overtime and-- especially if you're doing it outside of the normal benefits of working days during the summer. I worked on a project a couple years ago where we redid the fire alarm in the school. And we were doing it during school-- during the school year. And we were, we were stuck having to do it during just critical hours because we can't be in the, in the rooms with the children, couldn't be in certain areas of the school because they were leased out in the evenings for volleyball or basketball or whatever. And of course, we had to work around the custodian staff because they had to clean up after us when we were done. So it limited the amount of time we were there, and we ran into overages on that. We'd prefer, of course, to do it during the summer. The other one is-- speaking to large-scale projects that are around the state right now. There's projects-- I think, Senator Andersen, in your district-- where it's a data center site, where there's 1,000 construction workers on there. Those are eating up a lot of our manpower hours right now. So if a district is to know that, hey, that, that project is ramping down, there's going to be a lot of freed up manpower, maybe they want to run a special election and not have to wait until the next general election cycle. Could save-- some cost-saving measures there. So those are some of the instances on timing and why it would in-- create that inflation people were talking about. And-- sorry, my time's up. And I'll answer any questions you have.

**SANDERS:** Thank you very much for your testimony. Let's see if there are any questions. There are no questions. And thank you for this printout. Great, useful information. Appreciate it.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Government, Military and Veterans Affairs Committee January 22, 2025  
Rough Draft

**JON NEBEL:** You bet. You're welcome.

**SANDERS:** Thank you.

**JON NEBEL:** Thank you.

**SANDERS:** Are there any other opposition? Welcome to the Government, Military and Veterans Affairs Committee.

**KYLE FISHER:** Thank you, Senator Sanders. Good afternoon, Senator Sanders, members of the Government Committee. My name is Kyle Fisher, K-y-l-e F-i-s-h-e-r. I'm currently serving my 15th year as school board member for Springfield Platteview Community Schools. The proposed bill would strip the elected board of its ability to manage local affairs efficiently, flexibly, and cost-effectively for their district. The decision to involve voters in bond issues follows extensive public consultation through board and community meetings. Delaying these elections to standard times could postpone projects, increase cost, and force the use of temporary classroom solutions, thereby compromising educational quality. Delaying bond and construction activities by a year could significantly inflate project cost. Neither advancing the bond vote prematurely nor delaying it aligns with effective project management, leading to negative impacts. Historically, our district has not utilized this election timing, but current and future growth in our district necessitates responsive and flexible decision-making. Limiting bond elections to November or May restricts optimal scheduling during the summer construction season, likely leading to increased cost due to compressed timelines and reduced competition for bids. In Springfield Platteview, we prioritize prudent financial management, reflecting our commitment to local control and accountability. We appreciate Senator Holdcroft's intent on getting more public input, which could result in less spending. However, this solution has only the potential to add to district cost through its limitations, and thus increasing the taxes needed. I'd like to thank the committee for this opportunity. We ask that LB35-- LB135 not be advanced. Open to any questions.

**SANDERS:** Thank you, Mr. Fisher. We'll check to see if there are any questions from the committee district. Mr.-- Senator Andersen.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Government, Military and Veterans Affairs Committee January 22, 2025  
Rough Draft

**ANDERSEN:** Thank you. So Springfield [INAUDIBLE] is in my district, so it's, it's important to me. Do you have the-- can you tell me how many schools have been built in the last five years in Springfield?

**KYLE FISHER:** The most recent was in 2020. We built a new-- we replaced a grade school in Springfield, expanding it by 50% with the gro-- with the growth that-- there's been in the area.

**ANDERSEN:** And based on the-- on growth for Springfield, what's your projection for new schools to be built?

**KYLE FISHER:** It is very slow at this time. It's a geographic impact in Sarpy County. I can give you more details [INAUDIBLE] future. But it has to be doing-- there's a high point ridge line through Sarpy County. North of it is developed in [INAUDIBLE]. We are south of that ridge line, so all the subdivisions are in septic tanks and wells. The county is working on that now. And so when that comes, we will need to be ready.

**ANDERSEN:** Thank you.

**SANDERS:** Thank you. Are there any other questions? Thank you, Mr. Fisher.

**KYLE FISHER:** Thank you for the opportunity.

**SANDERS:** Thank you. Are there other in opposition? Welcome to the Government, Military and Veterans Affairs Committee.

**SHEILA O'CONNOR:** Thank you. Good afternoon. I'm Sheila O'Connor, executive director of the Associated General Contractors, Nebraska Building Chapter. It's S-h-e-i-l-a O'C-o-n-n-o-r. The Nebraska Building Chapter is the leading association for the commercial construction industry. We represent more than 140 of Nebraska's top firms that build vertically in local, regional, and national markets. My thanks and appreciation for hearing our testimony today. Education is one of the best investments in a community. A vibrant, local school not only educates students, but it's also a haven for students, a local gathering place, provides jobs, and is a local economic driver. The chapter opposes LB135, as introduced, for the following reasons: requiring bond referendums only during general elections requires school bond elections to occur in May and November, which is particularly difficult for schools to complete projects in a timely

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Government, Military and Veterans Affairs Committee January 22, 2025  
Rough Draft

manner. By the time the election occurs, there's not enough time to complete design and documentation for projects to begin in the summer, when major work within schools occur. A school project is very dependent on the school year, and it would significantly alter the timelines when projects could be completed. May is a more ideal time to ask the public to pass a bond, with nearly a full year to complete documents and vetting prior to the school year ending. The relative infrequency in general elections would also prohibit districts from conducting business in a timely manner. Districts go through great care and effort to plan bond referendums, requiring many public dollars in resources. If a bond fails, districts may have to wait up to two years to try again. By that time, much of the effort is duplicated, along with market escalation devaluating the public investment into facilities. Sometimes bonds fail multiple times, and, in these situations, the public dollars are significantly devalued. The impacts could be dramatic. Requiring bond referendums only at general elections would require all districts to bond and start construction projects at the same time. This would have significant impacts on construction, trades, and labor, as a large amount of work is scheduled concurrently. This effectively reduces the competitive nature of bids that schools are legally required to obtain. This devalues the taxpayers' dollars artificially as well as creates supply chain issues. Not to mention also having a ripple effect across other businesses and organizations that need construction work. Please consider the effects of this change on school districts, patrons, and industry partners. We firmly believe this is a detriment not only to school districts. It also impacts the construction industry and the additional projects our industry serves. Thank you for your consideration. I'd be happy to answer-- answer any questions.

**SANDERS:** Thank you, Ms. O'Connor. Let's see if there are any questions from the committee. I see none. I think I have a little bit of a statement, though. The im-- the LA fires-- I think most of us watched the LA fires. And as I watched it, everyone that they interviewed that had lost something always include their school. They said, my school burnt down, my grade school, my high school. Had a huge impact. So they are the cornerstone of our community, and hopefully we can figure out the election process that works best and most efficient and most affordable. But it is an important piece of our education system and our community.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Government, Military and Veterans Affairs Committee January 22, 2025  
Rough Draft

**SHEILA O'CONNOR:** Absolutely. My grandmother, my mother, and my sister were all teachers. I was not. Bless them for their service and their work.

**SANDERS:** Thank you for your service anyway.

**SHEILA O'CONNOR:** Thank you so much.

**SANDERS:** Thank you. Are there any other opponents?

**KYLE FAIRBAIRN:** Chairwoman Sanders, members of the Government, Military and Veteran Affairs Committee. First time I've ever testified in front of this committee. My name is Kyle Fairbairn, K-y-l-e F-a-i-r-b-a-i-r-n. I represent the Greater Nebraska Schools Association, GNSA, which is an organization that represents the 20--25 of the largest school districts in the state. These 25 districts represent over 70% of all the children in the state and over 88% of all the minority children in the state. I come to you today in opposition of LB135. LB135 would eliminate the opportunity for school districts to hold a special bond to approve expenditures for a new building, building improvements, and any other project that may need a bond. By doing this legislation, the, the Legislature would tie the hands of school districts on completing projects in a timely manner. But the most important issue is that it would cost taxpayers more money. Every school in the state would be tied to only going out for bond issue at this exact time of the school in the year. Designers and builders would only be able to bid on so many projects. It has been addressed to the committee today by several of the individuals before me that cost will be increased if those bills impro-- approved. The other issue that is very worrisome is the idea that, in most cases, a turnout for special elections is better than general elections. Why would we want to limit individuals with a greater opportunity to vote on projects that affect our local taxes? This is a local control issue, and the local elected school board should have the opportunity to decide what's best for their students and that they serve the taxpayers' money that they are spending. The average-sized elementary school in Omaha or in the Lincoln area can hold about 500 kids. You can build an elementary building bigger, but then it becomes-- to look like a high school. We have several districts in the metro area that are growing at a rate that puts them over 500 students per year. That means that to maintain classroom for kids, you must be ready to build every year in order to accommodate students. My sons go to Gretna

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Government, Military and Veterans Affairs Committee January 22, 2025  
Rough Draft

Public Schools. And nine years ago, Gretna had not kept up with the growth. My son was a third grader then, and all third graders-- four sections of them-- got to go to trailers for the entire year. He was very excited on cold days that he got to wear his jacket and his hat in the classroom. And on really cold days, he got to have-- he got to have class in the lunchroom with the other four classes of third grade. Gretna was able to catch up on their building projects, and that's because of the ability to have elections when it is needed. The Nebra-- the Nebraska Legislature has been working very hard on property tax relief. By taking this option away from schools, you will increase the cost, which will increase property taxes. Please do not allow LB135 to move forward. And I'd love to take any questions.

**SANDERS:** Thank you, Mr. Fairbairn. Good to see you again.

**KYLE FAIRBAIRN:** You too, as always, Senator.

**SANDERS:** Any questions from the committee? Wow.

**KYLE FAIRBAIRN:** I am lucky today.

**SANDERS:** Thank you again. Appreciate it. Any other opponents? Welcome to the Government, Military and Veterans Affairs.

**TIM ROYERS:** Thank you very much. Good afternoon, Senator Sanders, members of the Government, Military and Veteran Affairs Committee. For the record, my name is Tim, T-i-m; Royers, R-o-y-e-r-s. And I serve as the president of the Nebraska State Education Association. I am testifying on behalf of our members in opposition to LB135. LB135 would restrict the timing of school districts in ESU, bond, and levy elections to occur only during scheduled primary and general elections. This would be problematic from our perspective for several reasons. I'll skip over my written third paragraph because we've already heard about the importance of the timing from a number of other testifiers, so I'll, I'll be-- I'll respect your time and move on to our second concern. Our second objection deals with another element of cost that really hasn't come up yet, and that is the capacity to time bond elections in a way that generates more favorable interest rates for the bonds. And so those special elections will actually save taxpayers potentially millions of dollars with better interest rates than if they are forced to conduct the election during a time with a less favorable bond market. So even if there's an added

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Government, Military and Veterans Affairs Committee January 22, 2025  
Rough Draft

initial cost to host-- hosting the election, taxpayers are going to come out net ahead over the life of the bonds. Furthermore, special bond and levy elections have provided an environment for greater voter scrutiny on what the school district or ESU is bringing forward. You've heard that general election bonds have all gotten the green light from voters, but I think it's also equally important to point out there have been bonds held on special elections, including in my own community, that have been rejected by voters, which affirms the fact that there's greater scrutiny and forces districts to carefully balance the needs of their projects and the need to bring a fiscally responsible proposal in front of the community. I also want to highlight one of the arguments the proponents made, that there's generally a higher voter turnout in the general election. The problem with that argument is you're looking at the top participation voting for president, right? So Omaha, for example, had a bond election on the general this past November. Tens of thousands of voters did not vote on the bond part of the ballot. So if you look at the amount of voters voting on bonds in a general election versus the participation in a special election, it's pretty much a wash. It's relatively the same. But the main reason I wanted to be here and, and articulate our opposition is how this flexibility's important from a classroom perspective. I have personally experienced, as well as gone in and toured other buildings who have to go through projects that weren't able to be timed in the best way to avoid learning disruptions. And I can tell you firsthand the impact can potentially be profound. Kids are trying to learn over noise disruption. They may lack access to needed technology or have other critical missing infrastructure. Even worse for both students and taxpayers is when deferred projects lead to emergency situations. So, for example, I've seen a situation where heating units in a-- in an entire elementary school failed. And they required an emergency installation over winter break that was double the cost of the estimated project that would have been done over the summertime hours. So think about what the temperature was earlier this week and what that would have been like from a safety standpoint if that happens in an elementary school now. LB135 is written from a misguided premise and chases a problem that does not exist. Permitting special elections allows for more fiscally responsible bonds, greater voter scrutiny, and construction timelines that are most conducive to the needs of our community and the learning environments of our



Transcript Prepared by Clerk of the Legislature Transcribers Office  
Government, Military and Veterans Affairs Committee January 22, 2025  
Rough Draft

students. I'm happy to answer any questions. And I appreciate your time.

**SANDERS:** Thank you, Mr. Royers, for your speedy, concise testimony. Let's see if there are any questions from the committee. Senator Andersen.

**ANDERSEN:** You, among other testifiers, have, have addressed the issue of timing and said that, that this bill, if it, if it goes forward, would actually hinder progress and cost taxpayers more money. Can, can you tell me what the lifecycle is for developing a school? I mean, are these things projected out one year in advance? Three years? Five years? Seven years? And how long does it take from the, oh, we need a new school in two years, to put together the whole plan to make it come-- to become reality?

**TIM ROYERS:** Yeah. I, I will fully admit I am only able to participate in a limited part in the role that I play. Generally, I've been brought in about a year out in the planning process before, before a motion's going to be made by a school board. However, I will say to the second part of your question, they are always looking at the, the next possible bond issue and having to plan out, you know, the long-term potentials of, what does it mean if we do include this element in this bond package? What if-- it means if we don't, you know, what is it going to mean if we include it five, ten years down the road? So-- but I would say the major planning about a year out is usually-- at least when I've been brought in on the process.

**ANDERSEN:** OK. It's interesting your perspective. I had somebody from a different school district earlier this week telling me they're planning on building five schools in a matter of six years.

**TIM ROYERS:** Mm-hmm.

**ANDERSEN:** So now, if that's the case, if you're looking six years out in building schools, then the criticality of whether you put together a bond this year or a bond next year or the year after, it doesn't seem to be as critical.

**TIM ROYERS:** Let me clarify my remarks. That's why I said I-- we're brought in from a perspective of the association and, and working to raise community awareness about a year out. But by the time I'm brought in, they're already looking at a much longer term plan and

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Government, Military and Veterans Affairs Committee January 22, 2025  
Rough Draft

what the implications would be if they do or don't include those things in that particular bond package. So about a year out, one of the first things that happens-- at least in the bonds that I've been a part of-- is trying to gauge what the community's comfortable with from a price tag standpoint, from a here's what it would mean at this cost to provide this amount of change within a certain school. That's to a-- that's to figure out what is practically feasible from the longer term projections that you're alluding to. So I just want to clarify. That's, that's just the perspective that I bring because largely my involvement on bonds is to figure out how do we effectively communicate the message and generate voter turnout necessary, not the longer term that involves that engineers and the architects and pieces like that.

**ANDERSEN:** Thank you.

**TIM ROYERS:** Mm-hmm.

**SANDERS:** Are there any other questions from the committee? Seeing none. Thanks for your testimony, Mr. Royers.

**TIM ROYERS:** Thank you.

**SANDERS:** Are there any other oppositions?

**CHIP KAY:** Chairwoman Sanders--

**SANDERS:** Good afternoon. Welcome.

**CHIP KAY:** --and committee. Thank you. You've heard-- my name is Chip Kay, C-h-i-p K-a-y. I'm the superintendent of Columbus Public Schools. I'm also the current president of the Nebraska Association of School Business Officials. I'm here to testify in opposition of LB135. You've heard a lot of expert testimony today. I will not bore you with being repetitive. I will try to hit a different-- a few different items. Number one: remember, whether it's a primary general or special election, every registered voter in a school district gets to vote and is notified of the vote. Specifically in two districts I've been in-- Shelby-Rising city, 2014, Columbus Public Schools, 2023-- the mail-in election actually helped alert people that a vote was being done. And as a result in both districts I was in-- we sent postcards well in advance to provide information to voters. I think that's a pretty standard operating procedure across the state of Nebraska. I do not

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Government, Military and Veterans Affairs Committee January 22, 2025  
Rough Draft

believe LB135 will increase voter turnout. I think you've heard some other people talk about that. In my experience, the mail-in elections have been-- have received more turnout than a general election. I don't know if that's across the board. I'm pretty sure it would be spotty wherever you found that. To follow up on the cause for necessary large maintenance projects: in a district like Columbus, if I had catastrophic failure of an HVAC, it may, it may qualify under the emergency clause. However, if I have to wait, that could be a \$2 to \$3 million project. Now, to answer Senator Andersen's question from before, don't I have that sitting in the building or the general operations fund, or even if I'm planning for it? The answer is, under the current property tax asking cap that has been in place under the new bill, the answer is no. Most districts will tell you there aren't funds available without having to go to a vote of the people to override the property tax asking cap to even have money in your building fund for those potential projects. So it does put a little more pressure on taking an issue like that to your, your stakeholders and, and your taxpayers. It does create additional burdens for school districts dealing with growth. We're in that position right now. Temporary classrooms, overcrowded classrooms negatively impact student learning. I will give you an example. We're looking at a potential bond here in 2025. We've-- our process will take about 18 months from gathering data to really having a legitimate bond question where we can have really pinned down a reasonable cost for what we need to solve our issue. Columbus is going to have 1,070 doors built between now and January 1 of 2027. That would mean 500 additional students. If we wait one year and have to wait until 2026, our next building-- if we're fortunate enough to pass a bond issue-- will come after that growth spurt, which means we have to look at temporary classrooms, trailers. We have-- city code in Columbus could cost us \$350,000. Turn around when we're done with them, sell them for \$8,000. Not a great return of investment. So I asked Boyd Jones, what's it going to cost us in delay? If we have to wait until 2026, they believe it would cost us 10% to 12% more to build the same building if we have to wait one year. So you can understand our concerns and why I'm here today to oppose LB135. I would be happy to take any questions.

**SANDERS:** Thank you for your testimony. Is it Dr. Kay?

**CHIP KAY:** Yes, ma'am.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Government, Military and Veterans Affairs Committee January 22, 2025  
Rough Draft

**SANDERS:** Thank you very much. We'll see if there is-- are there any questions from the committee?

**CHIP KAY:** Thank you very much.

**SANDERS:** Looking good. Thank you very much. Are there any other opponents? Any in the neutral? Senator Holdcroft, would you like to close? While Senator Holdcroft is coming back up, our hearing record summary report on LB135, pro-- opp-- proponents, 2; opponents, 4; and 0 neutral online. Thank you.

**HOLDCROFT:** Thank you, Chairwoman Sanders. Yeah, just a few things. I think, I think most of you when you knocked on doors, property tax was the key thing. And I don't know if you asked them like I did. Let's look at your-- let's look at your property tax, you know, statements. And you go down through the list and you see all the levies of the, of the [INAUDIBLE] and then they see bonds. It just says bonds-- bond. And, and I point that out to them. I say, did you vote for that bond? And they had no idea. When, if, whatever what the bond was. I mean, the idea that, in special elections, more people turn out for, for the election and know more about it to me is, is-- it just doesn't pass the commonsense test. The, the, the, the statements that there are more people who respond to special election-- mail-in special elections than general elections-- again, it just doesn't pass the commonsense test. And it's not what we have seen in, in the, in the analysis that we got from Platte Institute. So I would, I would challenge the committee to go ahead and ask for that data, if you can get it, to see if that's truly the case. But I bet you would find that, clearly in prescheduled primary and general elections, you're going to get more turnout. And having the bond issue on that election, you'd get more input from the people about, about their property tax. Couple of other things. The cost of a special election in Lincoln is \$300,000. It-- that's what it would cost in Lancaster County to do a special election, \$300,000. Now-- and they're, they're concerned about, you know, a 10% increase in, in the cost of construction, but how often does that come up to \$300,000? So, you know, that's another-- there's an additional cost that goes along with special elections. People talked about emergencies, about, you know, what if a tornado comes through? I mean, you're not going to do a bond election for that. And they are exempt in this, in this, in this legislation. Emergencies are exempt from this requirement. So they can go ahead and do a special elect-- if they need to-- to, to raise funds for

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Government, Military and Veterans Affairs Committee January 22, 2025  
Rough Draft

emergency replacement. But I think Senator Andersen hit it on the head. I mean, you should have some funds for, for your-- for, for general maintenance and repair and, and minor expansion. I mean, to me, bond elections should be reserved for major capital campaigns or major capital building. And that to me also-- I think Senator Andersen hit on this-- is not going to happen in the next six months. All right? So-- some other people I think referred to LB877-- LB878, which was the bill last year, and it started off with just the general election every two years was the only time you could do special election. We expanded that. We've, we've modified it. Now it's primary and general. And in the odd years, it's also the municipal. You can do-- use the municipal election. If we need to-- and I'm willing to do this-- if we need to set on the odd years specific dates in May and November to hold special elections, then we'll do that. I mean, the idea is we need to make sure people understand that, that we're having these special, these special elections, these, these votes for bonds so we get most of the input from the individuals so they know when they're, when they're voting to, to essentially raise their, their taxes. And, you know-- this construction thing. You know, I mean, I recently was-- had led a steering committee on an \$8.4, \$8.4 million project for a church. OK? We started in 2016 with a capital campaign to raise the money-- to raise the money first. Before we even contacted an architect, we made sure we had the funds in place. And then the number of funds kind of set the stage for, you know, what, what we could build. So this idea that you're going to get an architect and you're going to get all these, these contracts and then you're going to figure out whether or not you have the money just doesn't make a lot of sense to me. I mean, you should be thinking at least two years in advance about having some kind of a bond election to make sure you have the money and the approval from the people. OK? If you do two, two month-- two years in advance, well, you got about four elections, statutory elections, already set that you can hold that bond election. And that's all we're really trying to do, is try to get the input from the people on whether or not they want to approve these bond elections. And it's the will of the people that should prevail. So with that, I'll be happy to answer any questions.

**SANDERS:** Thank you, Senator Holdcroft. Are there any questions from the committee? Senator--

**ANDERSEN:** I'm on a roll, so I might as well continue.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Government, Military and Veterans Affairs Committee January 22, 2025  
Rough Draft

**SANDERS:** Senator Andersen.

**ANDERSEN:** Maybe you're the wrong person for me to ask this question to, but in, in the past, I, I asked one of the, the mayors and said, OK, so if you're going to build a new high school for maybe 1,000 students, then your assumption is that your growth expectation is 500 to 700 homes, right? And he said, yeah, that's about right. OK. So why do you need to raise a \$150 or \$250 million bond if you're going to be getting increased property tax revenue for 500, 700 homes? Or is it a chicken-and-the-egg problem where the money from the revenue doesn't come in until after you already made the schools? In which case, then why wouldn't the additional property taxes pay off the bond as opposed to it being a, you know, decade long or 20-year bill for the, the, the homeowners?

**HOLDCROFT:** Yeah, I think it is a chicken-and-egg kind of thing because-- I mean, Gretna's a great example of-- it's growing like crazy. You know, they just built a second high school. And, and they had to do a bond. So when do you do the bond? I mean, do you do it in anticipation of that growth? Or do you do it after [INAUDIBLE] you already have the, the growth where people can pay and you overload your one high school? And so it kind of-- you kind of have to split it. But it certainly not-- doesn't come down to, you know, a six-month-- I mean-- or, that we, we have to do it over the next three or four months. It's something that you should be planning ahead. And again, you know, I think your example of four to six years is, is probably about the right timeframe. And you should be able to, to identify certain already scheduled elections, dates that you can bring that bond thing to. But it is-- it really-- I mean, Gretna I think is a little bit of an anomaly. They're-- you know, Sarpy County, fastest growing county; Gretna, the fast-- growing city. And, and, and they're-- and they have-- right now, they're paying the highest property taxes in the state because--

**ANDERSEN:** I know all about that.

**HOLDCROFT:** Yes. So it's, it's a balancing act. But what do you do? I mean, you got to educate and-- but I don't see the requirement for, we got to do a special election now within the next three months so that we can, you know, get on this contract.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Government, Military and Veterans Affairs Committee January 22, 2025  
Rough Draft

**ANDERSEN:** I think--

**HOLDCROFT:** To me, that's-- to me, that's poor planning.

**ANDERSEN:** And that was kind of my comment, is I think we need to find a different cycle of how this all evolves so we quit continually adding more burd-- tax burden to the taxpayers. It's already hard enough, let alone school bonds. Thank you.

**SANDERS:** Thank you. Are there any other questions? Thank you very much [INAUDIBLE].

**HOLDCROFT:** Thank you, Chairman and committee.

**SANDERS:** Thank you. We'll go ahead and switch now. I'll gavel over to Senator Andersen.

**ANDERSEN:** Next, we'll be hearing LB58. Senator Sanders, thank you for being here. The, the floor is yours.

**SANDERS:** Thank you very much. I'm Rita Sanders, R-i-t-a S-a-n-d-e-r-s. Representing District 45, which encompasses much of the Bellevue and Offutt community. Thank you, Vice Chairman Andersen and members of the Government, Military and Veterans Committee. Today, I'm introducing the LB58, which would eliminate four sections of statute relating to county jewelers lien. Current law gives counties a responsibility relating to items that are dropped off at the shops of the jewelers, silversmiths, watch and clock repairers. When an item is dropped off for repair or other work, sometimes people do not return to pay and/or pick up that item. Currently, these four sections of statute direct the shop to hold the item for a year, file a lien with the county clerk, sell the item and remit to the county any money over the amount owed for the work performed. Thank you to the Nebraska Association of County Officials-- known as NACO-- for bringing this important bill to my attention. They have made it clear that the infrequency which, which this process has used has led to sig-- significant confusion among-- county workers are not familiar with it. By eliminating this section, we would not only relieve the counties unnecessary burden, but also give local repair shops the ability to thrive under a more efficient system. Instead of navigating the complex county process, these businesses would have the opportunity to resolve issues through a streamlined process from the Uniform Commercial Code, which enables resolution within 90 days rather than complex, year-long timeframe

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Government, Military and Veterans Affairs Committee January 22, 2025  
Rough Draft

currently required. This is a commonsense reform that will benefit both our counties and the businesses that are vital to our local economy. I believe that Beth Bazyn Ferrell from NACO will be following me to further explain the reasons for this legislation. Thank you. Be happy to take any questions.

**ANDERSEN:** Thank you, Senator Sanders. Are there any questions? Yes, Senator.

**LONOWSKI:** Vice Chairman Andersen, does she have to start over because the light didn't come on? Because I'm confused. Yeah, I, I don't see the--

**ANDERSEN:** Senator Lonowski.

**LONOWSKI:** Yes. I, I guess I don't see what the real issue has been in the past. Like, what, what has happened before?

**SANDERS:** Well, I have someone presenting following me that can give those details of why this bill is needed and the benefits.

**LONOWSKI:** Thank you, Senator Sanders.

**ANDERSEN:** Any other questions? Thank you, Senator Sanders.

**SANDERS:** Thank you.

**ANDERSEN:** And proponents.

**BETH BAZYN FERRELL:** Good afternoon, Vice Chair Andersen, members of the committee. For the record, my name is Beth, B-e-t-h; Bazyn, B-a-z-y-n; Ferrell, F-e-r-r-e-l-l. I'm with the Nebraska Association of County Officials. I'm appearing in support of LB58. We'd like to thank Senator Sanders for introducing this bill on our behalf. This is one of those bills-- it's an issue that-- every year, county officials bring things to us that they see in their offices that have happened, whether it's maybe something that's obsolete or it's a statute that doesn't reflect current practices, something that, you know, isn't used, and then-- and-- it creates confusion if suddenly someone goes, well, why aren't we doing this? Those kinds of things. And so this is-- really falls into that category. Those bills typically come before this committee. In the past, we've brought issues like this on reciprocity for auctioneers, licensing, locksmith licenses, amusement



Transcript Prepared by Clerk of the Legislature Transcribers Office  
Government, Military and Veterans Affairs Committee January 22, 2025  
Rough Draft

licenses. They all really fall within the purview of, of the Government, Military and Veterans Affairs Committee. So this bill would repeal jewelers liens. And when-- a county official brought this to us, a county clerk brought this and said, I've never seen one of those. You know, what, what do we do with these? All of the other officials chimed in and-- well, well, we've never seen one either. What would we do with one if it was ever filed? So that was really the impetus for bringing this bill. And Senator Sanders really explained how the current process works for a jewelers lien. There is another process in statute that applies to personal property that is much more condensed. And if there was a need for this, then a, a jeweler, silversmith, or locksmith-- or-- sorry-- clock or watch repairer could use that process. What I've handed out is the sections that would be outright repealed. When you look at the bill, it just has the section numbers referenced. And so I wanted you to be able to see what those are that would be outright repealed. When you look at that, you can see that those were introduced-- they were first adopted in 1921. And most of them, the last time that anything was done to them was a recodification in 1943. There's one section, 52-303, that does show some more recent activity. In 1969, there was a-- there was a drafting sort of convention. There was-- at one point that would say, in the law provided such and such. That, in 1969, struck the reference to provided. The 1999 amendment was part of a recodification of Article IX of the UCC. And so it had to go in and, and re-- change the reference there. So-- you know, legislatively, there's been no action on this in any recent history. So with that in mind, that's why we're asking to have these sections repealed. I'd be happy to answer questions.

**ANDERSEN:** Thank you very much, Ms. Ferrell, for your testimony. Are there any questions for Ms. Ferrell? Seeing none. Thank you very much for your time. Now we'll turn to proponents. Seeing none. We'll switch to opponents. Seeing none.

**DICK CLARK:** Neutral.

**ANDERSEN:** Oh, neutral.

**SANDERS:** I'm waiving closing.

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Government, Military and Veterans Affairs Committee January 22, 2025  
Rough Draft

**ANDERSEN:** Seeing none. So the online comments, there was 1-- so we have 1 opponent. There was 1 neutral online comment, right?

**DICK CLARK:** 0 proponent, 0 opponent, 1 neutral.

**ANDERSEN:** OK. 0 proponent, 0 opponent, and 1 neutral online.

**SANDERS:** Thank you.

**ANDERSEN:** Senator Sanders.

**SANDERS:** And I will waive closing. Thank you.

**ANDERSEN:** All right. Thank you very much. That is the end of hearing for LB58 and the end of the committee hearing for the day.