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Education Committee
January 16, 2018

[LB737 LB771 LB778 LB857]

The Committee on Education met at 1:30 p.m. on Tuesday, January 16, 2018, in Room 1525 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB771, LB857, LB737, and LB778. Senators present: Mike Groene, Chairperson; Rick Kolowski, Vice Chairperson; Laura Ebke; Steve Erdman; Lou Ann Linehan; Adam Morfeld; Patty Pansing Brooks; and Lynne Walz. Senators absent: None.

SENATOR GROENE: Thank you for attending. We'll start the first public hearing of the Education Committee. Sorry about being late. My clock in my office is the same as that one up there and it needs a new battery. So we will start with how we will operate the committee. Welcome to the Education Committee public hearing. My name is Mike Groene from Legislative District 42. I serve as the Chair of this committee. Committee will take up the bills in the posted agenda. Our hearing today is your public part of the legislative process. This is your opportunity to express your position on the proposed legislation before us today. You are the second house of the Legislature. To better facilitate today's proceedings, I ask that you abide by the following procedures. Please turn off cell phones and other electronic devices; move to the chairs at the front of the room when you are ready to testify. The order of testimony is introducer, proponents, opponents, neutral, and closing remarks. I will leave it open that if we have an awful...we ever have legislation that has a lot of testifiers, I will leave it that we can alternate to give everybody a chance to speak and both sides can be heard. Hopefully, that isn't the situation today. If you will be testifying, please complete the green testifier sheet--I'm assuming it's green again this year--and hand to the committee clerk, page when you come up to testify. If you have written materials that you would like distributed to the committee, please hand them to the page to distribute, and that is only testifiers that can do that. If you are not going to publicly testify or need to leave early, you can turn the written testimony in, with a completed green testifier sheet, to the clerk or to the page. We need 12 copies of all committee members...for all committee members and staff if you have a handout. If you need additional copies, please ask a page to make copies for you now. When you begin to testify, please state and spell your name for the record. The record, this is all recorded. These mikes are for recorded and we have the transcribers that will put everything you say into the public record. Please be concise. It is my request that testimony limit to I believe we'll start at five minutes today, five minutes, and we will be using the light system. Green is what you will see before you when you start. Yellow means one minute left. And then when the red shows up, please stop. You will be asked questions, some of you will be asked questions by the committee. That's not included in the five minutes. If you would like your position to be known but do not wish to testify, please sign the white form at the back of the room and it will be included in the official record beginning Wednesday, 1/17/2018. Written correspondence testimony not presented at the hearing must be received in the committee office before 9:00 a.m. the day of the hearing. You must include your name, address, and specific request to be included in the public record. That is, if you want to send an e-mail or a letter to the

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committee, you must request that it be in the public record. Otherwise, a private correspondence could end up in there and you wouldn't like that. Please speak directly into the microphone so our transcribers are able to hear your testimony clearly. The committee members with us today will introduce themselves, beginning at my far right.

SENATOR LINEHAN: Good afternoon. Senator Lou Ann Linehan from Elkhorn, Waterloo, and Valley.

SENATOR KOLOWSKI: Rick Kolowski from District 31, southwest Omaha.

SENATOR GROENE: Senator Mike Groene.

SENATOR EBKE: I'm Laura Ebke, District 32, Crete, Fairbury, Geneva, Hebron, those areas.

SENATOR ERDMAN: Steve Erdman, District 47, ten counties in the Panhandle of Nebraska.

SENATOR WALZ: Lynne Walz, District 15, which is all of Dodge County.

SENATOR GROENE: My assumption is Senator Pansing Brooks and Senator Morfeld will be joining us, unless they have said to the clerk that they wouldn't be here, but we have not heard that. To my far right...to my left is LaMont Rainey. He is the committee counsel that handles the legislation dealing with public schools. To my right at the end of the table is the committee clerk, Kristina McGovern. Our pages today are Heather Bentley, student at the University of Nebraska; and Sam Baird, student at also the University of Nebraska. Please remember that senators may come and go during our hearing, as they may have bills to introduce in other committees, and nature does call. I'd also like to remind our committee members to speak directly into the microphones and to limit side conversations and making noise on personal devices. The new recording system is very sensitive. The transcribers can pick up anything in the room, basically, so...and it's hard for them to transcribe if there's a lot of background noise. Lastly, we are an electronically equipped committee, so you will see myself and other members looking at their devices. And if you see me typing, I'm typing back to the...somebody in my office to bring me information. But you might see us averting to the electronic equipment. We're not ignoring you. We should be using it for the committee purposes. So let's begin with LB771, Senator Walz, adopt the Child Hunger and Workforce Readiness Act. [LB771]

SENATOR WALZ: (Exhibit 1) Good afternoon, Chairman Groene and my colleagues on the Education Committee. My name is Lynne Walz, L-y-n-n-e W-a-l-z, and I proudly represent District 15. I'm here to introduce LB771 which would create the Child Hunger and Workforce

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Readiness Act. Currently, the School Breakfast Program and the National School Lunch Program under the federal Child Nutrition Act of 1966 provides students of low-income families free or reduced-price meals. These programs are federally funded to participating school districts. Families that make 130 percent or less of the federal poverty level qualify for free meals, which is under \$26,546 for a family of three, while families that make between 130 and 185 percent of the poverty level qualify for reduced-price meals, which is in-between \$26,546 and \$37,777 for a family of three. LB771 would pay the remainder of the balance for the reduced-price lunch for families that are 130 to 185 percent. This cost is 30 cents for breakfast and 40 cents for lunch. Research shows that under the reduced-price category, families are still struggling to make ends meet as rising household expenses, such as childcare and housing, put pressure on budgets. The cost for nonschool meals can quickly add up for a low-income family, leaving many low-income students vulnerable for hunger during the day. The future of economic prosperity in Nebraska is built on the health and success of its children. Work force challenges can only be met when children are able to reach their full potential, beginning in the classroom. Hunger during childhood has the potential to derail proper development, leaving lifelong and negative consequences for cognition, physical and mental health, behavior, and academic performance. For many families, school meals provide a crucial buffer between children and hunger. LB771 would remove barriers to learning for many children in Nebraska by eliminating the copay that low-income students are currently required to pay for school breakfast and lunch. I find this to be an appropriate way to start off the Education Committee. As a former teacher, I have witnessed how important it is for a child to be well-nourished if we want them to be successful in the classroom. In this legislative body we take breaks for lunch, and I've noticed that as we get closer to lunchtime and people are getting hungry our attention starts to fade. It's the same case for children and even more so than adults. We are talking about making sure that every child has the ability to get a hot meal during a school day. For some kids, this might be the only hot meal they get all day. And for some, they might not get a hot meal all weekend until they return to school on Monday. When I was teaching, I intentionally kept snacks in the classroom for students who had not eaten any breakfast. The attitude and focus shift within those students after having food was dramatic. They were more attentive, driven, and willing to learn. And my classroom is just one example. Oftentimes, when a child did not bring lunch money for a third time, they were given a peanut butter or a cheese sandwich for lunch instead of a full meal. Many times these children would decide not to eat any lunch as opposed to being ridiculed by students for not having enough money to pay for lunch. The bill has the ability to ensure that every student has access to a hot breakfast and lunch during the day, allowing them to focus on why they are here, which is to get an education. I hope that you will advance this bill to General File so the full body can debate. Thank you. [LB771]

SENATOR GROENE: Thank you. Any questions for Senator Walz? Of course, we don't have the cost yet. [LB771]

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SENATOR WALZ: Not yet. (Laugh) [LB771]

SENATOR GROENE: Fiscal note. Is there a fiscal note? [LB771]

SENATOR WALZ: Oh, no, I'm sorry. I thought you meant... [LB771]

SENATOR GROENE: Look through my thing here. [LB771]

SENATOR WALZ: Yeah, it's \$1.8 million. [LB771]

SENATOR GROENE: \$1.8 million. [LB771]

SENATOR WALZ: Roughly. Almost 1.8. [LB771]

SENATOR GROENE: All right. I didn't catch that. [LB771]

SENATOR WALZ: Any other questions? [LB771]

SENATOR GROENE: Anybody else? Senator Pansing Brooks. [LB771]

SENATOR PANSING BROOKS: Thank you. Thank you for bringing this, Senator Walz. It's an important bill. Do you know where...I'm sorry, I was in a little bit late. Did you say where these statistics came from on your handout that...? [LB771]

SENATOR WALZ: Oh, the handout? [LB771]

SENATOR KOLOWSKI: The second page. [LB771]

SENATOR PANSING BROOKS: Second page with all the numbers on it for... [LB771]

SENATOR WALZ: I can find out for you. [LB771]

SENATOR PANSING BROOKS: ...free and reduced lunch. [LB771]

SENATOR WALZ: I'll find out. [LB771]

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SENATOR PANSING BROOKS: Oh, Voices for Children. [LB771]

SENATOR LINEHAN: The Department of Education. [LB771]

SENATOR WALZ: I didn't keep a handout, Patty. I'm sorry. [LB771]

SENATOR PANSING BROOKS: Okay. Well, that's okay. It's just my district is lower than I have heard or learned it to be. So I'm just interested that it says 20 percent but I think it's higher than that in my area. So I'm interested. But, yeah, Lincoln Public Schools is higher, right, but I also thought my district was lower than that. Okay. Well, I can try and find that out. But thank you. [LB771]

SENATOR WALZ: Uh-huh. [LB771]

SENATOR PANSING BROOKS: Thank you for bringing the bill. [LB771]

SENATOR GROENE: Senator Kolowski. [LB771]

SENATOR KOLOWSKI: Thank you, Mr. Groene. Senator, thank you again for bringing this. It's really a crucial issue and an important issue. One of the things about kids self-reporting, as a retired high school principal. High school students are much more reluctant to declare that they don't have the money and are in need of some assistance in that way. And I worked very hard to make sure all kids got a meal in the building I was responsible for, and it really makes a difference in how you handle that and downplay it and don't make a big deal... [LB771]

SENATOR WALZ: Uh-huh. [LB771]

SENATOR KOLOWSKI: ...among others, around other kids and all the rest. But making sure that they're taken care of is the main thing you're aiming for and that does make a difference in their life, in their day, and the energy level they have and how they produce in school and activities that they might be involved in as well. But thank you for bringing this. It's really important for us and I hope we can move this forward. Thank you. [LB771]

SENATOR WALZ: Thank you. [LB771]

SENATOR GROENE: Any other questions? Thank you, Senator Walz. Proponents. [LB771]

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JENNI BENSON: (Exhibit 2) All right. Good afternoon, Senator Groene and members of the Education Committee. For the record, I am Jenni Benson, J-e-n-n-i B-e-n-s-o-n, and I'm the president of the Nebraska State Education Association. I'm here representing nearly 28,000 members across the state and I would like to express our full support for LB771. First, however, I wish to thank each of you for your service on the Education Committee. Your service here demonstrates that you understand the value of a solid, well-rounded education. You know that an educated populace is vital to our economic well-being and stability, as well as the future of our democracy. You understand that our children rely on our leadership, our wisdom, our experience to feed their hungry minds to give them knowledge they need to become productive citizens. We must also feed and nourish the bodies when they arrive at school with empty stomachs and hunger pangs from neglect and poverty. My 30 years in the classroom have taught me one thing for certain: A child who is hungry cannot learn. A child who has not eaten is not focused on a math problem or a spelling word. That child is wondering when and where the next meal might arrive, is fighting off pangs of hunger and is wondering, why me? Senators, I want you to know that our children are at the center of everything we do at the NSEA. In fact, our NEA Foundation has created a Breakfast in the Classroom grant program that is beginning to address, at least on a small scale, the problem of child hunger. We are currently working with the Department of Ed in several districts across the state to help the Breakfast in the Classroom become a reality there. I believe it is safe to say that more Nebraska families today suffer from food insecurity than ever before. LB771 assists by removing the copay low-income students must pay for breakfast and lunch. Many families still have a difficult time raising the money for these minimal costs. Eliminating these costs removes the final barrier for these families and allows their children to eat breakfast and lunch every day and to learn without the pain and worry that does accompany hunger. An additional...in addition to enhancing student achievement, there is growing evidence that well-fed students are better behaved, have better attendance records, and are generally healthier and have fewer discipline problems. For all those reasons, I urge you to forward LB771 to the floor. Thank you. [LB771]

SENATOR GROENE: Thank you. Any questions from the committee? Senator Linehan. [LB771]

SENATOR LINEHAN: Thank you, Mr. Chairman. And these might not be...you might not be the right person so... [LB771]

JENNI BENSON: That's all right. [LB771]

SENATOR LINEHAN: ...it's okay. So on the notes that Senator Walz pulled out, it says the school receive federal reimbursement for each breakfast and lunch served. So I'm just confused. They...do they receive an...and I don't know. Again, I would not...I would be actually surprised if

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you know this. Do they receive a federal reimbursement for each breakfast and lunch or just for the free and reduced lunches? [LB771]

JENNI BENSON: I don't know that answer. [LB771]

SENATOR LINEHAN: Yeah, that's okay. [LB771]

JENNI BENSON: Sorry. [LB771]

SENATOR LINEHAN: Somebody hopefully is coming behind you that might know that. [LB771]

JENNI BENSON: Yep. [LB771]

SENATOR LINEHAN: And then it says high-poverty schools receive a higher reimbursement, but it doesn't say what it is. So I'd just be interested in more kind of, and maybe you can find it on this. This is very helpful information, so maybe it's on this Web site. But if somebody else...that was just kind of more detailed what's involved here. Thank you, Mr. Chairman. [LB771]

SENATOR GROENE: Any other questions? Thank you for your testimony. [LB771]

JENNI BENSON: Thank you. [LB771]

ERIC SAVAIANO: (Exhibit 3) Afternoon. Chairperson Groene and members of the Education Committee, my name is Eric Savaiano, E-r-i-c S-a-v-a-i-a-n-o, and I'm the program associate in the Economic Justice Program at Nebraska Appleseed. Nebraska Appleseed is a nonprofit law and policy organization that fights for justice and opportunity for all Nebraskans. Every Nebraska student should have an opportunity to succeed in school, but that cannot happen if students' basic needs aren't being met. In Nebraska, one in eight adults and one in five children are food insecure. In 2015, that was over 200,000 adult Nebraskans altogether, Nebraskans who struggle to access enough food at all times to live a healthy and productive life. Of those, 86,000 were children. For these kids, at least from the hours of 8:00 to 4:00 p.m. in at least the months September to May, the Nebraska school system plays a major role in ensuring they get something to eat. The National School Lunch and School Breakfast Programs are the tools we have to address this need. Based on income, both of these programs support low-income families by allowing them to receive free or reduced-price meals. Families with incomes below 130 percent federal poverty level, or about \$500 a week, for a family of three are eligible for meals at

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no cost, while families with incomes up to 185, or around \$730 a week, are, for a family of three, are eligible for meals at a reduced cost, paying 30 cents on a \$1.55 breakfast or 40 cents on a \$2.60 lunch. Those are averages across the state. The federal government provides the remainder. So even with these low incomes, daily copays can stretch budgets, cause stress, and result in harmful stigmas for kids. In other words, families at this income level work hard but can still struggle to make ends meet. If an unexpected expense comes up, like sickness in the family, a car breakdown, or a higher than expected heating bill, and a parent cannot put money in that school's meal account, that should not mean that a child goes hungry. School feeding programs can help prevent this from happening. Kids eating healthy breakfast and lunch can support both the student and the school. Hungry kids, like hungry adults, are less productive, less engaged, and more likely to behave badly. Multiple studies have shown well-fed students are more likely to have better health, stronger academic performances, and fewer behavioral problems. This bill would support schools as well. Improvements in student achievement, behavior, and health can help schools perform better under review, reduce bullying and disruptive behavior, and cut down on visits to the nurse. Financial issues are equally important. We have heard of districts accumulating up \$60,000 worth of debt from unpaid meals over a year. They are then forced to make the difficult decision to send the debts to collection or to write it off. Despite calls home, letters to parents, and even student-centered tactics, these debts go uncollected, putting both schools and families in worse positions. This bill would be a first step in supporting student health, academics, and success, and also eliminating the financial strain that families and districts dealing with related to school meals. This bill would not only help the 27,000 Nebraskans, Nebraska students falling into the reduced-price meal category, but would help teachers and administrators be less focused on classroom management and collecting fees and more focused on academics. For these reasons, we urge the committee to advance LB771. I'd love to take any questions you have. [LB771]

SENATOR GROENE: Sir, do you have any statistics on...do any school districts in the state of Nebraska deny a child a meal if they don't have 30 cents? [LB771]

ERIC SAVAIANO: I do not have statistics across the state on that. I do have anecdotes from...I'm not recalling the name of the district but I do know that some districts require students who have a certain amount of unpaid meal debt to either get a cheese sandwich or a peanut butter sandwich, and some after that in the high school level to not have meals at all. [LB771]

SENATOR GROENE: Do you have statistics of how many children just defer from eating cafeteria food? [LB771]

ERIC SAVAIANO: I do not have those statistics. Someone else after me might. [LB771]

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SENATOR GROENE: All right. Thank you. Any other questions? Senator Kolowski. [LB771]

SENATOR KOLOWSKI: Thank you, Mr. Groene. Eric, your comments about high school and food service throughout a district are right on target in so many ways. But I think it's important that we also realize that there's a lot of people looking out for, in a building, looking out for those who might not have the money, might not have the means to pay for a lunch and will be helped when they get to the food service area for their meals, either breakfast or lunch. The aspect...the other aspect I think we need to think about is, in my 40-years career, food service changed a great deal. The kind of food that was offered, the nutritional value got more questioned along over time and a lot of very high-calorie junk was taken out of the food service areas or the school store or whatever else was there. And that, about 10-12-15 years ago, that changed the whole nature of what was consumed by kids unless they brought their own. And so we weren't selling it to them, but there were cases where they might sneak in a chocolate candy bar or something else that we wouldn't be selling because it was no longer on our approved list. So I saw, I saw food service change a great deal, but it still comes down to recognizing, finding out, and pulling those students aside in a very quiet manner to assist them with something for lunch so they do have some food, like you said, a cheese sandwich or a peanut butter and jelly sandwich or something of that nature, that would get them through the day and on toward the rest of the things that they have before them on a daily basis. [LB771]

ERIC SAVAIANO: Uh-huh. [LB771]

SENATOR KOLOWSKI: So thank you. Appreciate your comments. I think we need to understand we've been in a very changing atmosphere for a number of years. Thank you. [LB771]

ERIC SAVAIANO: Thank you, Senator. [LB771]

SENATOR GROENE: Any other questions? Thank you, sir. Next proponent. Go ahead. [LB771]

RACHEL OLIVE: (Exhibit 4) Hello, the Education Committee. My name is Rachel Olive, O-l-i-v-e, and I am the executive director of Hunger Free Heartland. Imagine being eight years old and walking into your 2nd grade classroom. You sit at your desk and your belly starts to growl and all you hope is that your friends can't hear it. You hope that they don't realize that you haven't eaten since yesterday's lunch. Hunger affects one in five children in Nebraska, which is over 92,000 children. According to research conducted at the University of Illinois, there are key strategies that can lead to the reduction of food insecurity, one being access to the National School Lunch Program and other federally funded school meals. Research through Share Our Strength, a national organization, has also shown that having access to breakfast provides

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children with the foundation needed to be more focused throughout the day and score higher on standardized testing. Schools are also less likely to have...or more likely to have fewer absences as well. However, participation in many state and federally funded programs remains low throughout Nebraska. Nebraska is currently ranked 49th out of 50 states and the District of Columbia in breakfast participation with only 43 free and reduced students participating in school breakfast programs for every 100 participating in National School Lunch Programs. This translates to over 63,000 children still needing access to breakfast. This is called the breakfast gap. Eliminating the reduced-price category potentially will provide 27,000 more children access to breakfast each day. This takes us one step closer to ensuring that no child ever has to wonder where their next meal will come from. Children miss out on meals because the circumstances in their lives are beyond their control. By eliminating the reduced lunch category, this will alleviate a portion of that family's budget while also ensuring that more children in Nebraska start their day out ready to learn. Thank you for consideration in this bill. [LB771]

SENATOR GROENE: Questions? [LB771]

SENATOR EBKE: Question. [LB771]

SENATOR GROENE: Senator Ebke. [LB771]

SENATOR EBKE: Thanks for coming. Do you have any sort of data which suggests that those who aren't participating in the breakfast program are not eating breakfast? I mean isn't it possible that many of those, the low numbers of participants in breakfast programs at the schools, are related to kids actually eating breakfast at home? [LB771]

RACHEL OLIVE: Yes. Well, we don't have actual statistics. What we do know is that a lot of school districts operate a very traditional model of breakfast, which works for many schools. However, what we also know is that if you are hungry and you are a kid that is on free and reduced lunch, the idea of going in before school starts and identifying yourself as someone needing breakfast, as free and reduced lunch, can feel really icky. And so what we've worked with schools, with myself, Nebraska Appleseed, and a couple other partners, what we've worked is really looking at how do you switch that model so that you can actually change participation rates. What that means is making sure that a school operates an alternative breakfast, so after the school bell rings. Research has shown that by even doing that little switch of when you offer breakfast and opening it up to everybody and more people, you're actually going to see more people actually eat breakfast. You're going to see greater participation rates and kids are ready to learn. [LB771]

SENATOR EBKE: Okay. Thanks. [LB771]

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SENATOR GROENE: Any other questions? I have one. We're about very benevolent society and by just the creation of the Appleseed organization and the Hungry Heartland, have you approached those who are concerned about hungry children if they could create a foundation to fill this need... [LB771]

RACHEL OLIVE: We have not. [LB771]

SENATOR GROENE: ...instead of the taxpayer? [LB771]

RACHEL OLIVE: We have not approached anybody about creating a fund for this, no. [LB771]

SENATOR GROENE: It could be another avenue, could it not? [LB771]

RACHEL OLIVE: I mean it could. I think that there are many people that get behind making sure that children are fed, so I think it is possible. I think the question is whether or not whose authority it should be and making sure that we don't step on the toes of maybe a nutrition service director; if it has...if it's already federally reimbursed, how do we do that and make sure that it stays within the school. [LB771]

SENATOR GROENE: Thank you. [LB771]

RACHEL OLIVE: Yeah. [LB771]

SENATOR GROENE: Any other questions? Thank you. [LB771]

JOHN BONAIUTO: Senator Groene, members of the committee, John, J-o-h-n, Bonaiuto, B-o-n-a-i-u-t-o, representing Nebraska Association of School Boards. School Boards would like to be on record as a proponents of Senator Walz's bill, LB771. And Senator Walz did a great job of framing the issue. Senator Kolowski touched on the fact that food service has changed dramatically over the years. And we look at...school was a place where if you've got hungry kids coming to school, you need to serve those youngsters. And so we started with school lunch, then school breakfast was added. Many districts have summer feeding programs where they're providing lunches for youngsters during the summer. This isn't summer school; this is summer lunch. We have backpack programs. You talked about foundations, the partnerships with the different supporters that provide schools with food for the backpack programs to make sure kids have food on the weekend. So you think of our society and being an affluent country, having kids not knowing where their next meal is coming from is a pretty awful thing. So we see this as a step in the right direction and would appreciate your support. Obviously, we see the fiscal note,

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but it is an investment. I think that, you know, there are certain things that we have to look at as being worthwhile investments and this would be one of those things. With that, I'll conclude my testimony. [LB771]

SENATOR GROENE: Senator Linehan. [LB771]

SENATOR LINEHAN: Thank you, Mr. Chairman. Thank you very much for being here today. So I'm hoping you know the answer. On this, are...does the federal government reimburse every, every breakfast and every lunch or just free and reduced? Or just what does the federal, what does the federal government pay having a lunch program? [LB771]

JOHN BONAIUTO: You know, and I think that that is going to have to be a question that the department might be able to help us with, because there's the free and reduced, schools receive commodities for their food programs. I, at one time, I believe it was every meal served, but I... [LB771]

SENATOR LINEHAN: And that's what this says, every meal. [LB771]

JOHN BONAIUTO: Yeah. Every meal. And...but I have not looked at how that program works. I also believe that with schools and school boards, the food service program is a separate fund and a separate program. And in the end, I believe the school boards are looking at that and not all food service programs break even, and the boards are having to ante up and make sure that the bills are covered. [LB771]

SENATOR LINEHAN: So do you know what the average price across the state, if you're full pay, you pay 100 percent for your lunch and your breakfast? Do you know what the full price average across the state is? [LB771]

JOHN BONAIUTO: I am not aware what that is currently, Senator. I'm sorry. [LB771]

SENATOR LINEHAN: That's okay. Okay. So those would be... [LB771]

JOHN BONAIUTO: But that I can... [LB771]

SENATOR LINEHAN: ...those would be numbers I would, I don't know, I guess I don't know if the department is here, but those would be numbers I would like to have, the total picture. [LB771]

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JOHN BONAIUTO: And I'm confident that they have them and that they're in supporting the schools and would be able to give you all of that data. [LB771]

SENATOR LINEHAN: Okay. Thank you very much. Appreciate it. [LB771]

SENATOR GROENE: Senator Kolowski. [LB771]

SENATOR KOLOWSKI: Thank you, Chairman Groene. John, thank you for being here today. I think it's really important that we understand that, yes, we're talking about food, but there's a bigger issue here. It's about poverty. [LB771]

JOHN BONAIUTO: Yes. [LB771]

SENATOR KOLOWSKI: Poverty. And what has grown in our state as far as a number of students in the listing on the back of one of the papers that we have here, just on the districts in the metro area where I live, to know that Papillion-La Vista schools has 23 percent of their kids in free and reduced lunch, as a poverty standard; 39 percent in Bellevue schools; Omaha Public Schools, 77 percent; Douglas County West, one-third, 35 percent; Millard Public Schools, 21 percent. Twenty-one percent in Millard, you'd never guess that in Millard. [LB771]

JOHN BONAIUTO: No. [LB771]

SENATOR KOLOWSKI: And the same thing with Ralston, 56 percent; 33 percent in the Westside Public Schools; and across the board in Lincoln, 46 percent. We're not talking about something nebulous and off the chart that we never have to worry about or see. We're talking about poverty and the poverty is indicative to the food and the connection to the lack of money to buy basic food coverage on a daily basis in school for these kids. Let's remember what we're dealing with. It's not just apples and oranges and peanut butter sandwiches. It's about kids and families that are struggling today. [LB771]

JOHN BONAIUTO: Absolutely. And, Senator, you point out something that it's...it's not a geographic issue. It's across our entire state. It's rural,... [LB771]

SENATOR KOLOWSKI: Exactly. [LB771]

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JOHN BONAIUTO: ...it's urban. You assume sometimes that an area is affluent but that doesn't mean the families and the children have the ability to pay for the bare necessities. And as you see the increase, I think in the last ten years... [LB771]

SENATOR KOLOWSKI: Absolutely. [LB771]

JOHN BONAIUTO: ...the numbers of free and reduced lunch children have grown dramatically. [LB771]

SENATOR KOLOWSKI: Thank you. [LB771]

SENATOR GROENE: I have a question. [LB771]

JOHN BONAIUTO: Yeah. [LB771]

SENATOR GROENE: In our present TEEOSA formula we have a poverty allowance. Do you know if that poverty allowance allows a school district to use that extra money they are given because of poverty for a program like this? [LB771]

JOHN BONAIUTO: Think that that would be something that would be up to the school board. It would be...I think the school board has the latitude to. [LB771]

SENATOR GROENE: So the state of Nebraska already gives an allowance to help with poverty situations... [LB771]

JOHN BONAIUTO: Well,... [LB771]

SENATOR GROENE: ...and it's up to the local control to make sure to choose wisely? [LB771]

JOHN BONAIUTO: If you're in the formula that would be... [LB771]

SENATOR GROENE: That's true. [LB771]

JOHN BONAIUTO: If you're (laugh) if you're in the formula, there is a poverty allowance. And so, you know, that's one of those things that you have a laundry list of things that you would need to use that money for. As I said, that for the school lunch programs that are not running in the

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green or breaking even, the board has to come up with a way to keep those programs operating. [LB771]

SENATOR GROENE: Thank you. [LB771]

JOHN BONAIUTO: Uh-huh. Thank you. [LB771]

SENATOR GROENE: Is there any more proponents? Could I have a...hands of how many more proponents there are? Thank you. [LB771]

JULIA TSE: (Exhibit 5) Good afternoon, Chairman Groene and members of the Education Committee. My name is Julia Tse, J-u-l-i-a T-s-e, and I am here on behalf of Voices for Children in Nebraska in support of LB771. I'll try to keep my comments brief because we echo a lot of what previous testifiers have said and I'd just sort of like to answer some of the questions that came up earlier. But I'd first like to follow up on some of what Senator Kolowski talked about, about this link to poverty. And one of the things that Voices has talked about a lot recently is that even though after the Great Recession in 2008 and '09 child poverty has mostly recovered, what we've seen across the state in terms of hunger and food insecurity is that it's risen without recovery. So, for example, in 2006, 33 percent of all students were on free and reduced-price meals, but today it's closer to 44 percent and has not shown any indication that it will decrease. And then food insecurity, as others have indicated, is at an all-time high in our state. And we think that's largely because the cost of raising a family has dramatically increased in the last few years while median income, when you adjust for inflation, has decreased by almost the same factor. So getting to some of the questions that came up, Senator Pansing Brooks asked a question about the data table. And you'll notice a lot of footnotes on that data table and due to federal and state privacy laws that protect the identity of students, a lot of the data is masked. So for senators in districts that include larger metro school districts, that data point will be more relevant for your district. The second question about federal reimbursement, so, yes, every single meal that is served in a participating school is reimbursed, but schools will receive a higher reimbursement rate for free meals and then a sort of lower rate for reduced price, and then paid. So the maximum rate that the federal government provides for a free meal in F...in school year '17-18 was \$3.46; for reduced-price it was \$3.06; and for paid meals it was 45 cents, and that scales down for schools with lower poverty. And the last number that I saw, this wasn't a state average but for national median cost for an average school meal is about \$3, I believe, Senator Linehan. And on to the question about meal participation for students, the best number that we have, Senator Groene, is that for students that are eligible for free and reduced-price meals for lunch participation is pretty close to 90 percent, at least for the last numbers that I saw, but for breakfast it's lower than...it's under 40 percent in Nebraska for those who are eligible for free and

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reduced-price meals. And then with that, I'd just sort of like to open myself for any other questions that you may have. [LB771]

SENATOR GROENE: Senator Pansing Brooks. [LB771]

SENATOR PANSING BROOKS: I'm trying to reclarify what you said... [LB771]

JULIA TSE: Sure. [LB771]

SENATOR PANSING BROOKS: ...about that. So you were saying that the bigger districts are, I mean, by splitting like Lincoln into the six districts represented by the various senators... [LB771]

JULIA TSE: Right. [LB771]

SENATOR PANSING BROOKS: ...it's more problematic and what we really need to be looking at is the full number? [LB771]

JULIA TSE: Yes. So, Senator, your numbers might be more appropriate to look at LPS in the second half of the data sheet. [LB771]

SENATOR PANSING BROOKS: Yes, because when I look at Senator Hansen's number, that doesn't ring true either at 7 percent. [LB771]

JULIA TSE: Yeah. Yes. [LB771]

SENATOR PANSING BROOKS: So... [LB771]

JULIA TSE: Yes, so big footnotes on this data. [LB771]

SENATOR PANSING BROOKS: Okay. So just look at all LPS is what... [LB771]

JULIA TSE: Uh-huh. [LB771]

SENATOR PANSING BROOKS: ...it really is, one district, one city, whatever. [LB771]

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JULIE TSE: Definitely. [LB771]

SENATOR PANSING BROOKS: Okay. Thank you. [LB771]

SENATOR GROENE: Any other questions from the committee? Senator Linehan. [LB771]

SENATOR LINEHAN: Thank you, Chairman Groene. And thank you very much for being here. So I just want to make sure I understood what you said. And thank you for having this information. So for every free lunch, a school is reimbursed \$3.46. [LB771]

JULIA TSE: So that's the most that any school can receive and that's if a number of factors. So if the school has high poverty, I think it's more than 60 percent eligible for free and reduced. And then if they're...if they meet certain standards required by the federal government, they get an extra 2 cents or something. So it's a scale. [LB771]

SENATOR LINEHAN: Is there a chart that you could share? [LB771]

JULIA TSE: Yes, there is a chart and I can, I can share that with you. It's updated every year on the USDA Web site. [LB771]

SENATOR LINEHAN: Thank you very much. [LB771]

JULIA TSE: Uh-huh. [LB771]

SENATOR LINEHAN: It's been very helpful. [LB771]

JULIA TSE: You're welcome. [LB771]

SENATOR GROENE: Any other questions? Senator Ebke. [LB771]

SENATOR EBKE: Thank you for being here. Do you know of any schools or are there any schools in Nebraska who don't participate in the federal lunch program at all? [LB771]

JULIA TSE: I believe there are some. We have a chart in our Kids Count report that I can't recall right now but there are some schools that don't participate. [LB771]

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SENATOR EBKE: And do you have any idea why? [LB771]

JULIA TSE: No, I wouldn't, I wouldn't try to guess. I'm not entirely sure. [LB771]

SENATOR EBKE: Think there are at least a few in my district... [LB771]

JULIA TSE: Yes. [LB771]

SENATOR EBKE: ...who decided to opt out and they did it because local producers decided to raise money and provide...to provide meat, fresh grown meat, for the schools themselves. So it's not always necessary to have the government involved in it. [LB771]

JULIA TSE: Right. That's a fantastic model, but certainly that wouldn't... [LB771]

SENATOR EBKE: Doesn't work everywhere, obviously. Yeah. [LB771]

JULIA TSE: ...that wouldn't work everywhere and we would...we would never say that every... [LB771]

SENATOR EBKE: Probably wouldn't work in Omaha. [LB771]

JULIA TSE: Right. We would never say that every district should be required to serve lunch or breakfast but that it's certainly helpful for some of those students. [LB771]

SENATOR GROENE: Thank you for coming up. [LB771]

JULIA TSE: You're welcome. [LB771]

SENATOR KOLOWSKI: Next testimony, please. Afternoon, Ann. [LB771]

ANN HUNTER-PIRTLE: (Exhibit 6) Good afternoon. Good afternoon, members of the committee and Senator Groene. My name is Ann Hunter-Pirtle, A-n-n H-u-n-t-e-r-hyphen-P-i-r-t-l-e, and I'm the executive director of Stand for Schools, a nonprofit dedicated to advancing public education in Nebraska. I'll keep my comments brief today, but we strongly support the Child Hunger and Workforce Readiness Act. Twenty percent of Nebraska's children are food insecure. It's about 93,000 students. And for some of them school meals are the only reliable

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barrier between themselves and chronic hunger. Nebraska does have, as other testifiers have noted, one of the lowest rates of participation in the National School Breakfast Program in the country, largely because smaller districts with fewer students find participation to be prohibitively expensive. Hunger does have serious consequences for student achievement. A 2014 report by the Centers for Disease Control and Prevention found notably that student participation in the USDA School Breakfast Program is associated with increased academic grades and standardized test scores, reduced absenteeism, and improved cognitive performance, among many other benefits. So helping make sure that students get the nutrition they need is a prerequisite to addressing all of the other educational challenges Nebraskans care about. By reducing barriers for both students and schools to participate in school breakfast and lunch programs, we make all other student challenges, whether related to academic performance, reading, behavior or anything else, easier to address. The reverse is also true. Fail to address hunger, and all of the other educational investments we make are less effective. LB771 would help an additional 27,000 Nebraska children consistently access school breakfast and lunch. This is one of the smartest, most-effective investments we can make in the future of our state, which is exactly what we need to look for in a challenging budget environment. We urge you to advance LB771 to General File. Thank you, and I'm happy to take questions. [LB771]

SENATOR KOLOWSKI: Any questions, please? Ann, I have one, just more of a comment. But when we're looking at food... [LB771]

ANN HUNTER-PIRTLE: Uh-huh. [LB771]

SENATOR KOLOWSKI: ...and we're looking at nutritional value, we're looking at the impact upon those children and those families, but... [LB771]

ANN HUNTER-PIRTLE: Uh-huh. [LB771]

SENATOR KOLOWSKI: ...we, when we have poverty situations, food, shelter, and clothing make a big difference when you're looking at all three of those aspects and what it does as far as the life of that family and those kids coming to school on a daily basis. [LB771]

ANN HUNTER-PIRTLE: Of course. [LB771]

SENATOR KOLOWSKI: We can also subdivide the food question into filler food, not-so-good food, junk food,... [LB771]

ANN HUNTER-PIRTLE: Uh-huh. [LB771]

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SENATOR KOLOWSKI: ...and truly nutritional food. [LB771]

ANN HUNTER-PIRTLE: Uh-huh. [LB771]

SENATOR KOLOWSKI: And we do an awfully good job as we look at our athletes... [LB771]

ANN HUNTER-PIRTLE: Uh-huh. [LB771]

SENATOR KOLOWSKI: ...at the highest level of performance at the colleges or universities or pro level and those. Those kind of things are extremely very finely tuned to the athlete involved and how that is impacting the life of that particular student. But we don't think in terms of that as far as school lunches all the way up through high school and the other impacts of that. Like I said before, rules and regulations have taken care of a lot of the junk food. [LB771]

ANN HUNTER-PIRTLE: Uh-huh. [LB771]

SENATOR KOLOWSKI: They're no longer in our machines, sold in our stores, or anything else. But it's still an issue of training a person to understand what nutrition they are putting into themselves and how that is seen in the outcome of their participation in life as well as in sports. [LB771]

ANN HUNTER-PIRTLE: Absolutely. You know, if a student's basic physical needs are not met, it's hard to focus on learning. [LB771]

SENATOR KOLOWSKI: Absolutely. [LB771]

ANN HUNTER-PIRTLE: And that's what this bill is all about, so we thank Senator Walz for bringing it. [LB771]

SENATOR KOLOWSKI: Any other questions or concerns? Thank you. Next, please. [LB771]

KYLE MCGOWAN: Good afternoon, Senators. My name is Kyle McGowan, K-y-l-e M-c-G-o-w-a-n, and I'm here representing the Nebraska Council of School Administrators. NCSA is in complete support of LB771 and the intent to address childhood hunger. In an earlier life, I was a elementary principal for ten years, I was a superintendent for ten years. When I left...at Crete Public Schools. When I left Crete, over 50 percent of the students qualified for a free lunch and about 5 or 6 percent more qualified for a reduced lunch. And just to maybe answer some of your

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questions, Senator Linehan, a reduced lunch in Crete is 40 cents. A full-pay lunch for an elementary student is \$2.65, and at the high school a full-pay lunch is \$2.80. So the Crete lunch program did run in the black and that was, you know, primarily due to the reimbursement that we receive from the feds as well as commodities and trying to be fiscally responsible. The federal lunch program is highly regulated and highly monitored. And, Senator Ebke, a possible reason not to be involved is because you might want to put more frosting on your cinnamon roll than what they would allow. So it's those types of things that people might opt out of. It's difficult to understand how a family couldn't afford a 40-cent meal, but I'm here to tell you I've seen it, I've experienced it. It is a sad situation. It's the reason that responsible schools feel that food is a fundamental right for children. We could talk about whose fault that is, but while we talk about it children go hungry. So essentially, I think we could all agree that workers don't work as well when they're hungry, soldiers don't fight as well when they're hungry, and kids don't learn as well when they're hungry. So I'd be happy to answer any questions. [LB771]

SENATOR KOLOWSKI: Any questions? Yes, Patty. [LB771]

SENATOR PANSING BROOKS: Thank you for coming. Appreciate it, Mr. McGowan. I think that I'm confused because what I had learned was that the 40 cents is just basically a free milk. Is that wrong? [LB771]

KYLE MCGOWAN: Well, different schools can...so at our elementary, in our kindergarten or 1st grade we may also have a morning milk. [LB771]

SENATOR PANSING BROOKS: Okay. [LB771]

KYLE MCGOWAN: So... [LB771]

SENATOR PANSING BROOKS: Is that 40 cents? [LB771]

KYLE MCGOWAN: No, there would be, if you received, if you already qualified for a free lunch, you would get your milk for free. If you qualified for a reduced lunch program, you would get your milk at a discount. So... [LB771]

SENATOR PANSING BROOKS: Oh. [LB771]

KYLE MCGOWAN: ...I don't know. I mean the 40 cents, I'm not aware of it being attributed to any portion of the meal, like the milk. It's just the cost. [LB771]

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SENATOR PANSING BROOKS: At one point when I met with LPS they just...they said, well, the reduced lunch means you get milk free. So I'll have to clarify that with others. [LB771]

KYLE McGOWAN: A reduced lunch at Crete cost 40 cents for the entire meal. Now we, you know, we serve breakfast. We do offer snacks. We have a fruit program in the afternoon. We have after-school programs that have some snacks involved with them. We have backpack programs. Again, you know, food is a pretty important necessity. [LB771]

SENATOR PANSING BROOKS: Yeah. [LB771]

KYLE McGOWAN: So we again try to take that out of the equation in terms of how best to teach kids. [LB771]

SENATOR PANSING BROOKS: So I want to clarify. So the 40 cents at Crete was that they would pay 40 cents and they get the full meal, basically, for that,... [LB771]

KYLE McGOWAN: Correct. [LB771]

SENATOR PANSING BROOKS: ...including milk and including... [LB771]

KYLE McGOWAN: Correct. [LB771]

SENATOR PANSING BROOKS: ...the entire thing. [LB771]

KYLE McGOWAN: Yeah. [LB771]

SENATOR PANSING BROOKS: Thank you. [LB771]

KYLE McGOWAN: Now I'm not aware, you know, maybe other schools do it differently. I'm not sure what sort of flexibility there is with that, but...and not all lunch programs work in the black either. [LB771]

SENATOR PANSING BROOKS: So if an elementary is \$2.65 and you're taking 40 cents off for the milk generally, and again I'll ask LPS what was going on, but that would be \$2.25. [LB771]

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KYLE McGOWAN: Two...when I gave you those numbers, that includes a complete meal including the drink, including the milk. [LB771]

SENATOR PANSING BROOKS: Right. [LB771]

KYLE McGOWAN: So... [LB771]

SENATOR PANSING BROOKS: So what I'm saying is if a meal cost \$2.65 for an elementary kid and you gave them the milk off then they're actually paying \$2.25. They get the milk free and... [LB771]

KYLE McGOWAN: Yeah. We... [LB771]

SENATOR PANSING BROOKS: ...if I'm understanding it correctly. But you're doing it differently and saying... [LB771]

KYLE McGOWAN: Right. [LB771]

SENATOR PANSING BROOKS: ...40 cents for the whole meal. [LB771]

KYLE McGOWAN: Now, for instance, a student might come with a sack lunch and then maybe they would buy just a milk or you have a la carte meals that you can... [LB771]

SENATOR PANSING BROOKS: Yes. [LB771]

KYLE McGOWAN: ...charge for. So I'm not exactly sure what we charged for milk at Crete. [LB771]

SENATOR PANSING BROOKS: Okay. Thank you for coming and testifying. I appreciate your passionate discussion about the fact that we want people to be able to eat and think and move forward. [LB771]

KYLE McGOWAN: Thank you. [LB771]

SENATOR GROENE: Senator Linehan. [LB771]

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SENATOR LINEHAN: Thank you, Chairman Groene. Thank you for being here, Mr. McGowan, and I agree wholeheartedly that you don't want a hungry kid. I've got grandkids and when they're hungry they're grouchy and (inaudible). Seems like you have to feed them continually, so I understand. What I'm having a harder time understanding is the numbers, because one of the previous testifiers said that the schools were reimbursed, if they're at 60 percent poverty, for \$3.46 for a lunch. And I'm assuming that...I just don't understand. If they get \$3.46 but you're charging \$2.65, then why is there a shortage in funding? [LB771]

KYLE MCGOWAN: I'm...what I'm saying, my support of LB771 is saying that there are children that are...or families that are struggling to pay even the 40 cents. [LB771]

SENATOR LINEHAN: But I get that, but what I'm...I just need to...this is all very good and very helpful. I just...I'm having difficulty wrapping my head around if the federal government reinduces...reimburses, excuse me--reinduces is not a word--reimburses at \$3.46 for a free lunch in a school with 60 percent poverty, so that's what I'm trying to figure. What does it cost to actually serve that lunch? Is it \$5? Is it \$4? [LB771]

KYLE MCGOWAN: Right. You know... [LB771]

SENATOR LINEHAN: Is it... [LB771]

KYLE MCGOWAN: Sure. [LB771]

SENATOR LINEHAN: And so do the schools, if they're only charging \$2.80, are they subsidizing every lunch? [LB771]

KYLE MCGOWAN: Right. If I understand you correctly, each lunch, you know, let's put a price of each lunch costs \$5... [LB771]

SENATOR LINEHAN: Okay. [LB771]

KYLE MCGOWAN: ...or each lunch costs \$6. When you, I mean we have a full-time food service director, had an accounting person. The food program, like I said, is very highly regulated. When that's all said and done, the Crete school system was not in the hole. [LB771]

SENATOR LINEHAN: Okay. [LB771]

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KYLE MCGOWAN: There were times that we had to write off bad debt, not unlike shoplifting or bad loans, I assume. [LB771]

SENATOR LINEHAN: And that was probably sometimes even for people who were not on reduced lunch. [LB771]

KYLE MCGOWAN: Exactly. Exactly. [LB771]

SENATOR LINEHAN: Okay. Thank you very much. [LB771]

SENATOR GROENE: Any other questions? Thank you. [LB771]

KYLE MCGOWAN: You bet. [LB771]

JOHN SKRETTA: (Exhibit 7) Good afternoon, Senators, members of the Education Committee. My name is John Skretta, that's J-o-h-n S-k-r-e-t-t-a. I am the superintendent of the Norris School District just outside of Firth here in Lancaster County, and I'm here today to offer you some...there's a written testimony piece there that's coming around on behalf of STANCE. STANCE is a coalition of midsize school districts; stands for Schools Taking Action for Nebraska Children's Education. And we are in support of LB771 and so here today to offer some context from Norris but more so as a representative of the 17 school district members and the 25,000 Nebraska school children who are educated in our STANCE districts to say that we think the fundamentals of Senator Walz's proposal are really unassailable. It's just a wonderful idea to make an investment in children and families that we believe would actually pay very big dividends. Specifically, one of the things I want to reference, John Bonaiuto spoke on behalf of NASB, and the School Boards Association over the last several years has helped to initiate and sustain a Whole Child Coalition, Whole Child Project. And Nebraska has kind of become renown for schools working together to try to promote student health, understanding the connection to academic outcomes. And we can credit John Spatz and the School Boards team with a lot of that leadership. And one of the things I attended on the School Boards' Whole Child Coalition offered some information from the University of Nebraska Medical Center, in their public health wing basically. And one of the things that they describe are adverse childhood experiences, ACES, and the just incredibly detrimental impact of those ACES. And a really big one is childhood hunger. And if there are ways in which we can mitigate, reduce, or eliminate childhood hunger then we stand a much better chance of keeping kids in school and helping them be successful. I want to also just, while I'm here, note a couple other things for you and then try to offer some help in response to some of the really good and insightful questions that have been asked. First thing, I just want to reassure you that if you were to go talk to any school nurse in the state and if you were to talk to any food service director in the state, they're going to

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tell you what my food service director, "Mel," Melinda Maendele--for those of you from TV land, all jokes about Mel's Diner aside, okay--she said, I'm all for it; I think it would be a huge asset to these families. So Norris is generally regarded as a fairly affluent district, and in the scope of Nebraska schools we are. But we've got about 15 percent free and reduced lunch kids, okay? And so within our student population, I was looking at some of this data and we've got two dozen families right now who are reduced lunch families who have a significant lunch deficit, okay, so they're in the red. There are 60 families and 124 kids just at Norris who would be immediately impacted by this bill were it to become law, because those are our reduced lunch kids. And one of the things that "Mel" pointed out that I thought was really interesting was she said, well, you know, you would think that 30 or 40 cents a day to pay for a reduced-price lunch isn't burdensome for some families, and yet the reality is that many are multiple sibling families. And then you're talking about maybe 20 school lunches and any number of breakfasts over the course of a month and that adds up and it becomes a burdensome thing for those families. So that's a little bit of what I wanted to share and I just really appreciate, on behalf of STANCE districts, we really appreciate Senator Walz's proposal and thank her for that advocacy to support Nebraska school children. [LB771]

SENATOR GROENE: Questions? Do you have a school foundation? [LB771]

JOHN SKRETTA: Yes. And, Senator Groene, you had asked a question about that before that I think is...it really points to an area where Nebraska schools do a good job. The Norris Education Foundation, the Norris Area Food Pantry, and a year ago last summer we actually just initiated a Go Fund Me page essentially to say, look, we want to help out families who are struggling to pay their school lunch debt. Because as Kyle described, basically you're going to have to cover that school lunch deficit, if you've got one, you're going to write it off from your general fund account unless you get it paid for. And so that's using resources that we could otherwise use for any number of educational things. And so we've tried to and have benefited from the assistance of some of those groups. I'm not sure it's a comprehensive answer in...along the lines of what Senator Walz has proposed. [LB771]

SENATOR GROENE: Question. You heard that if every child has a full stomach. My problem was I ate too much and I wanted a nap and then I wasn't learning. But anyway, so then there's dividends, so down the road we would save money because there's dividends. [LB771]

JOHN SKRETTA: Yes. [LB771]

SENATOR GROENE: Can you give me some ideas where we could eliminate a program and transfer that money to pay for this program because we're going to have dividends? [LB771]

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JOHN SKRETTA: I was hoping you could wrap your head around that because I'm not sure I have a good answer to that. But I will tell you that I think...I think impacting those kids up-front, it's so powerful in terms of just what it can do to help kids and families. And I also wanted to just mention that you look at the Robert Wood Johnson Foundation, Action for Healthy Kids, School Nutrition Association, the National Dairy Council, the Food Research and Action Center, they would all readily provide information that shares, hey, when kids have adequate nutrition they're definitely going to do better in school. And I think we've seen that pretty consistently. [LB771]

SENATOR GROENE: Any other questions from the committee? Thank you, sir, for taking the time. [LB771]

JOHN SKRETTA: Okay. Thanks a bunch. Appreciate it. [LB771]

JON HABBEN: Good afternoon, everybody, Senator Groene. A couple of things that have just been slightly touched upon, Senator Groene, you've made a good point about, so can foundations be part of this solution. And... [LB771]

SENATOR GROENE: Spell your name. [LB771]

JON HABBEN: Oh, I'm sorry. Jon, J-o-n, Habben, H-a-b-b-e-n, Nebraska Rural Community Schools Association still. The point I wanted to make about foundations is they address a number of things. This is one possibility of what they could address. Hunger is one of those things, among many things, that folks in poverty have to deal with. And we do have lots of private entities that are part of all of these solutions. In my community, Friends of Faith, Ministerial Association, all kinds of things are helping to address lots of parts of the issue. The backpack program, privately sponsored, addressing many parts of this issue. I think we see a lot of that happening. I think this is an attempt to say in this core area, which I think hunger is, in this core area how do we deal with this group of people who are just above free but they don't get to a point of being able to afford much more? How do we help them in a way that is removing stigma, is causing people to sign up for the programs, is helping school districts to make a change in the way they look at these things? How do we help them get to this point? This bill I think attempts to do exactly that. I know there's a fiscal note and we all know what fiscal notes mean now. But I think whether it's immediately dealing with this or making sure it's on a top shelf so that it gets dealt with in the near future is really important. Let me address one other piece that I think is important too. Across...I started teaching in '73 so I've probably heard lots of people on these kinds of subjects, but one of the things that always seemed to bother me was when a school district, a school board, a school administration, school teachers used this--well, if those parents would just...they would be able to afford thus and such--as if somehow we magically knew the answer to that. And it doesn't matter to me whether...which side of the aisle

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one is on when it comes to something like this. You have a significant need. You have a significant issue. It is not getting better. The schools that I started in that had 25 percent free and reduced lunch and half of them were reduced have now become 55 and 60 percent free and reduced lunch, and maybe only 15 percent reduced but still a significant number. I think that's reminding us that this bigger picture issue isn't going away. It just seems to be getting in our way. And I hope we can consider this as a possible aid, a possible help towards solving that issue of poverty so that when we're asking students to perform, you know, we say it all the time, perform at your best, perform at the top, achieve at the best, you know, that's who America is supposed to be, I hope we stand up for it. Not an easy thing to do when you've got fiscal restraints but things that we can work toward. And I think we have the capability of doing that. Thank you. [LB771]

SENATOR GROENE: Thank you. Questions for Jon? Senator Linehan. [LB771]

SENATOR LINEHAN: Thank you, Chairman Groene. Do you have any idea what the total funding stream is for school lunch programs in the state? [LB771]

JON HABBEN: No. [LB771]

SENATOR LINEHAN: Okay. [LB771]

JON HABBEN: No. [LB771]

SENATOR LINEHAN: Because it would seem like \$2 million is a tiny, tiny drop in the bucket, right? [LB771]

JON HABBEN: It is. It is. And you know the entire lunch program issue comes out of the Department of Agriculture at the federal level. I know that in all the school districts that I was a part of, when it came time to setting those lunch prices you always considered what the...you knew what free was and you knew how much the feds would pay for that free lunch. The question was could you provide the lunch for that amount of money, because some years it didn't work out that way. And you had the same question with free lunch. We were always struggling. I kind of chuckled at how much frosting you put on the roll, because to some degree you have that kind of an issue at the local level. You are constrained. You are regulated. You're trying to do it the right way. You're even hiring people to come in and help you do it the right way, to wade through the regulations. That costs you money as well. You're trying to do these kinds of things to hit those numbers as closely as you can. Doesn't always work that way. But as far as really getting that kind of data, as a number of people have said before, the nutrition folks at the Department of Education would be your best source, I think. [LB771]

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SENATOR LINEHAN: It's also, isn't it, part of the annual, what is the big form you have to fill out at the end of the year, Department of Ed does one in every school? They have it... [LB771]

JON HABBEN: Annual financial report? [LB771]

SENATOR LINEHAN: An annual financial report. Every school has got its own separate report on the school lunch program, right? [LB771]

JON HABBEN: That's correct. Yes. [LB771]

SENATOR LINEHAN: Okay. Thank you very much. It's very helpful. [LB771]

JON HABBEN: Sure. [LB771]

SENATOR GROENE: Any other questions from the committee? Thank you, Jon. [LB771]

JON HABBEN: You bet. [LB771]

SENATOR GROENE: (Exhibits 8, 9, and 10) Any other proponents? LB771, we received three correspondence for support: Ashley Carroll from Actions of Healthy Kids; Sarah Ann Kotchian, Holland Children's Movement; and John Neal, Lincoln Public Schools. Thank you. Now we will go to opponents. Neutral testifiers? That ends the hearing. We received no...was there...well, yeah, that ends the testimony I said. There was no letters of proponents (sic) and none from neutral. Now, Senator Walz, would you like to close on your LB771? [LB771]

SENATOR WALZ: First of all, I want to thank everybody who came to testify and advocate for children who are hungry and just need a little help getting through the school day so they can receive a quality education. You know, I realize that we are in a tough budget situation, but I wanted to get this conversation started and I want to keep this conversation moving. I don't want you to write off this issue. We are talking about adding relief to hardworking Nebraskas in...Nebraskans in the form of ensuring a hot meal to every student in the state. The families affected by this bill could use a little relief, and they're not families that are abusing the system. These are hardworking families that just need a little relief and this would provide that for them. A 30-cent and a 40-cent copay may not seem like a lot to you or I, but it can really make a difference in the lives of these families. I ask that you vote to move this out of committee to General File so we can continue this very important conversation. Thank you. [LB771]

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SENATOR GROENE: Thank you, Senator Walz. Any final questions from the committee? Thank you. We will now proceed to the second bill on the hearing agenda. That would be LB857, Senator Morfeld, adopt the Campus Confidentiality Act. Committee Counsel Garman will be joining us for this, since he is the one handling this bill. [LB771 LB857]

SENATOR MORFELD: Senator Groene, members of the Education Committee, my name is Adam Morfeld, for the record, that's A-d-a-m M-o-r-f-e-l-d, representing the "Fighting 46th" Legislative District, here today to introduce LB857, the Campus Confidentiality Act. As senators, we often introduce legislation for a variety of reasons, and the reason why I introduce this legislation today is deeply personal. At the age of 12 years old, I was repeatedly sexually assaulted by a neighbor and family friend. This experience is one that I still grapple with and process as an adult. The memory and trauma hits you at the most unexpected times: over lunch with a friend, on the floor of the Legislature, while sitting in this committee with you, while you sleep at night, or even spending time with a significant other. It is a trauma that never fully leaves you. It also taught me that sexual assault often leaves you feeling powerless, violated, helpless, and insecure. As a child, it took me a great deal of time to seek assistance. Now justice from the criminal justice system will prove elusive to me because of South Dakota's statute of limitations. But that does not have to be the case for countless young Nebraska women and men on our college campuses. We must provide a safe space and trusted individuals for those who are grappling with their assault to confidentially report and receive advice before going to mandatory reporters and the authorities. Just this weekend somebody close to me told me their own story of assault after a college formal. When I asked them why they didn't report it, they indicated they did not understand what their options were, that there was a safe place to report, but also didn't have the opportunity to process what had happened. Perhaps a confidential advisor would have been the first step for them. Their story and many others, unfortunately, is not uncommon. The Campus Confidentiality Act requires that by January 1, 2019, the governing boards of the University of Nebraska, the Nebraska state colleges, and the Nebraska community colleges adopt policies providing for confidential advisors to whom students can report sexually oriented criminal offenses. These advisors would be trained to inform the student of their rights and reporting options and, if allowed by the student in writing, serve as a liaison to the student and the institution or law enforcement agency. This could include working with the institution to arrange reasonable accommodations for the survivor to change living arrangements or class schedules without triggering an investigation by the institution. It could also include accompanying the victim to interviews and other proceedings for any disciplinary response. The bill also provides amnesty for nonviolent infractions to students who in good faith make reports of sexual violence. So for instance, if alcohol was being used at the time and they're underage, they wouldn't be punished by the institution for reporting that alcohol was used and that they were also sexually assaulted, just as an example. The point of this bill is threefold: first, to give a survivor of sexual assault or a sexually oriented crime encouragement to tell someone who can help them and who will keep information confidential until they decide to go public or report to

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the institution; second, for trained advisors who can inform the survivor of their rights and can work with the institution on making reasonable accommodations and to provide for other support as needed; and third, to encourage other students who report what they have witnessed without concern about getting in trouble for a minor infraction, such as underage drinking. The Campus Confidentiality Act was taken in part from a law introduced and passed in Utah...in the Utah House last year after it was found that almost 80 percent of sexually oriented crimes on campus were not being reported due to students being fearful of reporting such crimes. This is an important first step for them. Due to the low reporting of such crimes, advocates came up with this proposal that seeks to remedy that. It is also known that many students won't report having witnessed such violence. This bill provides Good Samaritan immunity to students for nonviolent infractions, as discussed earlier, if they in good faith report such crimes. It is imperative that we continue to make our campuses safer for our students and to provide for additional help for victims and survivors and to encourage reporting of these crimes. I think if you look at the fiscal note, the need for this bill is obvious. I do believe that the cost for implementing this act is a lot less expensive than what is noted, but I remain committed to working with public institutions of higher education to address this issue, whether it be through these requirements or reporting requirements. There are people that are here to testify in support of this measure who have more expertise on this issue than I do and who will speak to the importance of this legislation. LB857 cannot undo what was done, but it can provide the ability for them to find their voice and, perhaps one day, justice. I urge you to support this legislation. I'd be happy to answer any questions. [LB857]

SENATOR GROENE: Thank you, Senator Morfeld. Any questions from the committee? Senator Pansing Brooks. [LB857]

SENATOR PANSING BROOKS: Thank you. Have you talked to the Fiscal Office? Thank you, Senator Morfeld, for bringing this bill, for your courage. Have you talked to the Fiscal Office to see... [LB857]

SENATOR MORFELD: I have not talked to the Fiscal Office. I think that it's...I understand the State College System, the University System, and the community colleges are under a lot of pressure from the budget. And there's probably fewer stronger advocates for those institutions, budgetwise. But that being said, I think it's important to note that the purpose and the intent of this legislation was not to provide for full-time confidential advisors that are solely dedicated to being confidential advisors. And if you look at page 2, lines 14 through 19, it notes that the designation of the individuals--and I'm reading from it now--who will serve as confidential advisors, such as healthcare staff, clergy, staff of a women's center or other such categories, even other nonprofit outside agencies. The idea is that this is going to be something where...I work at a...not a public university but a private university and every year I have to take Title IX training. This would be an add-on to my training if I wanted to be a confidential advisor and designated as

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such. I think that it needs to be viewed in that sense. So either, one, there is a huge problem that we're not aware of and the fiscal note highlights that; or, two, there's a misunderstanding I think as to the purpose and the role of a confidential advisor. So to answer your questions, Senator, I haven't talked to the Fiscal Office. But that being said, I do think that this would be...this would cost some money and some time and resources to implement, I have no doubt. But I think it could be tied into our current Title IX processes and I think people can be designated as these confidential advisors who otherwise would be designated as Title IX mandatory reporters anyway. [LB857]

SENATOR PANSING BROOKS: I agree with you on that. Thank you. [LB857]

SENATOR GROENE: Senator Linehan. [LB857]

SENATOR LINEHAN: Thank you, Chairman Groene. Thank you, Senator Morfeld, for your testimony. Do you know, does the university or any of the state colleges have a hot line that people can call? It's just not very...I mean, it's not staffed all the time or...I mean, hopefully they're doing something, right? [LB857]

SENATOR MORFELD: Yeah, and my experiences from being at UNL several years ago, but when I was a resident assistant there was a hot line. I highly doubt they've taken down that hot line, at the University of Nebraska-Lincoln anyway. [LB857]

SENATOR LINEHAN: Okay. [LB857]

SENATOR MORFELD: And there's also on-line confidential reporting mechanisms as well, I believe, since I graduated. [LB857]

SENATOR LINEHAN: So there's something there for them to build on already, which would also kind of question the fiscal note. [LB857]

SENATOR MORFELD: Absolutely. And I think that what's important to note is that I think a lot of the State College System, the University System...I'm not as familiar with the Community College System in Nebraska in terms of this issue, but they already have mechanisms and people to report in place pursuant to federal guidelines and many of them have gone above and beyond the federal guidelines. All I'm saying is that I know that there are a lot of students and I know that myself as a child, it was very scary to report because in many cases people do know that there's mandatory reporting out to the authorities. And people just want to understand their options and want somebody that can listen to them and give them an opportunity to get help.

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And then they can decide whether or not they're in a position, both mentally and in some cases physically, to take it to the next step. [LB857]

SENATOR LINEHAN: Okay, thank you very much. [LB857]

SENATOR GROENE: Senator...anybody else? Senator Erdman. [LB857]

SENATOR ERDMAN: Thank you, Senator Groene. Thank you, Senator Morfeld, for bringing this. In Section 3 it talks about the mandated confidential advisor would complete an in-person training and they'd have to do that according to the act. Do you know where one would go to get training for this? Could that person also be an employee of the institution or would they have to hire or contract with somebody outside that? [LB857]

SENATOR MORFELD: The person that's doing the training, is that what you mean? [LB857]

SENATOR ERDMAN: No, the person that's going to be the counselor. [LB857]

SENATOR MORFELD: Yeah. So the bill in the section right before that or the subsection allows them to designate other officials, whether they be clergy or whatever the case may be as confidential advisors. So I think that they could contract. I think that they can use existing employees, quite frankly. In terms of the training, for instance, this requires in person. I think that needs to be in place because a confidential advisor is particularly an interesting role that's nuanced. I know that for the university that I work for, the private university I work for, I do it on-line every year. It takes about two or three hours; that's just Title IX training. So there's a lot of different options out there for academic institutions. I don't know if that answers your question. [LB857]

SENATOR GROENE: Senator Morfeld, you mentioned it, but isn't there mandatory reporting now, up to the age of 19? So you have a freshman in college who goes to this confidential advisor and says, I don't want to go to the police, but I want to confide in somebody. Doesn't that individual then have a statute that says you have to report it? [LB857]

SENATOR MORFELD: Right now under Title IX, yes. So like, for instance, if a student came to me as an adjunct professor at Doane, I would have to report up right away and inform them of that, so yes. And what this is doing is it's creating a few positions...not creating a few positions, but it's creating a few designated individuals that they don't have to report up right away, but they can be an advocate and a resource for those individuals. [LB857]

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SENATOR GROENE: But state law can't trump Title IX federal law. [LB857]

SENATOR MORFELD: There are some people that can talk a little bit about the nuances of that right behind me. I know that this is legally sound, but I think they can talk about the nuances of that. I think there are some exceptions. [LB857]

SENATOR GROENE: They have in here, "unless otherwise required to do so by law," but if anybody is under the age of 19 you're going to have to. [LB857]

SENATOR MORFELD: I'm not familiar with the under 19 provision. [LB857]

SENATOR GROENE: I thought 18 was still juvenile. [LB857]

SENATOR MORFELD: Yeah. Well, in Nebraska, we have a...we're obviously a little bit of an anomaly in terms of age of majority. So I'm going to defer to the folks behind me. You may be right, Senator, but I don't want to talk about something I'm not familiar with. [LB857]

SENATOR GROENE: You don't mention the person who is accused of being a perpetrator. Where are they in this? Are they informed that they've been accused, rightly or wrongly? Can the institution take action against them without due process? [LB857]

SENATOR MORFELD: Well, that's all outlined in Title IX. So right now it's my understanding--again, there are folks that are experts behind me--it's my understanding that the university must be able to provide resources for both the person that's accusing and the perpetrator in the hearing...the Title IX hearing. [LB857]

SENATOR GROENE: But this is prior to the Title IX. [LB857]

SENATOR MORFELD: This would be prior to the Title IX hearing, because this confidential advisor would not have to mandatorily report up, so. The State College System in their fiscal note indicated that they believe, in how they interpreted Title IX, that they would have to provide a confidential advisor to both the survivor and the perpetrator as well...the accused perpetrator. I haven't read Title IX as closely as they have, maybe, so I need to look into that, but that could be the case. [LB857]

SENATOR GROENE: Thank you. Any other questions from the committee? [LB857]

SENATOR MORFELD: Thank you. [LB857]

MORGAN BEAL: (Exhibit 1) Good afternoon, Chairperson Groene and members of the Education Committee. My name is Morgan Beal, M-o-r-g-a-n B-e-a-l. I'm the campus services coordinator for Voices of Hope and I'm here to testify regarding our support of LB857. Voices of Hope provides services to empower those who have experienced relationship violence, sexual assault, and other related forms of abuse. For the past 43 years, our agency has provided confidential, 24-hour-a-day services for survivors of these crimes as well as their family members here in Lincoln and Lancaster County. As the campus services coordinator, I partner with college campuses in Lincoln, including the University of Nebraska-Lincoln, to provide confidential advocacy services for student survivors of sexual assault. As you know, sexual assault is a pervasive problem throughout the country and, unfortunately, college campuses are not immune to this type of violence. In fact, sexual assault is more prevalent on college campuses compared to any other types of violent crimes. According to statistics from the National Sexual Violence Resource Center, 1 in 5 women and 1 in 16 men are sexually assaulted while in college. Sexual assault continues to be one of the most underreported crimes, with an estimated 90 percent of college sexual assault victims never reporting to law enforcement. As a campus advocate, I'm able to inform survivors of their reporting options with the institution and with local law enforcement, to provide information on medical care, to discuss the evidence collection process, offer safety planning and assistance with protection orders, and to discuss available academic and housing modifications, and to discuss additional resources both available on and off campus, all of which can take place in an unbiased, confidential approach that empowers survivors to make the best informed decisions with how they want to proceed. The research looking at the impact of advocacy concludes that advocacy services help facilitate survivor recovery. According to one study conducted by Campbell, victims that worked with a confidential advisor experienced less distress after contacting legal and medical systems. Furthermore, victims were more likely to have a police report taken and more likely to have their case further investigated. The research consistently yields that confidential advocates provide numerous benefits and can help prevent serious consequences for rape survivors including secondary victimization. In closing, I'd like to leave you with a quote from a UNL student survivor that I worked with in my role as a confidential advocate. She states, "After being raped by somebody who held far greater power and status than myself, I felt entirely helpless. I felt certain that no one would believe me, a fear that my perpetrator helped to reinforce. I was scared, ashamed, and embarrassed. It took me weeks to stomach the courage to trust someone enough to share my story. And the only reason I did, because I was promised confidentiality. This is how I met my campus advocate, Morgan. She not only provided the emotional support that I so needed, but was somebody who could help guide me. Since then, I have been provided a network of support that has enabled me to report the crime that was committed against me, potentially sparing others from the same fate, while I was continuing my academic career. But most importantly, I have begun to heal. I can't imagine what had been my fate if I tried to navigate this

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alone. I strongly support LB857, which will ensure that no survivor is left without the help that they so desperately need. It would be a travesty to deny survivors this avenue of support. Without it, our suffering would be far greater." By passing LB857, you'd be providing an important and necessary service for sexual assault survivors and ensuring their right to a confidential advisor. But more importantly, you're communicating to survivors that you care about their safety and their well-being. Voices of Hope asks you to advance LB857. Thank you for your time and I'll be happy to answer any of your questions. [LB857]

SENATOR GROENE: Any questions from the committee? Thank you for your testimony. [LB857]

SENATOR PANSING BROOKS: I have a question. [LB857]

SENATOR GROENE: Oh, did you? You didn't raise your hand. [LB857]

SENATOR PANSING BROOKS: Sorry, I didn't do it very well. It went so fast. [LB857]

SENATOR GROENE: Senator Pansing Brooks. [LB857]

SENATOR PANSING BROOKS: Thank you. Thank you, Ms. Beal, for coming. [LB857]

MORGAN BEAL: Thank you. [LB857]

SENATOR PANSING BROOKS: So you heard some of the discussion on cost. What's your...do you have some thoughts on what kind of cost and who can do this kind of...who can help out in schools? Do we need to hire more people or can people just be trained for not much to be able to handle this or...? I'd like your perspective. [LB857]

MORGAN BEAL: Absolutely. I do believe that there is a need to have additional people to be able to respond to survivors. There's an overwhelming need here and I certainly see that demonstrated in my numbers. I can't speak for other campuses, but I know there's about six or seven other advocates that work at colleges across Nebraska. And we've been seeing...at least, personally, I've been seeing an increase in the number of students that are coming forward to report these crimes. I believe working with advocacy centers like Voices of Hope would be a great avenue for institutions. We're able to provide that confidentiality. We've been specifically trained on how to support survivors. And there's additional programs like Voices of Hope, in fact, 22 programs across the state of Nebraska, that could potentially assist with these schools. [LB857]

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SENATOR PANSING BROOKS: Did you hear Senator Groene's question regarding the federal funding and what law trumps which statute and can you speak to that or do you know? [LB857]

MORGAN BEAL: I can speak personally at Voices of Hope. So our policy is that we can meet once with a minor to talk about options. Thereafter, we would need to get parental consent to meet with that individual. [LB857]

SENATOR PANSING BROOKS: But I think part of the question was reporting requirements, so can you speak to that about...because our understanding is if you're meeting with a child, isn't there a reporting requirement? [LB857]

MORGAN BEAL: There would be. So we are confidential advisors, but our limits to confidentiality would be child abuse, if somebody is an imminent danger to themselves or others, or elder abuse. So, yes, we are mandatory reporters for minors. [LB857]

SENATOR GROENE: Are you done, Senator? Could I finish that question? [LB857]

MORGAN BEAL: Sure. [LB857]

SENATOR GROENE: What does child abuse stop at, 16, 15, 18? Where does it stop? [LB857]

MORGAN BEAL: Eighteen, I believe. [LB857]

SENATOR GROENE: So a freshman in college, you would have to report. [LB857]

MORGAN BEAL: If they were under the age of 18. [LB857]

SENATOR GROENE: Under the age of 18. [LB857]

MORGAN BEAL: Yes. [LB857]

SENATOR GROENE: All right. Thank you. [LB857]

SENATOR PANSING BROOKS: Except at consent from 16, right? [LB857]

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MORGAN BEAL: Right. So with...it's my understanding, with the laws around age and consent, if we had somebody 16 years or younger with the other person 19 years or older, that would be considered statutory rape in the state of Nebraska. [LB857]

SENATOR GROENE: Clarify that. You said 19 and over. [LB857]

MORGAN BEAL: If the actor is 19 years or older. [LB857]

SENATOR GROENE: So where does the 18-year-old fit into that scenario? [LB857]

MORGAN BEAL: I'm not sure. [LB857]

SENATOR GROENE: You said 16 or under or 19 and over. [LB857]

MORGAN BEAL: I was just speaking to the laws of statutory rape in the state of Nebraska around age and consent. [LB857]

SENATOR GROENE: Thank you. [LB857]

MORGAN BEAL: Also, to answer your question, Senator, we do have a 24-hour crisis line offered through Voices of Hope that's extended to anyone in the community, so that is accessed regularly by students. [LB857]

SENATOR PANSING BROOKS: So I think I'm...I'm sorry. [LB857]

SENATOR GROENE: Go ahead, finish your question. [LB857]

SENATOR PANSING BROOKS: So I still...because I thought Senator Morfeld was attempting to provide access where somebody can talk to somebody and determine whether or not they want to report, whether they have the courage within,... [LB857]

MORGAN BEAL: Sure. [LB857]

SENATOR PANSING BROOKS: ...physically, mentally, to do so. So...but I'm not hearing that is what you are offering. Is that correct? [LB857]

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MORGAN BEAL: I can only speak to like our current policies at Voices of Hope right now in terms of where we're at with confidential advisors. It's my understanding that that could potentially change with Senator Morfeld's bill. [LB857]

SENATOR PANSING BROOKS: And are you...you are supportive of the change? [LB857]

MORGAN BEAL: I am, yes. Yes. [LB857]

SENATOR PANSING BROOKS: Okay. And so do you see a need for that? [LB857]

MORGAN BEAL: Absolutely, yes. I definitely want individuals to have access to all of this information. As Senator Morfeld said, we know that this is a very scary, traumatizing time for individuals. And like he had mentioned, with somebody he knew, they weren't even aware what those reporting avenues looked like. So to be able to have a confidential advisor to say, here are your options and I'll support you with how you want to move forward, that's tremendously helpful for a survivor. [LB857]

SENATOR PANSING BROOKS: But then for a child, what's your...on a child would that happen as well if the child is saying, I don't know what to do? You're saying, no. Is that correct or...? I'm just trying to figure that out. [LB857]

MORGAN BEAL: I believe if somebody is in college, I think 18 years or older, they could be able to make that decision for themselves to move forward if they would like to. [LB857]

SENATOR PANSING BROOKS: Okay. And I presume you're in support, as I am, of the Good Samaritan portion of this. [LB857]

MORGAN BEAL: Absolutely. [LB857]

SENATOR PANSING BROOKS: Yes. [LB857]

MORGAN BEAL: I will tell you, many of the students that I work with at UNL, because we know of the correlation with sexual assault and alcohol consumption, that is sometimes a barrier for people coming forward. They worry about the potential repercussions for that. [LB857]

SENATOR PANSING BROOKS: Okay. [LB857]

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MORGAN BEAL: And I don't believe that that's always conducive for reporting. So letting them know about their rights and that they won't be sanctioned for that, I believe would increase reporting. [LB857]

SENATOR PANSING BROOKS: Thank you. I have no further questions, Chair. Thank you. [LB857]

SENATOR GROENE: Any other questions from the committee? Thank you for your testimony. [LB857]

MORGAN BEAL: Thank you so much. [LB857]

SENATOR GROENE: (Exhibits 2, 3, 4) Any other proponents? We received three letters of support for LB857: Jenni Benson, NSEA; Michelle Zych, Women's Fund of Omaha; and Scout Richters, ACLU. Proponents...I mean, opponents. Any opponents? Go ahead. [LB857]

TAMI STRICKMAN: (Exhibit 5) Thank you. Good afternoon. My name is Tami Strickman, T-a-m-i S-t-r-i-c-k-m-a-n, and I represent the University of Nebraska. I am the Title IX coordinator at the University of Nebraska-Lincoln. While we support the underlying concept of LB857, we are opposing this legislation due to the constitutional questions raised in the Board of Regents v. Exon case. Even though the subject matter in that case was different from LB857, the court held that an elected Board of Regent has the responsibility to manage and operate the university while acting independently from government control and political influence. Given this decision, it appears that the legislation which directs the Board of Regents to adopt a policy, conflicts with that court's holding. As I mentioned, we are supportive of the underlying concept behind the bill and we already do much of what is outlined. The university is committed to addressing allegations of sexual misconduct and providing clear processes and resources for all students, staff, and faculty. We have messaged the university's commitment through in-person training, Web sites, and printed materials. Each campus has a designated Title IX coordinator. At the university, we have designated confidential advisors on campus and in the community. These designated individuals are those who also generally have a legal privilege, meaning a privilege that protects communications between a professional and his or her client from being disclosed without the permission of the client. As such, these advisors will not breach confidentiality absent exigent circumstances, such as a threat to harm another person or being compelled by a court of law. Examples of our confidential advisors include, but are not limited to: counselors at our Counseling and Psychological Services Center, counselors at our employee assistance program, victim advocates, student legal services, and university psychologists and medical personnel within athletics. We also have employees who are referred to as "responsible employees." And this is terminology commonly used across the country. These individuals are

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obligated to report sexual misconduct allegations to the Title IX office and to provide resources to the victim. Our advisors provide victims with all of the information outlined in the bill. The committee may wish to adjust some of the bill's language so that the confidential advisors are clearly designated as those who hold a legal privilege. The reason that the University of Nebraska has made this designation is so that the victim can clearly understand whether the conversation will remain confidential. If an institution has the discretion to designate individuals as confidential for a limited time period, it may lead to confusion where a student believes they are having a conversation which will remain confidential but the person to whom they disclosed the information is obligated to report the incident to the Title IX office. An example may be, if an administrator is designated as a confidential advisor for a certain time period but then decides they cannot continue serving as a confidential advisor due to external factors, a student may believe the administrator is still a confidential advisor and may divulge information that then must be reported to the Title IX office. As you can see, the University of Nebraska is committed to educating our campus and addressing all matters that involve sexual misconduct. We take this responsibility seriously and we provide resources who will maintain the confidentiality of anyone on campus believing that they have been subjected to or impacted by sexual misconduct. We look forward to working with Senator Morfeld on addressing the underlying issue contained in LB857. I'm happy to answer any questions you may have. [LB857]

SENATOR GROENE: Questions from the committee? I have a few. So a student comes in, if my memory...nobody is worried about this. Do these advisors wear a sign around their neck, "I'm an abuse advisor"? How does the student know who to talk to? [LB857]

TAMI STRICKMAN: Our campus has messaged very clearly to all students, staff, and faculty the various categories of employees under Title IX. So a "responsible employee" or sometimes referred to as a "mandated reporter" has a very clear red logo with the letters RE that they display on their door somewhere clear that a student will know that if they come and disclose any information that involves sexual misconduct it will be reported to Title IX. In addition to reporting to Title IX, those "responsible employee" designees also provide resource options to the student. We have created brochures across the Lincoln campus, Omaha has done similar brochures as well, to put in the hands of students that come and disclose any allegation of sexual misconduct. [LB857]

SENATOR GROENE: So it's 3:00 in the morning on Sunday morning. The student is abused. Where do they go? [LB857]

TAMI STRICKMAN: They can report through the TIPS hotline. The TIPS hotline is...can be reported anonymously or providing identifying information. That is sent to a distribution list, a very small distribution list of administrators who then immediately obtain the information and

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can respond. The police...the university police also have been Title IX trained to provide resource options to the student and we message that that is a good starting place. [LB857]

SENATOR GROENE: This student is looking for somebody just to talk to, not to report a crime. They call the TIPS, the police show up. [LB857]

TAMI STRICKMAN: So if the police show up and the student indicates that they simply want resource information or safety planning, if it is the university campus police, we have a relationship with Ms. Beal's agency, Voices of Hope, and they will come in and provide all of that information to the student. [LB857]

SENATOR GROENE: So what I've heard from the police in domestic violence issues, you blurt out a name that somebody abused me and then you turn around and say, I don't want them arrested, the police have no choice but to file charges because a name was mentioned and a crime was accused. So you're telling me on a college campus that doesn't happen? [LB857]

TAMI STRICKMAN: Under a Title IX investigation, we would not investigate, absent immediate safety concerns, if the student asked to remain anonymous and simply receive resource options. [LB857]

SENATOR GROENE: The victim? [LB857]

TAMI STRICKMAN: Correct. [LB857]

SENATOR GROENE: Even through they blurted out the name of the perpetrator? [LB857]

TAMI STRICKMAN: That is correct, under Title IX. [LB857]

SENATOR GROENE: Thank you for that clarification. Any other questions by the committee? Senator Erdman. [LB857]

SENATOR ERDMAN: Thank you, Senator Groene. So what is the number of people that are using this service? Is this something that happens often? [LB857]

TAMI STRICKMAN: Our confidential resources? [LB857]

SENATOR ERDMAN: Yeah. [LB857]

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TAMI STICKMAN: In terms of confidential resources, the external agencies or our counselors would be better equipped to answer those statistics. We have a very large number of students that will come into the Title IX office simply to receive information on resources. I don't have a firm number, but I would say on average we get one to two calls or inquiries a week for that information. [LB857]

SENATOR ERDMAN: Thank you. [LB857]

SENATOR GROENE: Senator Kolowski. [LB857]

SENATOR KOLOWSKI: Thank you, Mr. Chairman. Ms. Strickman, I just wanted to make sure I'm understanding where you're coming from. Are you basically saying that everything that is being asked for in this bill is redundant, it's already there? [LB857]

TAMI STRICKMAN: Much of what's being done is already there, yes. [LB857]

SENATOR KOLOWSKI: Then is it a matter of getting it out to the students so they have a better understanding of what their options are or what their choices might be when they're facing something? [LB857]

TAMI STRICKMAN: Yes, and that's a commitment that we have been making for the past few years across the system to get that information disseminated to our students, staff, and faculty. We do a lot of in-person training as well as on-line training. [LB857]

SENATOR KOLOWSKI: Okay. [LB857]

SENATOR GROENE: Any other questions? Thank you for your testimony. [LB857]

TAMI STRICKMAN: Thank you. [LB857]

SENATOR GROENE: Any other opponents? That ends the testimony on the opponents. We had no correspondence. Now, anybody neutral on LB857? [LB857]

KRISTIN PETERSEN: Good afternoon. Thank you, Senator Groene, for the opportunity to be here this afternoon. My name is Kristin Petersen, K-r-i-s-t-i-n, Petersen, P-e-t-e-r-s-e-n. I'm the general counsel and vice chancellor for employee relations with the Nebraska State College System. I'm testifying today on behalf of the chancellor, who's currently meeting with our board

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of trustees for their board meeting, and I'm here testifying in the neutral capacity on LB857. And I'd like to start by saying that the Nebraska State College System shares Senator Morfeld's desire to assure that victims of sexual assault have all the services they need. The board of trustees is committed to providing a learning environment in which our students are free from unlawful discrimination, harassment, and violence. Our colleges have very strong, comprehensive policies and procedures in place so that we can correct, discipline, and prevent harassing or violent behavior. We have a strong support system in place. We assist students who have been victims regardless of whether the other party involved was a fellow student or an employee or a third party. The Nebraska State College System employs a systemwide director of Title IX. Each college has a Title IX coordinator and at least one designee that's assigned to work with students who have been the victim of discrimination, harassment, or violence. Our services include providing information about our institutional policies and process. We provide information about the law enforcement options, mental health, counseling services, educational resources, community services, medical care, and the college assistance and remedies that we can specifically provide include: no contact orders, no trespass orders, changes in academic, working, and living arrangements, and even transportation. And what I would really like to highlight most of all is that each of our colleges have licensed student counselors that are available to victims to provide confidential counseling, which we believe is the most appropriate professional to direct victims of sexual violence to. Our licensed student counselors are able to assist, confidentially counsel, and advise a victim and address their mental and emotional needs. We're concerned that LB857 as written may duplicate some of our efforts, that it would add operational costs, and that it would complicate our current ability to support students while complying with Title IX responsibilities. I have four areas that I'd just like to point out from the bill that we want to have your attention to. The definitions in LB857 are different from Title IX, which we believe in some respects would make it difficult for us to determine which requirements would apply in any given situation. That's the first. Second of all, LB857 requires us to identify staff to serve as confidential advisors. Now because of the way the bill is set up, our employees who are already designated as "mandatory reporters" or they're also called "responsible employees," they would not be legally able to serve as a confidential advisor. There would be a conflict there. So we do not have current capacity to assign these additional responsibilities to existing staff. And that's further complicated by the recent and future staff eliminations we expect as a result of budget cuts. We have quite a bit of information on our staffing issues included in our fiscal note. The third point we would like to raise is that establishing another contact person to serve as a confidential advisor most likely will require a victim to retell their story again if the college wants...if the victim wants the college to address the conduct through Title IX. This additional step we believe could create a barrier for students seeking assistance from the college in addressing their concerns, which would also conflict with the goal of Title IX protections. And to the degree that LB857 doesn't enable the college to work directly with the victim, we see that as putting our Title IX compliance in jeopardy. The last point I'd like to make is that requests from the confidential advisor to the college on behalf of a

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victim would put us on notice that a sexually oriented offense has occurred. And if the college was found to be on notice and fails to take action, Title IX liabilities could run to the college. In the end, I would like to reiterate that we are working toward the same goal. We are supporting our students, we are trying to provide services to victims as best we're able. I do want to thank you again for the opportunity to testify today. I'll answer any questions and we sincerely hope that we have the opportunity to work with Senator Morfeld on this matter. [LB857]

SENATOR GROENE: Thank you for your testimony. Senator Erdman. [LB857]

SENATOR ERDMAN: Thank you, Chairman Groene. When one comes and testifies neutral I always listen very carefully to their conversation. So the question I have is, if we pass LB857, you okay with that? [LB857]

KRISTIN PETERSEN: We'll do what we need to do to be in compliance with LB857. [LB857]

SENATOR ERDMAN: Would you agree your position more aligns with what the university said? [LB857]

KRISTIN PETERSEN: I would agree that we have some similarities in concerns with the university. [LB857]

SENATOR ERDMAN: Well, I listened very carefully to your testimony and you outlined things that were a problem with the bill. [LB857]

KRISTIN PETERSEN: Yes, sir. [LB857]

SENATOR ERDMAN: I think you're in the wrong category. I think you should be in the opposition category. [LB857]

KRISTIN PETERSEN: I will share that sentiment with my chancellor when I get back. Thank you. [LB857]

SENATOR ERDMAN: Thank you. [LB857]

SENATOR GROENE: Any other questions from the committee? Thank you for your testimony. [LB857]

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KRISTIN PETERSEN: Thank you. [LB857]

BEV CUMMINS: Good afternoon, Senators and Chairman Groene, and thank you for the opportunity to speak with you today. My name is Bev Cummins, B-e-v C-u-m-m-i-n-s, and I serve as the vice president of student affairs and the Lincoln campus director of Southeast Community College. I will be offering neutral testimony on LB857. We greatly appreciate this bill's focus on how Nebraska's higher education systems can reduce the impact sexually oriented crimes can have on a student's long-term success. It's vitally important colleges and universities provide confidential and caring support to students in the tragic event that they are involved in sexual violence. The individuals to whom these students turn to at such difficult times must respond in a supportive and trauma-informed manner and understand the harm of retraumatization. They must also abide by all federal and state laws as well as the institution's policies and procedures. Now all postsecondary institutions who participate in the federal financial aid program are required to disclose campus statistics, crime statistics, implement policies and procedures to respond to crimes, and incorporate ongoing evidence-based prevention and awareness programs to prevent dating violence, domestic violence, sexual assault, and stalking for students and employees. Regulations regarding the sexual misconduct reporting responsibilities of college employees is complicated by the fact that three very complex laws impact that duty differently, namely, the Clery Act, Title VII, and Title IX. Noncompliance with these regulations may result in civil fines up to \$35,000 per violation. Many colleges and universities take a broad approach, as you've heard, to mandatory reporting of crimes which occur on their defined geography so as to avoid confusion amongst students and personnel as to who should and shouldn't report a crime and to share the responsibility to create a working and learning environment free from sexual harassment. In compliance with Clery regulations, the only individuals on a college campus who may receive and hold confidential information about a crime without an obligation to report are professional or pastoral counselors. If at any time a counselor, upon the express written consent of a student, discloses information of a crime that occurred on the college's geography to arrange reasonable accommodations through the institution, that college employee is now aware of the crime and, in compliance with regulations and typical college policy, must notify the designated campus office who must investigate and provide prompt and effective remedy. An initial report may omit personally identifiable information until campus officials, such as a Title IX coordinator, determines the need for additional information in order to fulfill the college's obligation under Title IX. Failure to comply with federal regulations can result in the college losing federal funding. Federal regulations do not require higher education institutions to employ or contract with professional or pastoral counselors for confidential advising. However, they do require colleges to provide students with information about their rights and reporting options. Currently, Mid-Plains, Central, Western, and Northeast Community Colleges all employ full- and part-time professional counselors to serve as confidential advisors. At Southeast Community College, we partner with Doane University and the University of Nebraska to provide confidential counseling services. All

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schools provide access to external confidential services within their communities. The goals of our community colleges are to empower the victim and to allow them to retain as much control over the process as possible. In summary, we agree with the...fully agree with the intent of LB857 and believe that all Nebraska community colleges should utilize confidential advisors and take every effort to create supportive environments and to support students in assisting...and employees, assisting them reporting criminal sexual misconduct in alignment with the need of our students, Clery Act, Title VII, and Title IX mandates. Because community college boards already utilize their formal authority to assure the safety of students through various support services, including confidential advisors, state legislative oversight could potentially impose excess complexity and possible conflict in complying with existing federal regulations. Thank you for your time and I'll be happy to take any questions. [LB857]

SENATOR GROENE: Any questions from the committee? Thank you for your testimony. Any other neutral testimony? We received no correspondence. Senator Morfeld, will you...do you wish to close? [LB857]

SENATOR MORFELD: Very briefly. Chairman Groene, members of the committee, thank you very much for hearing the testimony. I'm certainly sensitive to any constitutional issues that may arise from the legislation. Willing to work with the University of Nebraska on that. I've got to be honest with you, I bring my laptop up here just simply because I was doing a little research as I was listening to some of the negative, neutral/negative testimony, and the bottom line is that either folks had indicated that they already have confidential advisors, which if that's the case then I don't understand what the concern is, they'd be compliant or, two, they were concerned about having confidential advisors and not being able to keep it confidential. But I'm looking on-line, very simple Google search showing that other states have confidential advisors and very clear that they do not have to report up unless given permission by that individual. So unless these other states are violating federal law in the institutions right now or there is ways that we can work in confidential advisors and make it legally permissible under Title IX, either way I'm happy to work with these different universities and institutions to find workarounds and ways that we can make them compliant. I think it's great that there's a bunch of campuses that are clearly doing a good job, but the bottom line is, is I want to make sure that all of our public institutions are doing a good job and have confidential resources that people can take advantage of so that they feel safe in their environment and their community and they can hopefully, maybe they're prepared and willing to come forward and seek out assistance from law enforcement as well. So with that, I'd be happy to answer any questions. Thank you. [LB857]

SENATOR GROENE: Senator Pansing Brooks. [LB857]

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SENATOR PANSING BROOKS: Thank you, Chairman. Thank you, again, Senator Morfeld. I felt like people were talking across each other in a way. Oh, sorry. So I don't know, Senator Morfeld, it seemed like almost that we're talking about different things. [LB857]

SENATOR MORFELD: Yeah. I'm thoroughly confused after the testimony... [LB857]

SENATOR PANSING BROOKS: I am, too. [LB857]

SENATOR MORFELD: ...to be honest with you. And so I think that we need to sit down with the institutions and fully understand the services that are being provided currently, which I thought I had a good understanding until I listened to the testimony here, and then also understand some of the legal implications that were brought up. Now, there might be certain legal implications, such as the constitution and requiring that the Board of Regents promulgate rules and regulations that we can't get past. But I think that there are some things that we can come to common ground and consensus on. But I agree with you, I'm confused. [LB857]

SENATOR PANSING BROOKS: Well, and part of it seems to be definitional in a way and just defining one person or one employee one way versus another in what their job skills or their...I don't know. [LB857]

SENATOR MORFELD: On one hand it seemed to me like one of the institutions said, we can't have any confidential advisers because any time an individual comes to a university employee we have to report up and that's required by federal law. On the other hand, I'm hearing that there are confidential advisers and some of them might be housed in counseling and we already have that, don't worry about it. So I mean I'm interested in getting to the bottom of what's actually going on, who is a confidential adviser, and how we can work to ensure that we have that same type of resource across the institutions across the state. [LB857]

SENATOR PANSING BROOKS: And I presume that if there's an easy fix, you'd bring an amendment, happily. [LB857]

SENATOR MORFELD: I'm happy to bring an amendment. [LB857]

SENATOR PANSING BROOKS: Yes. Okay. Thank you, Senator Morfeld. [LB857]

SENATOR GROENE: Senator Kolowski. [LB857]

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SENATOR KOLOWSKI: Thank you, Mr. Chairman. Senator Morfeld, thank you again for bringing this forward. But, again, it did sound like we had a three-ring circus going on. Community college level, college level, and university level, we're talking about different levels of people, how many they had in each level, and who went to where to seek help and try to get some relief on the situation they found themselves in. I...it was confusing and so I share that with you, as you shared it with us, that we seem to have a mixed bag that seems like you need to get people in a room and sort it all out and find out why these levels are the way they are. [LB857]

SENATOR MORFELD: And, Senator, I think that I have found in my three years here, and now four years, that oftentimes legislation is a good starting point... [LB857]

SENATOR KOLOWSKI: Yes. [LB857]

SENATOR MORFELD: ...and it can also bring people together to sit around a table and discuss what's going on, what's not going on, and what we need to do to move forward. So I'll be doing that here in the near future and I'd be happy to invite any members of the committee to that meeting, and we'll be doing it sooner than later so that we can have an amendment that is appropriate. [LB857]

SENATOR KOLOWSKI: Thank you. [LB857]

SENATOR GROENE: Any other questions? Thank you, Senator Morfeld. [LB857]

SENATOR MORFELD: Thank you for your time. [LB857]

SENATOR GROENE: We will proceed to Senator Lindstrom's LB737, adopt the First Responder Education Act. He'll introduce his bill. [LB737]

SENATOR LINDSTROM: It's been a while since I've been in here, I think actually the last time I brought the sister bill to this one. Good afternoon, Chairman Groene. My name is Brett Lindstrom, B-r-e-t-t L-i-n-d-s-t-r-o-m, representing District 18 in northwest Omaha. And good afternoon to the Education Committee members. LB737 would provide a tuition reduction of 30 percent for Nebraska first responders to our university, state, and community college systems. This bill would almost identical...was...is almost identical to LB906, which was a tuition waiver for law enforcement that I introduced in 2016 and the body overwhelmingly passed. I believe there's maybe five members that were on that committee at the time. Today's LB737 waiver is limited to first responders, including firefighters, EMTs, and paramedics, in satisfactory standing with their agency and pursuing degrees in the area of fire protection and emergency management

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systems services. I do have an amendment for the committee's consideration that would add emergency medical services as an area for degree pursuit on page 3, line 14. It is my intent for LB737 to focus on those in pursuit of a degree and not for those choosing to take a course out for interest or recreation. In the smaller departments, furthered education could help with management, and in the larger departments, promotion requires advanced degrees and this would encourage responders to continue their education. Continuing education for our first responders is sound policy for Nebraska communities. LB737 would incentivize our first responders to further their education as the demands and duties of our first responders bring new challenges every day. One such challenge in our ever-increasing diverse population, a reduction in tuition would incentivize responders to become better trained in language and cultural aspects of community members. Education in technology and business practices will help departments become more efficient. First responders are continually responsible for more administrative work. Continued education would give responders the skills to transition into administrative positions in our fire departments. That way active responders remain able-bodied and capable of physical...of the physical demands of the job. Finally, some of our cities pay for their responders to go to school. This bill would allow those cities to increase the number of responders they pay for or create more wiggle room within their budget. Thank you for your consideration of the bill and I'm happy to answer any questions you may have. [LB737]

SENATOR GROENE: Questions to...from the committee? I have a couple. First responders are basically well-paid, I mean the ones...and that's a good thing. They have a lot of responsibility. And if they take this class to improve their occupation, isn't the natural reward in the free enterprise system, in most rewards administrator of a school who continues their education, knowing that they will get a future reward with higher income because they take a higher position? Isn't that reward enough for continuing your education? [LB737]

SENATOR LINDSTROM: In some regards, yes. I will mention, though, that this does include volunteer firefighters. So I've heard from numerous people across the state with regards to the smaller communities. They are having a tougher time recruiting to those positions. And again, the job changes from...with increasing in technology, again recruitment, upward mobility. So this gives individuals within those departments the ability to get educated. [LB737]

SENATOR GROENE: In rural Nebraska the problem is EMTs and the cost of their training. Would this cover their cost of a small town individual who wants to help their community with their... [LB737]

SENATOR LINDSTROM: Yeah. [LB737]

SENATOR GROENE: ...volunteerism? [LB737]

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SENATOR LINDSTROM: Yeah. It includes first responders, EMTs, volunteer firefighters. [LB737]

SENATOR GROENE: But they just want to get their EMT certificate. [LB737]

SENATOR LINDSTROM: If it's under, say, the community college or any institution, that community college, university, whoever provides that particular education, they could ask for the tuition waiver if they're hired first, because they need to be in good standing with the agency that they're under. [LB737]

SENATOR GROENE: Thank you. [LB737]

SENATOR LINDSTROM: Yeah. [LB737]

SENATOR GROENE: Any other questions? Senator Erdman. [LB737]

SENATOR ERDMAN: Thank you, Senator Groene. Senator Lindstrom, so then one makes application and I think in some of your description it said within 45 days the institution has to notify them whether they've been accepted or not. [LB737]

SENATOR LINDSTROM: Right. [LB737]

SENATOR ERDMAN: So then it will be a refund back, the 30 percent will be refunded back? Is that how that works? [LB737]

SENATOR LINDSTROM: They would take, from my understanding, they would take 30 percent off. This would include a waiver after any type of other scholarship or other. So 30 percent of that total cost. [LB737]

SENATOR ERDMAN: So they would do this so the 45-day waiting period would happen before they start school. [LB737]

SENATOR LINDSTROM: I'm sorry, can you say that... [LB737]

SENATOR ERDMAN: They would make the application 45 days prior to the semester starting? [LB737]

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SENATOR LINDSTROM: You would think. [LB737]

SENATOR ERDMAN: Okay. [LB737]

SENATOR LINDSTROM: I mean to let it play out how they wanted to, yeah. That makes sense. [LB737]

SENATOR ERDMAN: Okay. Thank you. [LB737]

SENATOR GROENE: Any other questions from the committee of Senator Lindstrom? Thank you. You going to stay around for closing? [LB737]

SENATOR LINDSTROM: Yeah. I will. [LB737]

SENATOR GROENE: Proponents. [LB737]

DARREN GARREAN: Good afternoon, Chairman Groene, members of the committee. My name is Darren Garrean, first name D-a-r-r-e-n, last name is Garrean, G-a-r-r-e-a-n. I'm president of the Nebraska Professional Firefighters, representing over 1,300 firefighters, paramedics that are paid from Scottsbluff to South Sioux City down to Beatrice and parts in-between. Want to thank Senator Lindstrom for introducing LB737 and understanding the importance of it. And I'd also like to thank Senator Brewer for signing on right away. Senator Lindstrom did touch base that it is kind of like a sister bill to LB906, which was two years ago, that was passed for law enforcement. That passed Final Reading at 46 to 0 with 3 not voting on the floor, and the Governor signed that in March of 2016. And why does LB737 matter? I'll kind of get into some of the things of why it matters. Everyone knows that firefighters and first responders, paramedics will respond to as far as everything from heart attacks, strokes, car accidents. You know, these are all things that when people dial 911 they come to expect first responders to show up. A lot of times what people don't expect are things that do happen in the state of Nebraska that have occurred, or things like civil unrest, bombings, mass shootings, natural disasters. Like I said, all these things have occurred in the state of Nebraska. The world is ever-changing so fast, everything in building construction, automobile making, emergency medicine. These are all things that relate to our field of work. Building construction: It's very important for firefighters to know how buildings are constructed in order to understand the flow path and how to mitigate situations, whether it's fire or structural items. Things are traveling so fast in building construction that they have items now where you can pretty much put a building together like LEGOs that have Styrofoam in the middle of it, which is basically a petroleum product. So keeping on top of some of these advanced construction methods, you have to be aware of and on

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top of this. The auto industry: hybrid vehicles, how they're put together, the chemistry of the batteries, the autonomous vehicles that I think GM is coming out with next year. All these things play a big role in as our knowledge needs to be broadened. Emergency medicine: medicine in general is forever changing and rapidly, for instance, going to an Ebola mitigation patient, things of that nature. Just a few years ago we would have never thought that somebody would be able to have an external device basically as a heart to be worn as a monitor, an LVAD, a left ventricular assist device. Basically, it's somebody that their heart failure has a device that they wear outside that is a heart pumping for them. These are all things, and this kind of gets into why this matters, is I draw a big picture of the responsibility of the firefighters, paramedics, and EMTs of the knowledge and the depth of what is expected out of them when somebody dials 911 or whenever there's an incident. It matters because everybody is expecting everybody to have a general knowledge of what to do and how to mitigate it. While the entry level to become a firefighter, EMT, or paramedic does not necessarily require an advanced degree, for those rising under the leadership and for those who are basically mitigating the scenes or situations of these things, there is a knowledge that is required now, that is expected...it is expected, and the bar has raised and people have come to expect that. It is my belief that LB737 is why that is important. Ask that the committee support that bill. We'd like to see it passed on the floor. It's come to my attention that the...there's a possibility of somebody being opposed to this bill behind me. I respectfully ask that the committee, I guess, interrogate or ask if that opposition is merely against fire and EMS or if it's all first responders. It appeared that there was very little opposition two years ago when it was offered for law enforcement. So with that, I'll gladly ask (sic) any questions and anything else. [LB737]

SENATOR GROENE: Senator Pansing Brooks. [LB737]

SENATOR PANSING BROOKS: Thank you. Thank you for coming, Mr. Garrean. I was just...I was interested why was it that you all didn't join in on that bill two years ago? [LB737]

DARREN GARREAN: Basically, we didn't know about it. And by the time we had learned about it, it had already...making some of the steps past. Our priorities... [LB737]

SENATOR PANSING BROOKS: And that covered police. Is that right? [LB737]

DARREN GARREAN: That's correct. It was for law enforcement. It would have been much easier at that time to be engaged and involved with it. [LB737]

SENATOR PANSING BROOKS: Also, also first responders. [LB737]

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DARREN GARREAN: Also first responders, correct. [LB737]

SENATOR PANSING BROOKS: So... [LB737]

DARREN GARREAN: In my...we work hand in hand with law enforcement, firefighters, and EMS, all work hand in hand in protecting our communities. We go to the same calls together. Our roles might be different in some incidents, but we all work hand in hand most of the time on all calls. [LB737]

SENATOR PANSING BROOKS: Okay. Thank you. [LB737]

DARREN GARREAN: Thank you. [LB737]

SENATOR GROENE: Any other questions from the committee? Thank you, sir, for your testimony. [LB737]

DARREN GARREAN: Thank you. [LB737]

DANIEL HAWKINS: Good afternoon, Senators. My name is Dan Hawkins from Wymore, Nebraska. It's actually Daniel, D-a-n-i-e-l H-a-w-k-i-n-s. I'm from the Wymore Volunteer Fire Department. This bill is a tool we can put in our toolbox in our local department. We have a cadet program and right now we have one cadet that is going to graduate this spring from high school. He's put in an interest to come up here to Southeast and go to the fire academy that you have up here. All through the state we are having volunteers and professional...we're losing firefighters and first responders or EMTs and stuff across the state. And as the other people testified, we're no longer required to go out there with a hose and hook it up to a hydrant and go out and squirt water. We have to be educated with the different things that we have out here that we have to contend with. Ten years ago we lost a firefighter, and I don't think it was because we didn't have training, just things happened. But if we can get our young people to go to school and come back, maybe they don't do it in our community but you're going to do it in some community. And right now we have eight firefighters on our department that's under 30 years of age, which I'm quite proud of that because our average age when I started 20 years ago was probably about 62. Now we've got it down to about 50 with these other kids on here. I'm kind of pulling the average down being as old as I am. But with these kids being educated the way they are, we can better protect you and the rest of the citizens of Nebraska. And it's a tool that we can put in our toolbox in our cadet program so we can get more kids educated and they can see somebody appreciates us, we can get some help. Because some of these kids don't have a lot of money to go to school on. And with that, in the back of my mind I can see where we can really

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get into our cadet program and we can push this thing and get these kids through our cadet program. And we're not the only department in the state that has a cadet program. But across the state, if we can get two or three different kids a year out of it and get them educated, come in and do the bookwork and everything, which is getting to a place with the bookwork we have, we're going to have to hire people to come in, in these small communities. Our chiefs can't handle this, the bookwork load they got on them, anymore. We have our president is under 30 years old. Our assistant chief is under 30. We've got young people that are taking control and command of our department, which I'm quite proud of. But we do need the education more than just our safety training that we take a couple of times a week...or a couple times a month. And with this program, and if we can get them to school, if we can get this individual up to school and we had this tool to help him get there, because I know money is a problem in places, it will really help us and it will help the state of Nebraska. I thank you. And if you have any questions I'd be glad to answer them. [LB737]

SENATOR GROENE: Any questions from the committee? Thank you for your testimony.
[LB737]

DANIEL HAWKINS: Thank you. [LB737]

JERRY STILMOCK: Good afternoon, Senators. My name is Jerry Stilmock, J-e-r-r-y S-t-i-l-m-o-c-k, testifying on behalf of my clients, the Nebraska State Volunteer Firefighters' Association and the Nebraska Fire Chiefs' Association. I've also been asked to state to you the Nebraska Emergency Medical Services Association is in also support and they've asked me to so share that with you. Of course, we're in support of the measure. We thank Senator Lindstrom for introducing it. Thanks to Mr. Hawkins. Mr. Hawkins was here this morning at about 7:00, 7:30 on behalf of the volunteers throughout the state to welcome and greet all of you and thank you. So he went home and came back, so I appreciate that, Mr. Hawkins. Just a "such as," if a person goes to the two-year associate degree fire training academy here at Southeast, it's about \$9,400, \$9,400 to go through that. That's books, tuition, fees, as I understand it in speaking with the representatives of Southeast Community College, just to give you some idea. I was interested in it because I didn't know how much it cost, so I thought perhaps you may be interested in that amount as well. On the EMS side, so many of you at your side of the table realize that EMS in Nebraska, in rural Nebraska, we have issues. Hopefully, not grave issues, but we have issues. And the training and the expectations of going through the program and the curriculum are quite extensive. And we're going to continue and my clients will continue to work with you on those issues. I don't know that on the EMS side, because the EMS side is about a six-month program in and of itself, would fit to the 60 hours that are required for the associate degrees...degree, but anything is going to help. Okay? I don't know if it will help in this specific item for the six-month EMT training that is asked of the men and ladies that sign up for EMT classes. My final point would be just if Senator Lindstrom would consider the response agency that appears on

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page 2 of the item in the definitional section, line 24, beginning, "Response agency." It just includes two categories and I'd suggest to you there's actually three categories. The two categories listed are a municipality and a out-of-hospital emergency care provider, two very important categories, of course. But then the third category in rural Nebraska are our fire protection districts, and it would be helpful. There are times that that volunteer is only a part of a fire protection district as compared to part of a village or municipality, if you will. So the two categories that are in the bill, yes, but there's actually a third and that would be a fire protection district. And actually there's a fourth and that would be a county volunteer department. We have some EMS volunteer levels out there that would be part of the response agency. I was glad that Senator Lindstrom brought in that category of not only firefighting and emergency management, but also in his spoken amendment emergency medical services as well. Senators, on behalf of my clients, we would support LB737 and urge you to advance it to General File. Thank you.
[LB737]

SENATOR GROENE: Any questions from the committee? Senator Ebke. [LB737]

SENATOR EBKE: Yeah, I have a question. [LB737]

JERRY STILMOCK: Yes, ma'am. [LB737]

SENATOR EBKE: If you look at, I guess, page...well, the requirement, "Pursues studies," on page 3, line 13, "Pursues studies leading to a degree that relates to a career in fire protection or emergency management from an associate degree," this notion of a degree, is there something to be said for "or certificate"? Because not all...I mean I guess the question I would ask is in a typical volunteer fire department in Bruning, Nebraska, okay, is somebody going to want to get a...are they going to want to get a degree, an associate's degree or something else, or will they be looking for a particular certificate related to their EMS? [LB737]

JERRY STILMOCK: They would. [LB737]

SENATOR EBKE: Do you see what I'm saying sort of? [LB737]

JERRY STILMOCK: Yes, I do, the certification versus a degree. And I didn't address that because I looked clearly at the responsibilities of this legislation in a associate degree requiring 60 hours in its...60 semester hours of credit in order to get that associate degree. So the fire academy at Southeast Community College, as a 85 credit hour, would fit but a certificate wouldn't. And if the... [LB737]

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SENATOR EBKE: But I guess... [LB737]

JERRY STILMOCK: ...if the committee saw fit to do so, we'd certainly, you know, be in favor of it. [LB737]

SENATOR EBKE: Yeah, and I guess, and maybe this is for Senator Lindstrom to think about, but I, you know, I guess I wonder how many people in rural Nebraska who are volunteer firefighters or emergency responders of some sort, first responders, how many are actually going to be looking for a degree in a particular field related to fire protection or emergency management; how many would just like to be able to get their, you know, the appropriate certification. [LB737]

JERRY STILMOCK: Yes, ma'am. [LB737]

SENATOR EBKE: And this seems to require a degree process, so I'm just... [LB737]

JERRY STILMOCK: If I may reply to that,... [LB737]

SENATOR EBKE: Yeah. [LB737]

JERRY STILMOCK: ...so much of what the training on the fire side that volunteers receive is actually through the State Fire Marshal's Office Training Division, and so we rely on the appropriations process in order to fund the appropriations of the Fire Marshal in order to put those training people out there in order to get certification in motor vehicle extraction, extrication. Pardon me. So that would be a different part of training over here as compared to community college and university or state colleges, Senator. [LB737]

SENATOR EBKE: Okay. Thank you. [LB737]

JERRY STILMOCK: But I appreciate your interest, very, yeah, insightful that it is different and what the volunteers look for oftentimes aren't an associate degree. Yes, ma'am. [LB737]

SENATOR EBKE: Okay. [LB737]

SENATOR GROENE: You know that you have to be a firefighter or an EMT already employed or licensed before this qualifies. [LB737]

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JERRY STILMOCK: Yes, sir. [LB737]

SENATOR GROENE: So some kid out of high school goes to community college to take a fire, does not qualify. [LB737]

JERRY STILMOCK: Right, as long...I agree with what you've said. They, for example, my city of Syracuse, where I'm at, I don't know that I can speak to a student right now. But if that student were part of the volunteer service as a volunteer fire department or volunteer EMS and that person wanted to go get their two-year associate degree as a member of that volunteer department, as I understand Senator's proposal, that I could be a part of that volunteer department and go to school at the same time. [LB737]

SENATOR GROENE: Is getting your EMT license, is that considered a degree at the community colleges? [LB737]

JERRY STILMOCK: I don't believe it would. [LB737]

SENATOR GROENE: It would be a... [LB737]

JERRY STILMOCK: It wouldn't meet that, at least under this definition, it would meet...it would not meet--the contraction doesn't work very well on the mike--it would not meet that 60-hour requirement in order to qualify under this legislation, sir. [LB737]

SENATOR GROENE: Isn't that the biggest shortage we have in rural Nebraska is EMTs? [LB737]

JERRY STILMOCK: You bet. You bet. You bet it is. [LB737]

SENATOR GROENE: And this doesn't address that. [LB737]

JERRY STILMOCK: Unfortunately, this piece would not, I don't think. [LB737]

SENATOR GROENE: Question. [LB737]

JERRY STILMOCK: Sir. [LB737]

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SENATOR GROENE: "Leading to a degree that relates to a career in fire protection," we heard from a previous testifier that he thought that was structural engineering, engineering for automobiles. How...do you think that needs to be defined a little better about what is an actual degree related to? You could claim a carpenter needs to know how a building is constructed to be a fireman. [LB737]

JERRY STILMOCK: I...yes, I think you could make that argument, sir, that what is "related to." And I, you know, obviously, as a proponent, we're here to support it... [LB737]

SENATOR GROENE: Yeah. [LB737]

JERRY STILMOCK: ...and I hate to put definitions and conditions on the language that the good senator put in his introduction. But I understand. What you're saying is, you know, is scuba diving? I mean, pick something silly, you know? That was my silly; not your silly. Scuba diving: So, sure, we have an underwater rescue and volunteers even provide underwater rescue. Is that going to be sufficient, you know, in order to get...I don't know if you can get a degree in scuba diving. [LB737]

SENATOR GROENE: Certificate or... [LB737]

JERRY STILMOCK: Yes, sir. [LB737]

SENATOR GROENE: Would you like to see more clearer language that this really helps out the volunteers? [LB737]

JERRY STILMOCK: I don't know that...yeah, I think whatever you see fit, sir. [LB737]

SENATOR GROENE: We'll talk to Senator Lindstrom. [LB737]

JERRY STILMOCK: Yes, sir. [LB737]

SENATOR GROENE: Thank you. [LB737]

JERRY STILMOCK: Thank you for the questions. Okay, I'll excuse myself then. Thank you. [LB737]

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SENATOR GROENE: (Exhibits 2 and 3) Any more proponents? No more proponents. We received two letters in support from Debbie Von Seggern, Nebraska Emergency Medical Services Association; and Kelly Keller, National Association of Social Workers, Nebraska Chapter. Opponents? Do we have any opponents? Neutral? [LB737]

GREG ADAMS: Afternoon, Senator Groene, committee members. My name is Greg Adams, G-r-e-g A-d-a-m-s, executive director of the Nebraska Community College Association. Senator, we are in a neutral position and I will tell you quite candidly it's because my board doesn't meet until this Friday to take positions on bills. (Laughter) And so in an attempt to canvass them over the phone, I got a lot of teeth grinding and ground kicking, I could sense through the phone, and I then decided that we'll take a neutral position on this and watch where it goes. The concern of some of my members was, very simply, we're giving away tuition at a time when the budgets are tough and it's hard for them. The other thing is, and I've spoken with Senator Lindstrom about this and I...we can continue to talk about it, some of my presidents were also concerned that this does not apply to resident Nebraska students. This could be...you could have a young person from Colorado or Kansas coming in and getting into one of our community college programs and would be granted the 30 percent as well, and that, that they felt, at a minimum, was a concern to them. So with that, I'll end my testimony and try to take questions. [LB737]

SENATOR GROENE: Any questions? Senator Erdman. [LB737]

SENATOR ERDMAN: Thank you, Senator Groene. Mr. Adams, thank you for coming in. Have you seen the fiscal note on this? [LB737]

GREG ADAMS: I have. [LB737]

SENATOR ERDMAN: So on the first page it says the Nebraska Community College Association, \$249,000. [LB737]

GREG ADAMS: Uh-huh. [LB737]

SENATOR ERDMAN: And then it says Metro, \$45,000. Then you go to the next page and it says the Community College Association estimate is \$124,000. [LB737]

GREG ADAMS: Right. [LB737]

SENATOR ERDMAN: What... [LB737]

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GREG ADAMS: I can explain. [LB737]

SENATOR ERDMAN: ...what's the difference there? [LB737]

GREG ADAMS: The difference is this. When I first did the footnote that's...or the fiscal note that's \$124,000, that was for one semester. And so we revised the footnote...or the fiscal note so that it was one year, which doubles that. [LB737]

SENATOR ERDMAN: Okay. [LB737]

GREG ADAMS: And then I'm going to be coming up with yet another fiscal note that excludes Metro, because in my initial numbers I included Metro. And whereas Metro is not a part of our association, they handed in separate numbers. I will go back and subtract their numbers out so that you will have just a fiscal note for the five colleges that are part of the association. [LB737]

SENATOR ERDMAN: All right. Thank you. Then how did you arrive at the number of participants or students that you may have? Did you use information of those people who have already enrolled in (inaudible)? [LB737]

GREG ADAMS: Yes, current enrollment, current enrollment numbers right now in the three programs: fire protection, emergency management, and EMT. [LB737]

SENATOR ERDMAN: And what's your average cost to do that then? Is it (inaudible)? [LB737]

GREG ADAMS: You know, I use the actual tuition all across the board. And at Western we're \$110-plus, if I remember right, and whereas Metro and Southeast are more in the \$65 to \$66 per hour. [LB737]

SENATOR ERDMAN: Why such a large discrepancy on the cost per hour? [LB737]

GREG ADAMS: Why the large discrepancy? The cost of providing and whether they even have the program in some cases. And, you know, tuition, whether it's tuition for fire protection or tuition for diesel mechanics, it varies across campuses based on their budget. [LB737]

SENATOR ERDMAN: Thank you. [LB737]

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GREG ADAMS: You know, typically, Senator, I might add, that if you're a Metro or a Southeast, you have bigger student numbers so you have economy of scale and things benefit you more. [LB737]

SENATOR ERDMAN: You've been helpful. [LB737]

SENATOR GROENE: More questions? I would assume that most young people who want to become professional firemen end up going through a community college, not to a four-year program to achieve that to get some background. Is that the case? [LB737]

GREG ADAMS: I'd like to think that. I don't know that. [LB737]

SENATOR GROENE: Does Nebraska community colleges have those programs, those...? [LB737]

GREG ADAMS: Not all of our colleges but most of them do. [LB737]

SENATOR GROENE: I know Ames, Ames in Colorado has a program... [LB737]

GREG ADAMS: Uh-huh. [LB737]

SENATOR GROENE: ...and a lot of young people go there. [LB737]

GREG ADAMS: Yeah. We have the three programs--fire protection, EMT, and emergency management--but not in all of our schools but most of them. [LB737]

SENATOR GROENE: Have you ever heard of the mutual aid fund? [LB737]

GREG ADAMS: Uh-huh. [LB737]

SENATOR GROENE: That might be a good place to put to use in this emergency of lack of volunteers and EMTs, wouldn't you think? [LB737]

GREG ADAMS: Could very well be. [LB737]

SENATOR GROENE: Thank you. [LB737]

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GREG ADAMS: Thank you, Senator. [LB737]

SENATOR GROENE: (Exhibit 1) Any other neutral testimony? I think we have one. We have one letter for neutral for LB737: Stan Carpenter, Nebraska State College System. And, Senator Lindstrom, would you like to close? [LB737]

SENATOR LINDSTROM: Sure. I'll just address some of the questions or concerns that came up. I think Senator Ebke made a good point with regards to the certificate. I think that's maybe something we should look at. Just having a discussion back here, whether or not individuals are hired pre- or post- certificated. It's a mixed bag whether or not they are. But I could see that being an incentive to get more volunteers involved if you do include that in the 30 percent tuition waiver. The fiscal note, I'm just looking at that. Obviously, if you're going to increase the certificate allowance then there will be a little bit more of a fiscal note on that. But you know, as, you know, being here four years, the fiscal notes usually can vary from time to time. I know this takes into account assumptions based on 17,000 firefighters, 8,000 EMTs. And then the best guesstimate as far as enrollment, about a third of the individuals already have college degrees, from what I read before, so, you know, sometimes these fiscal notes aren't necessarily accurate. But with that, you know, what we did before with the LB906, we tried to mirror it the best we could. Obviously, there's a little...it's a little bit different animal in the different roles and responsibilities that the two groups have, so again going to the certificate. But I'm open to the suggestions that were presented here with the opposition, even the people in support of the bill as well. So if the committee sees fit, we would definitely work to amend it. [LB737]

SENATOR GROENE: Thank you, Senator Lindstrom. Any other questions? Senator Kolowski. [LB737]

SENATOR KOLOWSKI: Thank you, Mr. Chairman. Senator, the possibility of someone from out of state should not be overlooked. There's a possibility of bringing them into our state and finding them long-term here. Something of a, say, a three-year payback, one-third a year that you'd be paying back if you don't get a job in Nebraska. Just another... [LB737]

SENATOR LINDSTROM: Yeah. [LB737]

SENATOR KOLOWSKI: ...option that is used in different (inaudible). [LB737]

SENATOR LINDSTROM: Sure. I mean it's kind of along the same line as in-state tuition for out-of-state residents, right? [LB737]

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SENATOR KOLOWSKI: Absolutely. [LB737]

SENATOR LINDSTROM: So...which I think is a good way to increase some of the younger folks to come to Nebraska. As you know, we talk about this all the time, that we have an out-migration, not only western part of the state moving east but also the rest of the state moving out. So we're losing a lot of those volunteers in those communities. [LB737]

SENATOR GROENE: Thank you, Senator Lindstrom. Well, Senator Ebke. [LB737]

SENATOR EBKE: Let me just clarify something. So you already have to be a member of a volunteer fire department or first respond...or some sort of a first responder in Nebraska, right? [LB737]

SENATOR LINDSTROM: An agency... [LB737]

SENATOR EBKE: An agency. [LB737]

SENATOR LINDSTROM: ...hired, hired on that you have a superior that can sign off on... [LB737]

SENATOR EBKE: Right. [LB737]

SENATOR LINDSTROM: ...whether or not you're in good standing. [LB737]

SENATOR EBKE: So the chances of bringing somebody in from out of...I mean this isn't like somebody from Wyoming is just going to come in here and get hired, right? Are we limiting it to people who...to Nebraska departments? [LB737]

SENATOR LINDSTROM: We are to Nebraska departments; however, I suppose hypothetically you could come in, volunteer for a month, but. [LB737]

SENATOR EBKE: Somebody could live...somebody could live in Council Bluffs and come and volunteer and, I don't know. [LB737]

SENATOR LINDSTROM: I suppose. I mean I would imagine the numbers are pretty low, but... [LB737]

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SENATOR EBKE: Yeah. [LB737]

SENATOR LINDSTROM: ...hypothetically I suppose that's possible. [LB737]

SENATOR EBKE: Yeah. Okay. And then you know from a volunteer standpoint, I don't think this is a way to necessarily recruit new volunteers because they're already going to be part of the system. However, what it might do is expand their, kind of, their playbook. So you have a number of, for instance, of volunteer firefighters who say, I don't want to go and spend the time on the certification for EMT or whatever, so this might be a way to incent them to go spend that time as volunteers. Just depends on the nature of the departments. [LB737]

SENATOR LINDSTROM: Uh-huh. [LB737]

SENATOR EBKE: Because in some places, you know, combine fire and rescue; some places you have just the fire and the rescue is someplace else. But that might be a way to incent them to go for the EMT stuff too. [LB737]

SENATOR LINDSTROM: Sure. Sure. And I'm hoping. [LB737]

SENATOR EBKE: Thanks for bringing this. [LB737]

SENATOR LINDSTROM: Yeah. Yeah. [LB737]

SENATOR GROENE: One last quick question: You do not have to complete the degree. As you're going, taking the classes you can apply for the 30 percent, right? [LB737]

SENATOR LINDSTROM: I don't believe that's in the language, no. [LB737]

SENATOR GROENE: You have to... [LB737]

SENATOR LINDSTROM: But you have to be attempting to get to either an associate's or a bachelor's. [LB737]

SENATOR GROENE: You don't have to complete the degree. You can just say I'm going for this degree. [LB737]

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SENATOR LINDSTROM: True. [LB737]

SENATOR GROENE: Yeah. That's fine. Thank you, Senator Lindstrom. [LB737]

SENATOR LINDSTROM: Yeah. Thank you. [LB737]

SENATOR GROENE: Before the next bill--we're done--LB778, which I will be presenting, Senator Kolowski, Vice Chair, will be chairing the committee while I'm presenting. There's been a request for some school board members to go first because they have lives that they need to get back to. They're not being paid. So we will probably do that on the proponents. And the opponents, I guess they're going to have to wait, but they can go first if they're opponents. And let's take a quick break.

BREAK

SENATOR KOLOWSKI: Can we come back together, please? We'll now move on to our fourth item for today, LB778. Senator Groene, welcome. Thank you. [LB778]

SENATOR GROENE: Thank you, Senator Kolowski. Vice, members of the Education Committee, for the record my name is Mike Groene, M-i-k-e G-r-o-e-n-e, from the 42nd Legislative District, introduce LB778. LB778 is a bill that simply clarifies a specific tax and resulting building fund, 79-10,120, could only be used to make repairs or alterations of a school building providing that the repair or alteration does not result in additional square footage through the building. School districts looking to build new buildings, add additional square footage to an existing building, or purchase land upon which to build a new building will sit on must receive the approval of its citizens by a vote at a general or special election under Section 79-1098 of this act. I should point out that the majority vote provision under Section 79-1098 is a change from the current required 55 percent approval of those who attend a special meeting called by the school board. LB778 does not change the amount that can be levied by the special tax under 79-10, which has a maximum levy of 14 cents, and under 79-109, which has a maximum levy of 17.5 cents. Both levy amounts have to fit under a school district's \$1.05 maximum levy amount. LB778 would allow projects commenced prior to the effective date of this act to continue receiving a levy through the 2020-21 school year. LB778 requires school boards that levy the special tax under Section 79-10 for school fiscal year '17-18 to file with the Auditor of Public Accounts a statement describing any project for which the annual levy may be continued and the rate levied for each project for school year '17-18. This new reporting requirement will help to identify those projects that were commenced prior to the effective date of this act and are able to continue to collect the levy through school fiscal year 2020-21, as I previously mentioned. Why did I bring this bill? First, historically we Nebraskans always believe

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that when you build a new building, build a new school, they get to vote on it. When they vote for school board members, the common belief was we hire...we vote for those people to manage the budget and hire personnel. We've had some events change in the TEEOSA formula. First off, we've had the 14 cents levy, building fund levy, but it had to fit under the \$1.05 levy. So if you were an equalized school district and are an equalized school district, you probably have a 3- or 4-cent building fund levy because, according to the formula, you need \$1 for your basic needs of a levy, and state aid fills in the rest. So you had a nickel to play with. And the equalized districts always had that money and they used it for major projects: HVAC, remodeling, replacing windows, modifying existing buildings. That was understood. And then if you were going to build a new building, you had a bond election. What's happened now is 174 school districts no longer are equalized. Their levies have dropped well below the \$1.05. So now they have room of 14 to 17 cents on the building fund to fit into their levy. And what has happened? They are building new schools without a vote of the people, which, as I said, traditionally the people vote. The bond statutes only apply if you're going to use bonds to build it. We have statutes that schools can loan money, go into debt with a standard borrowing practice. You don't have to have a vote. The school district in my district built a new school. Had a million dollars to start the plan, borrowed money from the local bank, and then used the building fund to make the payments. And a concerned constituent told me when he asked the school board members why didn't we...the people get a chance to vote on it, they said, we didn't have to. Statutes are clear, we didn't have to. So now in Nebraska, where we have high property taxes and rural Nebraska is screaming about high property taxes, I have informed some of my rural friends that I've...we have stood up for you that we don't pay our taxes in dollars; we pay them in levies. I mean the other way around. We don't pay them in levies; we pay them in taxes, in dollars. So this doesn't look good to our urban friends that we are building schools, because the constituents don't care that you just go ahead and levy and build a brand new school without their vote. They do care and they ought to be able to vote on those issues. Some of the correspondence that I've been getting that are concerns from school districts are, well, we got to vote to fix our school. No, you do not. You could still have a 14-cent levy if you are going to remodel your building and make upgrades on it. You can still do that by the school board action. But the legislation says if you're going to add square footage, new buildings, you have to first go to the voter and get approval. Then you can use the building fund levy. And for the practical purpose of a fiscal conservative, yes, you avoid the bonding cost. You can bank the money and pay for it cash, or you could go to the bank and get a loan, which in a smaller school district is a lot less, and save the bonding cost of the sale and the bondsman cost. That makes sense. But at least the folks should vote on it. For example, Millard had an override vote. They didn't have the ability to go to 14 or 17 cents with the school board. They had to have an override vote. And in their language on the override vote the people voted on: for the purpose of general operations and building construction, remodeling, and site acquisition. People voted on it. So Millard can use that extra money to build those buildings. If you're in a school district, a citizen in a school district that's at \$1.05, you do not get to vote, as the people in Millard did, if the school board decides to build it on their own, because

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they're under \$1.05. I think that needs to change. I think we need every citizen across the state should have that ability to vote on a bond on a construction of a new school. In rural Nebraska, which I'm a proponent of, this can...supporters of a school that is losing enrollment and we really need to have a vote if we're going to build something to get the feel of the community that maybe we should consolidate, they can jump over that, just build, a school board could if it's...if the majority of it is proponents of keeping the small school open and we avoid the consolidation question. I understand that I started off pretty darn strict. We will look at Fremont is going to probably have a growth spurt with enrollment because of the processing plant. I understand that maybe we ought to look at adding back in that if you're going to get portables that you need to do that to address the problem before you have your bond election. I also understand that sometimes you add a little area to the school, existing school, because of HVAC, a program, remodel, or you want to do an entrance for safety reasons, security reasons. But really, you still have the QCPUF to do that. Everybody has that. We've limited it but they still have that money to do those projects. So, no, I'm not taking the building fund away from them. I'm putting local control, trying to put local control, back into when we build schools, where we build schools, maybe we ought to consolidate, that there's no better local control than a vote of the people, period. There's no better local control than that when it comes to building buildings and to add additional taxation. Because no matter what you look at, when you're a district with 40-cent levy because you have enough money to fund your school, the needs of the formula, if you add another 14 cents on you are increasing the tax on the people, or 17 cents, to build a school without their vote. People in equalized districts do not have that ability and they have not lost their right to vote; unequalized districts do. So that is where I'm coming from. I am not trying to take the building fund away. I just wish it to be used back in the more traditional way it was to remodel buildings, to update buildings, not to circumvent the vote of the people which it is being used more and more across the state. So I'm willing to work with those individuals who want to tweak it with a committee amendment or to allow emergency situations, but the people need to vote. And I will leave it at that and I will stay around to close. [LB778]

SENATOR KOLOWSKI: Mr. Groene, just for clarification if I could, the Millard vote was for a 9-cent override, 9 cents. [LB778]

SENATOR GROENE: Yes. [LB778]

SENATOR KOLOWSKI: And that was to be used for maintaining programs that were being cut because of the deficiency of funding for the schools in the state as a whole. So it had nothing to do with some of the things you're talking about. [LB778]

SENATOR GROENE: No. I have the language here, Senator Kolowski, and it says, and it wasn't 9 cents, it was \$9 million. Well: Exceed 9 cents per \$100 of taxable valuation in excess of limit

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prescribed by law for fiscal year 2018 and '19 through 2022 to '23 for purposes of general operations and building construction, remodeling, and site acquisition. [LB778]

SENATOR KOLOWSKI: Uh-huh. [LB778]

SENATOR GROENE: That is what the people voted on. Maybe they have a different intention for it, but that's what the people approved it for, and it's limited to \$9 million, plus 9 cents. And it's for five years. [LB778]

SENATOR KOLOWSKI: Right, it's five years, but it's using up to 9 cents. [LB778]

SENATOR GROENE: And limited by an amount not to exceed \$9 million above the authority prescribed. [LB778]

SENATOR KOLOWSKI: Okay. [LB778]

SENATOR GROENE: The language. [LB778]

SENATOR KOLOWSKI: Any other questions for Mr. Groene? [LB778]

SENATOR GROENE: Senator Groene. [LB778]

SENATOR KOLOWSKI: Senator Groene, yes, sir. Yes, Senator. [LB778]

SENATOR ERDMAN: Thank you, Senator Kolowski. Senator Groene, as time goes and we build buildings in schools, one of the things that I hear quite often is if you own property in that school district but don't live there, you don't get to vote. And one time a long time ago before any of us were here they had this little tea party out in Boston. They threw a bunch of water in the tea...tea in the water and they were all fired up about something, was called taxation without representation. That's exactly what that is. I would like to see some bill some time address that situation on those people who own property in a district that's going to build a new facility and don't get a chance to vote on it. [LB778]

SENATOR GROENE: The problem, I believe, is constitutionally we do not tax individuals; we tax property when it comes to property tax. [LB778]

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SENATOR ERDMAN: Exactly. They're taxing our property and we don't get to vote on it. [LB778]

SENATOR GROENE: And their argument is that you don't have to own property. Tax follows the property, not the citizen. Just telling you what you're up against. [LB778]

SENATOR KOLOWSKI: Other questions? Okay. Thank you. [LB778]

SENATOR GROENE: Thank you. [LB778]

SENATOR KOLOWSKI: (Exhibits 7-18) Do we have proponents that would like to come forward and speak to this, please? Proponents? And I have some names in support: Zane and Pat Gideon, Shirley Neddenriep, Chuck Matson, Gloria and Duane Bullock, Bryan Van Deun, Doug Kagan, Edward Braun, Mary Bohling, Paul Van Behren, Doug Wittmann, James Smith, Steve Nelson, and Deneen Lambley, all in support of this particular bill. Any others that would like to come forward and speak to the bill, please? Okay. Opposing, any opposition, please, come forward. [LB778]

DEB NEIDIG: Good afternoon. [LB778]

SENATOR KOLOWSKI: Good afternoon, ma'am. [LB778]

DEB NEIDIG: I'm Deb Neidig, D-e-b N-e-i-d-i-g. I'm a school board member from Madison Public School District. I am an elected board member. I'm elected for my first...for my third term. I was elected to represent and to serve as a voice for my represent...for my constituents. If I do not serve with respect for them, I'm always able to be recalled. This bill limits what we as a board can do. Do we not all save for large items that we might need? Our patrons have a constant visual to our budgets and expenditures. If they don't like this they always let us know; ultimately, are able to recall us. Why do we need to be limited by this building when the limitations are already in place? When we want to expand our facilities, whether it be by remodeling or construction, we've talked about things for at least five years. All of our meeting notes are published, on our Web site, in our paper. They're able for everybody to be seen. We hold meetings to discuss it with our patrons, get input. We constantly talk about what's best for our school. We talk about our patrons and, ultimately, what's best for our kids. We are Madison, where Madison kids come first. Thank you. [LB778]

SENATOR KOLOWSKI: Thank you very much. Any questions, please? Yes, Senator. [LB778]

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SENATOR ERDMAN: Thank you, Senator Kolowski. Thank you for coming. So in your school, in your school district, are there any specific issues that come to mind that you wouldn't be able to complete because if this bill passed that would prevent you from doing that? [LB778]

DEB NEIDIG: Yes. We... [LB778]

SENATOR ERDMAN: Can you be specific telling what that is? [LB778]

DEB NEIDIG: Yes. We've been contemplating. We are a large minority district. And so what our children are participating in is also changing. Our fine arts are expanding and we don't have real good facilities. We don't have real good...a place for them. So we were wanting to remodel some of what we have inside and then build additional using our gym possibly for the fine arts and then building a new gym. We also, our middle school was built without bathrooms, so we either take a classroom away to put in the bathrooms or we would build on for that. Our middle school also has no gathering point for all of our kids to get together and to become a family, become a unit to support each other, to get to know each other. So we wanted to build a little area that would encompass that availability. Our kids need these things. [LB778]

SENATOR ERDMAN: Do you have a building fund large enough to build a gymnasium without a bond issue? [LB778]

DEB NEIDIG: No. But we do have a savings that has...we've been saving. We've been working at this plan. We've been putting some money in there when we could. And this is all public knowledge. It's all available,... [LB778]

SENATOR ERDMAN: So... [LB778]

DEB NEIDIG: ...along with we were going to take out another loan also. [LB778]

SENATOR ERDMAN: So how would you finance the difference between the savings you have and what it costs to build a building? [LB778]

DEB NEIDIG: I'm not the expert on that answer but my school board member that will be testifying can answer that better for you. [LB778]

SENATOR ERDMAN: Okay. Thank you. [LB778]

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SENATOR KOLOWSKI: Other questions, please? Yes. [LB778]

SENATOR LINEHAN: Thanks for coming. [LB778]

DEB NEIDIG: Thank you. [LB778]

SENATOR LINEHAN: So is Madison in Madison County? [LB778]

DEB NEIDIG: Yes. [LB778]

SENATOR LINEHAN: And how big is the school? How many students? [LB778]

DEB NEIDIG: Five hundred. [LB778]

SENATOR LINEHAN: Are you not equalized? [LB778]

DEB NEIDIG: No. [LB778]

SENATOR LINEHAN: Okay. All right. Thank you very much. [LB778]

SENATOR KOLOWSKI: Other questions? How many school board members do you have in your... [LB778]

DEB NEIDIG: Six. [LB778]

SENATOR KOLOWSKI: Six on your board. Thank you. Anyone else? Thank you very much for your testimony. Good afternoon. [LB778]

HARLOW HANSON: Good afternoon. [LB778]

SENATOR KOLOWSKI: How are you, sir? [LB778]

HARLOW HANSON: Good. [LB778]

SENATOR KOLOWSKI: Please, name? [LB778]

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HARLOW HANSON: Harlow Hanson, H-a-r-l-o-w H-a-n-s-o-n. I'm board president of Madison Public Schools. During the 2012-13 school year, Madison Public Schools began the process of strategic planning. The board of education, administration, department heads, and student advisory group developed a list of needs for building improvements that included HVAC repairs, additional parking, rest rooms, concessions area, locker room upgrades, and performing arts areas. During the '13-14 school year, the district contracted with CPMI to conduct a facility study to guide the development of a plan for future facilities of the district. The board of education then entered into contract with Ron Gary (phonetic) and Michael Fakler during the '14-15 school year to complete an HVAC system optimization comprehensive study which would help guide the development of a facility improvement plan. During January '15 work session, the board of education identified projects that could be completed using a phase-in concept with the costs being paid from special building funds. The board has worked with our community during the last five years to move our district forward while saving funds for a special building...from the special building fund to use towards a project that would add additional space to our campus. During the 2017-18 school year, the board of education has signed agreements to have site surveys and plans for potential projects drawn up and have entered into contracts. During January '18, the district also has passed motions to expend funds to move forward on those projects. LB778 would limit school district's local control and would negatively impact the support of programs. Under LB778, if a school district had a donor...had a donor who would like to donate a percentage of funds toward a greenhouse or a weight room, they would be required to pay the entire amount, which may not be possible. School districts would lose another source of funding. In 1996, Madison Public Schools added a middle school wing on our secondary building. At that time, to save funds, no rest rooms were added. The restriction in LB778 would force districts to pass a bond for small projects, such as rest rooms or staff...rest rooms for staff and students, which in the end would cost taxpayers more. To justify the bond issue, districts may end up asking for more funds which is defeating the goal of conserving taxpayer money. In the past, Madison Public Schools was strongly encouraged by the State Fire Marshal to move our elementary building towards updated safety codes. This push created hard feelings with our community after bond elections failed. Our district has a large population of hardworking Hispanic families who don't follow the traditional registered voter process for a bond issue. The board of Madison Public Schools, like many boards across Nebraska, would always seek out public feedback before moving forward with any project. LB778 would have very little positive impact for taxpayers across Nebraska but would harm several isolated districts. I would encourage the committee to consider further study on the issue before making a quick decision based on the want of a few across the state. [LB778]

SENATOR KOLOWSKI: Thank you, Mr. Hanson. Questions, please? Yes, sir. [LB778]

SENATOR ERDMAN: Thank you, Senator Kolowski. Thank you for coming, Mr. Hanson. So what is your mill levy at Madison? [LB778]

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HARLOW HANSON: Eighty-seven or eighty-nine cents. [LB778]

SENATOR ERDMAN: Eighty-seven, okay. [LB778]

HARLOW HANSON: Six, eighty-six. [LB778]

SENATOR ERDMAN: Okay. And how much building fund are you levying? How much? [LB778]

HARLOW HANSON: Eleven cents. [LB778]

SENATOR ERDMAN: Eleven cents? Do you know how much is in your building fund? [LB778]

HARLOW HANSON: Approximately \$2 million. [LB778]

SENATOR ERDMAN: Two million, okay. So you made a comment about if a donor was going to donate money to build a building, they would have to pay for the whole thing. Where did you see that in the bill? [LB778]

HARLOW HANSON: Well,... [LB778]

SENATOR ERDMAN: Because I looked at the bill. I didn't see it said that. [LB778]

HARLOW HANSON: I have a donor. We have been talking about putting up a greenhouse. [LB778]

SENATOR ERDMAN: Okay. [LB778]

HARLOW HANSON: And he wanted...he was a past graduate of Madison. He came in and wanted to donate some money towards a program and, anyway, he landed on the greenhouse. If I can't...if I can't use tax, the special building fund to increase the footage of my building, how do I pay the rest of that if he's only going to pay a portion? [LB778]

SENATOR ERDMAN: How would you do it if he didn't give you any money? Same way. You'd have to have a bond issue to build the building, right? [LB778]

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HARLOW HANSON: Yeah. Or a set of bathrooms, you know. You know, \$100,000 project, if I have to go out for a bond issue and pay the...you know, that's not cheap for the district either, you know. [LB778]

SENATOR ERDMAN: I understand. So when you said local control, is local control only for the school board or is...or do you define... [LB778]

HARLOW HANSON: Oh, no. [LB778]

SENATOR ERDMAN: ...local control those who vote? [LB778]

HARLOW HANSON: Well, anytime in the past, even years ago, I was on the board at the time when we passed the bond to redo our elementary school. We were...we weren't up to code. Our building wasn't sprinkled and the Fire Marshal come in and just basically pushed us to do it. Of course, we went to the public and we had informational meetings numerous times. We finally did get it passed on the third bond election, barely, but we did get it passed. And bond elections, there's always resentment. You know that. You know there's a portion of people that want it; there's a portion of people that don't, so. [LB778]

SENATOR ERDMAN: I understand. Thank you. [LB778]

SENATOR KOLOWSKI: Yes, ma'am. [LB778]

SENATOR LINEHAN: Thank you for coming today. Appreciate it very much. Is there an amount of money that you think there should be a vote on? [LB778]

HARLOW HANSON: Yeah. You know, I understand if some of the...if somebody is abusing this. I can see why we're here. I think that that's not really for me to decide, you know? That's why you people are in your positions. But I think that maybe that's an alternative way to go. [LB778]

SENATOR LINEHAN: Okay. All right. Thank you very much. [LB778]

SENATOR KOLOWSKI: Any other questions, please? Seeing none, Mr. Hanson, thank you very much for coming. [LB778]

HARLOW HANSON: Thank you. [LB778]

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SENATOR KOLOWSKI: Afternoon. [LB778]

JIM GOTSCHALL: Good afternoon. [LB778]

SENATOR KOLOWSKI: Go ahead, please. [LB778]

JIM GOTSCHALL: (Exhibit 1) Thank you, Senator. My name is Jim Gotschall, G-o-t-s-c-h-a-l-l. I'm here to express concern and opposition to passage of LB778. I'm from O'Neill, Nebraska, and I want to give you a little bit of my background. I graduated from high school from Atkinson West Holt in Holt County in 1982; attended the University of Nebraska Ag College with an animal science major, graduating in '86; then graduated from the University of Nebraska College of Law in 1989; practiced Omaha...practiced law in Omaha for five years and returned to my home where my wife and I have maintained a cow-calf operation and I have a law office there. I've been a member of the O'Neill Public School board for 15 years and have served as president for the last eight or for eight years. I want to begin by saying I am a conservative and I am very supportive, very supportive of reducing property tax and the burden on our property taxpayers. But I respectfully submit that this bill is the wrong vehicle. When I came on the board, our little school district was getting \$2.5 million of state aid. Last year we got \$172,000. Okay? I've attached to my prepared comments a summary that I put together from the Nebraska Department of Revenue that shows the tax levies of various school districts. And I realize I don't have them all there, but I tried to put on the ones that I thought would be the most relevant to O'Neill. And the reason I do that is because I fear that O'Neill is maybe one of these schools some people are referring to when they talk about a school district that is building a new facility using their building fund, because we are. And LB778 is going to put a stop to that after we've already invested substantial money into that. I got a little off my prepared statement but I'll go back here. I've never testified before this committee before. In 16 years on the school board, I've never felt a need to come down here. But I do feel a need to come down for this bill. You will see that when that was comprised, which is a year ago when I comprised it when our board was looking at this, our levy was 74 cents. It's now up to 79. Our school hasn't had any significant renovations since it was built in the mid-'60s. I am respectfully opposed to LB778 because I believe it penalizes frugal, conservative school districts, such as O'Neill, who have for years and years and years repaired our old, outdated facilities. We repaired them because that's what we do. That's what our taxpayers expect us to do. They expect us to do a cost-benefit analysis of do you repair or do you build new, and what can you afford to do. And that's what our patrons expect us to do and that's what we have done forever. And, frankly, that's what the 14-cent building levy restricts us to do and requires us to do. You have in place now a 14-cent restriction on any new construction that anybody like O'Neill or any other small school district wants to try to put together. It's in place now. Many school districts such as O'Neill have, without any mandate from the Unicameral, done what LB778 requests us to do. O'Neill is currently educating students in 27-year-old modular classrooms. They were built because we needed more room and we couldn't afford to

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add on to our school, and we built them 27 years ago and they had a life expectancy of 10 to 15 years. We've repaired them. We've repaired them. We've reroofed them. We've done everything we can for those things. Yesterday it was 25 below and we had students in the 27-year-old modular classroom. They need torn down and we need to build on to our school. So last November, with the help of the community, we finally resolved, after ten years of planning, we resolved that we are going to add on to our school--unanimous vote of the board. Took about eight votes, lots of 1s to 5. I'm going to be out of time. But I'll try to wrap it up here. But we unanimously approved that. We've maintained our school levy low. We're not abusing the tax levy. If all the tax...if all the school districts in the state had a tax levy of 73 cents we wouldn't be here. But if you look at that list, there's an awful lot at \$1.10 and \$1.15, \$1.20, a lot of them same size as us. Even with our new project, we're going to be at 83 cents. We'll be substantially below other school districts in our athletic conference and in our state. We're going to be able to pay for this out of our building fund in seven years. We've worked with our community and our board for ten years to do this. LB778 is going to halt it in its tracks. I believe that a prohibition against adding on to our existing schools penalizes schools that have been frugal. And I want to make this one last quick point. In addition to the specific problems it causes for O'Neill, it's...this is bad general law. This is bad law in general for the state. We already have laws in place for the 14-cent levy. Imagine how all of us here would feel if the federal government passed a law next year saying, you, the Unicameral, can't add on to a building up at the University of Nebraska without a general election. Now that might be all right for states like Illinois or California, but it isn't all right for Nebraska. We're conservative. We manage our funds well. And when we have a federal government telling us we can't add on, we can't add square footage to our office buildings, that isn't local control. But that's what LB778 is going to do to our little school districts. [LB778]

SENATOR KOLOWSKI: Thank you, sir. [LB778]

JIM GOTSCHALL: Thank you. [LB778]

SENATOR KOLOWSKI: Mr. Gotschall,... [LB778]

JIM GOTSCHALL: Yes. [LB778]

SENATOR KOLOWSKI: How many board members do you have? [LB778]

JIM GOTSCHALL: Six. [LB778]

SENATOR KOLOWSKI: Thank you. And any questions, please? Yes, sir, please. [LB778]

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SENATOR ERDMAN: Thank you, Senator Kolowski. Thank you for coming. I think I heard Senator Groene say when he started any projects that have been started this bill will have no effect on them. So I don't believe this bill would affect your project. [LB778]

JIM GOTSCHALL: I believe that...I believe, with all due respect to Senator Groene, he was incorrect. His bill says that we cannot go past the year 2021 or 2022. Ours takes seven years, sir. [LB778]

SENATOR ERDMAN: Okay. [LB778]

JIM GOTSCHALL: And so, with all due respect, I believe that the project we have started would have to stop in its tracks because we can't get...we don't have enough time. [LB778]

SENATOR ERDMAN: How much is your project going to cost? [LB778]

JIM GOTSCHALL: It's \$13.2 million. And an additional fact I think you should know is we just finished a \$8.5 million...or, excuse me, finished a windfarm in our district. It's going to generate \$8.5 million to our school. So of the \$13.2, our taxpayers are going to need to come up with another, whatever the math is, \$4.2. [LB778]

SENATOR ERDMAN: That windfarm... [LB778]

JIM GOTSCHALL: And that makes it very unique. I mean it's a unique situation that we're blessed to have. [LB778]

SENATOR ERDMAN: How many students do you have? [LB778]

JIM GOTSCHALL: Seven hundred and ninety? Seven hundred and ninety. [LB778]

SENATOR ERDMAN: Are you Class B? [LB778]

JIM GOTSCHALL: If we co-op with our parochial school, we're Class B in some sports and we're Class C if we don't. [LB778]

SENATOR ERDMAN: Uh-huh. [LB778]

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JIM GOTSCHALL: We're C-1 in some sports and we're B in others. [LB778]

SENATOR ERDMAN: Thank you. [LB778]

SENATOR KOLOWSKI: Other questions, please? Anyone else? Thank you very much, sir. [LB778]

JIM GOTSCHALL: Thank you all for your service. May I be excused, sir? [LB778]

SENATOR KOLOWSKI: Yes, sir. Thank you very much. Again, additional opponents? Good afternoon. [LB778]

SANDY WOLFE: Good evening. [LB778]

SENATOR KOLOWSKI: Yeah, we're almost there. [LB778]

SANDY WOLFE: (Exhibit 2) Almost. Good evening Senator Groene and members of the Education Committee. My name is Sandy Wolfe, S-a-n-d-y W-o-l-f-e, and I am a member of the Norfolk Public Schools school board. We have 4,200 students. We are at \$1.05 and our building is 4 cents, just to give you some background. It's up to our school board to carefully and thoughtfully work toward increasing student learning as well as managing the funds and being fiscally responsible. I'm testifying in opposition to LB778, which requires voter approval, and I'm going to give you some very specific examples of things that we have done very recently. Of course, it's not going to affect us now because we've done them, but it would have affected them. And I'm just going to shed a light on what LB778, why I feel it's not a good plan nor do our...my fellow school board members. In the past several years, Norfolk Public Schools has purchased several homes that were adjacent to our schools, and we purchased those for either green space or for parking or to add on to the playground. I'm a real estate broker. If we would have had to take this to a vote, we would have never had any of those properties. Properties move very quickly and, not only that, but we'd lose all of our negotiating power by putting it into a vote that happens how many months later. So right there is a perfect example of why LB778 is not very effective or efficient. We also had some huge traffic concerns with our middle school. We've had so much increased traffic. And we had a student hit, which makes everybody a little bit nervous. So we were able to quickly and efficiently add an access road to our school, which was very responsive to our parents and our patrons. With LB77 in play...LB778 in play, that would have never happened. We couldn't have done that. Taking things to a vote takes away the time that is needed in some of these critical things as well as the efficiency of it. Another example is our career academy. We, and I use that really broadly, our foundation raised \$1.37 million in

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donations to put up the career academy. We took our existing high school shop, shop classes, shop facilities and pushed them out. So there was brick and mortar added, quite a bit of square footage, but it was all paid with donations. However, according to LB778, even though we were using no tax dollars, we were adding square footage. So again, it would have been having...have been taken to a vote. Now I do not in any way think that any of these projects would have been voted down. I can really promise you that had there been a vote I can...I'm just sure that they would have all passed, but it wouldn't have been efficient or effective for our donors or our students to be waiting 12 or 24 months for the career academies. Tammy Day, my fellow school board member, recently sent a letter to Senator Groene. And I thank you, Senator, because you quickly answered that response and it pertained to our central office where we just started doing our school board meetings. We've been doing it at the city council for years because we had no way to get people upstairs via the steps, so we added an elevator. But again, the elevator was added to make the old building look aesthetically pleasing, so it was added on the outside where, again, there was brick and mortar added and so this would have again had to have been taken to a vote. And it was a very efficient use of our money, but it would have slowed everything down. I believe that this bill truly limits the control of the school boards and local control. I think a vote is great when it's absolutely necessary, but there's a cost of it. There's the time involved. And if these things can be taken care of, why are we stepping in and wanting to stop all of this? I just don't understand. We are elected locally and if I'm doing a bad job, just like any of you, we are not reelected. So I thank you for believing in Nebraska and champion...championing public education in Nebraska. And I'll entertain any questions that you have. [LB778]

SENATOR KOLOWSKI: Thank you, Ms. Wolfe. [LB778]

SANDY WOLFE: Uh-huh. [LB778]

SENATOR KOLOWSKI: How many board members do you...? [LB778]

SANDY WOLFE: Six. [LB778]

SENATOR KOLOWSKI: Six also? Thank you. Questions, please? Anyone? Yes. Yes, ma'am. [LB778]

SENATOR LINEHAN: Thank you, Chairman. Thank you for being here and hopefully we'll be quick. You're equalized, right? Norfolk is equalized. [LB778]

SANDY WOLFE: Yes. [LB778]

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SENATOR LINEHAN: So what is your building fund levy? [LB778]

SANDY WOLFE: Four cents. [LB778]

SENATOR LINEHAN: Four cents. So you don't do very big projects with your building levy. [LB778]

SANDY WOLFE: No, but any projects that we do have either been purchases of land or added on square footage. And both of those things are not possible with LB778. [LB778]

SENATOR LINEHAN: So do you think there should be any limit on what you could do financially with the building fund? [LB778]

SANDY WOLFE: I think, as an alternative, if we had to, that could be an instance. But I'm not the person that would know. I'm not very good with dollars and money, so I wouldn't know... [LB778]

SENATOR LINEHAN: Okay. All right. [LB778]

SANDY WOLFE: ...know what that big number should be, but I think it should be big. [LB778]

SENATOR LINEHAN: Okay. Thank you very much. [LB778]

SANDY WOLFE: Uh-huh. [LB778]

SENATOR KOLOWSKI: Any other questions, please? Seeing none, thank you very much. [LB778]

SANDY WOLFE: Thank you. [LB778]

SENATOR KOLOWSKI: Further opposition, please? Afternoon. [LB778]

BILL ROBINSON: Good afternoon. [LB778]

SENATOR KOLOWSKI: How are you, sir? [LB778]

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BILL ROBINSON: Fine. [LB778]

SENATOR KOLOWSKI: Okay. Go ahead, please. [LB778]

BILL ROBINSON: (Exhibit 3) Senator Groene and members of the Education Committee, for the record, my name is Bill Robinson, B-i-l-l R-o-b-i-n-s-o-n, and I am the associate superintendent of finance, facilities, and maintenance for Norfolk Public Schools. Today I am testifying in opposition to this bill as written. I am requesting the committee to consider an amendment to (2) of Section 5 of the bill that amends state statute 79-10,120. The proposed language in that portion of the bill would prevent school districts from adding space through the 14-cent levy that a school board could establish for the special building fund. I'm requesting that the committee consider amending that section to allow districts to do a lot of the things that the person who spoke before me talked about. And I have that in my written testimony. I want you to review that. This idea has already been thrown out a little bit about maybe establishing a dollar amount that we look at. I think that's something that could be talked about. I put a dollar amount in my written testimony. I can talk to you how I came up to that number. It doesn't necessarily mean it's going to work for everybody but at least it's a place to start a conversation. But I want to reemphasize for the fact like when you would go to buy property, and we've bought a few houses, and believe me, we wanted to negotiate a good price on those properties. But you, when you show your hand, the price doubles. And why should we have to go to a vote of the people for a \$30,000 house that everybody in town wants bought so we can get rid of it so we can have a bigger playground on a landlocked school that was built in the '20s? There's that. We had Nucor, Norfolk Iron and Metal, some big corporations in town that donated some big dollars for career academies, and they wanted something done and we wanted something done. By statute, the building fund is the only fund that could do that. You cannot build with the general fund. And when you take that away, regardless if it was donated, we would have to go to a vote of the people to allow us to use donated dollars because your other funds can't do that. Even though the foundation raised it, you have to cash flow it through your building fund. The general fund is not allowed to do anything with new brick and mortar. So I want to make that clear. We got to walk through this bill pretty carefully. Portable classrooms, we have done this in the past, we may have to do this in the future. Right now we have a plan not to have to use portables. But once again, a lot of districts need those. And do we need in there, would fall in that category? You can't do that without a vote of the people. I also believe that we need to continue to maybe add some language that would verify the general fund could still do repairs and those kinds of things, just to solidify that language. Because a lot of districts, like our district, will use the building fund for some repairs, the general fund depreciation. Kind of depends on the fiscal year and how to work the budget. But we got to solidify that those things would still be in place. I've shared some of these perspectives on why I believe we need to look at this, add an amendment, maybe throw a dollar amount out there. I threw a dollar amount as a place to start at \$250,000. I'm sure that's really lean for a lot of people. You know, for us, a lot of those projects I talked about would

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fit right in there. If the property was worth more than that, honestly, our constituents probably would say don't buy it if you're going to tear it down. But I can't speak to the housing market in Omaha or Lincoln and those kinds of things, so it would be unfair of me to say this is a good number. But it was a place to start. Accessibility, Mrs. Wolfe talked about that. When we did the remodeling it would have cost almost twice to put that elevator in the building and tear it up versus hanging it on the outside. But without the building fund, because we had to encapsulate that elevator with some new brick and mortar, this bill would have eliminated that. So in closing, I believe with some careful revised, collaborative amendments to this LB778 this legislation would be something that we possibly could support. I believe my proposed changes would still embody a fully transparent process while also allowing boards to operate and manage funds effectively. This proposal would also create a mechanism for district patrons to vote on specific decisions when appropriate. I'd like to thank you for your time and service as senators. We do have a strong public education system in Nebraska, which is a definite asset. I don't think we should compromise it. Any questions? [LB778]

SENATOR KOLOWSKI: Thank you, Mr. Robinson. Appreciate it very much. Questions, Senators? [LB778]

SENATOR WALZ: I have kind of a question. [LB778]

SENATOR KOLOWSKI: Yes. Please. [LB778]

SENATOR WALZ: I just need to ask, can you just explain to me how a building funds works? Like how? What's the process? How does it work? [LB778]

BILL ROBINSON: Well, by definition, the building fund is established by a board if you have room in your levy to levy for everything we've talked about currently. [LB778]

SENATOR WALZ: Uh-huh. [LB778]

BILL ROBINSON: It's also the place you deposit bond proceeds when you pass a bond issue. They do not go the bond fund. They go to the building fund because the building fund tracks all the building expenditures. So a lot of districts who are at \$1.05, which is their general, will still have a building fund because they've done bond issues and that's where the bond proceeds go to. The taxes you collect from the bond go to the bond fund. The bond fund only pays the debt. So that's the...kind of the CliffsNotes of the building fund. It does have a lot of restrictions on it. You can't use it for personnel. You can't transfer dollars from the building fund to the general fund. The only way money comes in there is through the tax levy, as long as you don't exceed the

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\$1.05, or those bond proceeds for a project. Or in our situation, and I did check with NDE because we had those donations, because we were building, that was the appropriate place to take those donations after the foundation has collected them and place them there. We used it because all of our donations are coming over a five-year period. We have pledges and so forth like that. So I had to cash flow it. [LB778]

SENATOR WALZ: Is it interest bearing? [LB778]

BILL ROBINSON: Yes, it is. [LB778]

SENATOR WALZ: Okay. [LB778]

BILL ROBINSON: But once again, the interest off that can only be used for those items. [LB778]

SENATOR WALZ: Sure. [LB778]

BILL ROBINSON: You can't go back and use it for staffing or anything like that. Did that help? [LB778]

SENATOR WALZ: Yes. Thank you. [LB778]

SENATOR KOLOWSKI: And how long have you had a foundation, sir? [LB778]

BILL ROBINSON: We've had a foundation for a number of years. I want to say at least 15 but don't quote me on that. [LB778]

SENATOR KOLOWSKI: Okay...very helpful. [LB778]

BILL ROBINSON: Yeah. [LB778]

SENATOR KOLOWSKI: Thank you. Yes, ma'am. [LB778]

SENATOR LINEHAN: This is a question off the subject, but you seem very knowledgeable about numbers so I'm going to ask you... [LB778]

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BILL ROBINSON: Well, that's my job. (Laugh) [LB778]

SENATOR LINEHAN: Yes. Very good. So the building fund, when we do the whole per student cost of what it costs to educate a kid, that's general fund money, right? [LB778]

BILL ROBINSON: That is correct. [LB778]

SENATOR LINEHAN: It's not building fund money. [LB778]

BILL ROBINSON: That is correct. [LB778]

SENATOR LINEHAN: But there is...you do a depreciation thing to figure out what to add to the...how does it...? [LB778]

BILL ROBINSON: Well, the depreciation dollars can only be transfers from your general fund. [LB778]

SENATOR LINEHAN: Oh. [LB778]

BILL ROBINSON: And once they hit depreciation they can only be used for capitalized projects. You can't use them for people. [LB778]

SENATOR LINEHAN: Okay. That helps. [LB778]

BILL ROBINSON: But the only way you get money there is, for example, last several years we've depreciated dollars because we had leftover dollars in our budget. There was no need to carry it over. We depreciated it into different areas of depreciation because every five or six years we need to buy a bus. We need to replace a roof. We're trying to be stewards of the dollars. And believe me, I'm tight, you know, and our community is tight. And they want to make sure that, do you have a cash reserve? Don't start coming to us when all of a sudden your heater went out and you don't have money. [LB778]

SENATOR LINEHAN: Okay. [LB778]

BILL ROBINSON: So...but the building fund also can serve that purpose. A correction that came up a little earlier, QCPUF used to be able to handle HVAC. That was taken out about a year or two ago. That was eliminated as an option, the HVAC part of QCPUF. [LB778]

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SENATOR LINEHAN: But you still use it for safety reasons, right? [LB778]

BILL ROBINSON: You can. Yes. [LB778]

SENATOR LINEHAN: Okay. So the depreciation fund is general fund dollars. [LB778]

BILL ROBINSON: That is correct. [LB778]

SENATOR LINEHAN: Okay. Thank you. [LB778]

BILL ROBINSON: That's why, when you figure your cash reserve, it's a combination of them both. [LB778]

SENATOR LINEHAN: Excellent. Thank you very much for that. [LB778]

BILL ROBINSON: Uh-huh. [LB778]

SENATOR KOLOWSKI: Other questions, please? Mr. Robinson, thank you very much for being here. [LB778]

BILL ROBINSON: Thank you. [LB778]

SENATOR KOLOWSKI: Thank you. [LB778]

JOHN BONAIUTO: Senator Kolowski,... [LB778]

SENATOR KOLOWSKI: Welcome, sir. [LB778]

JOHN BONAIUTO: ...thank you, members of the committee, John Bonaiuto, J-o-h-n B-o-n-a-i-u-t-o, and I appear for the Nebraska Association of School Boards and we are in opposition to LB778. And I want to tell you, Senator Groene has been very open with us. He shared this idea with us at the school boards conference. He had a session where he talked about legislation and it gave people an opportunity to think about what he was looking at. And in the end, we decided that we needed to oppose it on several points. First of all, it really is limiting school board authority. And school board members are elected just like you are to serve their communities and provide a community service. And school board members do this with no compensation. And so

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in the 25 years I've served school boards, these folks are there to work with their communities and do the best job they can for the kids that they are representing as policymakers. I wanted to reinforce the fact that--something you hear all the time--when you look at a one-size-fits-all solution like this, it really doesn't work. You heard one of the board members talk about unique. Well, we've got a lot of districts that have unique needs and are different in a lot of ways. And so I think that it's important to allow the people closest to working with our communities and the children in those communities and the voters to make the decisions and have some latitude. This is...what is being changed in this bill are tools that were given to school boards by the Revenue Committee when they collapsed all the levies. Boards used to have a levy in the building fund, but in the late '90s, when the climate was like it is now, petitions rattling and a tax revolt on the doorsteps of the Legislature, the Revenue Committee says, okay, we're going to...we're not going to let you levy in the building fund. Everything is in the general operating budget. And so boards are working with the authority that they were given by the Legislature. And so, you know, as I look at...looked at trying to work with this, I could not come up with a dollar amount or a square footage amount because of that uniqueness and difference among the school districts across the state. I really believe that school board members are talking to the people in their community and those folks can find them. They could find them at the school board meeting. They could find them at church, the grocery store, at the coffee...I mean let me tell you, people talk to school board members and will give them a piece of their mind. Last thing I'll say is school board members know when they need to take something to a vote. They can figure it out and they'll hear about it. Voting is not a silver bullet. Voting is a great thing, but the people that didn't support the issue in the vote aren't going to be any happier after the vote if they lose the vote. I mean that's just the way it works. Bond issues are tough. Voting is tough if you're voting on a levy. So we would ask that you indefinitely postpone this bill. And with that, I'd take questions. [LB778]

SENATOR KOLOWSKI: Okay. Yes. [LB778]

SENATOR LINEHAN: Yeah. Thank you very much. Do you know how many bond issues have failed in Nebraska for schools in the last... [LB778]

JOHN BONAIUTO: We have... [LB778]

SENATOR LINEHAN: ...ten years? [LB778]

JOHN BONAIUTO: Well, more have...I mean we've had bond issues. We just had one recently fail in Norris, which was disappointing. But surprisingly bond issues have passed. [LB778]

SENATOR LINEHAN: Like 99 percent, 95 percent? [LB778]

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JOHN BONAIUTO: Well, I don't know if it's that high, Senator. We keep a record at the association... [LB778]

SENATOR LINEHAN: So could you get those numbers for me? [LB778]

JOHN BONAIUTO: ...and we'll get you that information. But, really, when communities work hard and you'll do all the things and sometimes it doesn't pass the first time around. You heard one of the board members say on the third try we got it passed. But I've seen some communities have to go back five times to get it. So it's, yeah, it's not easy but they do pass. [LB778]

SENATOR KOLOWSKI: John, we have 245 districts. Is that correct? [LB778]

JOHN BONAIUTO: It's in that... [LB778]

SENATOR KOLOWSKI: Forty-four? [LB778]

JOHN BONAIUTO: Forty-eight. There's about, yeah. (Laugh) [LB778]

SENATOR KOLOWSKI: Or around there. And about 6, what it sounds like, it's about 6 members per board, so that's just under 1,500 duly elected citizens in a locale that are representing their board. [LB778]

JOHN BONAIUTO: Sure. We've got some boards, other than Lincoln, that have seven-member boards. We have Omaha that's got nine. [LB778]

SENATOR KOLOWSKI: Nine, right. [LB778]

JOHN BONAIUTO: Matter of fact, we had a...the Legislature passed a law that gave boards some latitude in setting a number and for the number of members. And there's a process for that. But so you're, but, yeah, there's a large number. [LB778]

SENATOR KOLOWSKI: Thank you. Other questions, please? [LB778]

JOHN BONAIUTO: Thanks. [LB778]

SENATOR KOLOWSKI: Another opponent, please. Good evening. [LB778]

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ALAN EHLERS: Good afternoon. [LB778]

SENATOR KOLOWSKI: How are you, sir? [LB778]

ALAN EHLERS: (Exhibit 4) Thank you for taking the time to support the children in our state. My name is Alan Ehlers, A-l-a-n E-h-l-e-r-s. I currently serve as the superintendent of Madison Public Schools in northeast Nebraska. Like the board members have shared with you, our district has about 509 students. Our makeup is not like many small towns in Nebraska. We're 75 percent Latino, 19 percent Caucasian, and 5 percent Asian. We have a Tyson plant within our community. In fact, our Asian population in one year has gone from 5...or 2.5 percent to 5 percent. So we don't look like a lot of other districts. We probably look more like the Omaha district on a much smaller scale. I think the number in an earlier bill was shared about free and reduced numbers for OPS was 77 percent. We're actually at 80 percent in our district. In our community is 60 percent. We have a large number of families that choose to go elsewhere, whether it's private or public schools, over 100 children going elsewhere because of our makeup of our district. That puts us in harm's way many ways, whether it's academically, whether it's funding, whether it's going out to the people for a vote. The standard process of going after a bond issue for our community is next to impossible because of the makeup of our community. The board, over the last five years, has, through a strategic plan, looked at our updating of facilities, okay, using the building fund. It's taken us five years to try to pigeonhole a little money in order to at some point add square footage to our building. And by the end of this fiscal year, we'll be close to \$2.1 million in that. And the way this bill reads, even though our board has been good stewards of it for the community and taxpayers, we wouldn't be able to expend that on what they've been planning for five years. And with that, we have also looked at an additional, maybe, at least add a little bit more money so we could make sure we take care of our building needs. And with the language in this bill that we'd only be able to go till 2021 paying off any debt, that really restricts what we can do. And that's why we're here in opposition today. It's because of the makeup of our community. A lot has been talked about as far as building levies. When I came to the district six years ago our building levy was \$1.09. Okay? Currently we're at 86 cents and that's total. That includes our special building fund. Okay? We've asked for 11.9 cents on our special building fund and that's what we've been using to fund improvements along the way. Our board is very involved in our community. They continually want to do good things to move our district forward. But with the restrictions of LB778, that's just not possible. At this point, I would like...I'd like to ask that LB778 be held in committee for additional research. I have at this time not seen any financial impact, what it would save across the state. To my...I'm not aware that NDE is running that model at this time. I could be wrong. And if it does advance to General File, I would ask for modification in the language that would allow districts that have commenced projects--we've spent time with architects, we've saved money, we've entered into formal motions as a board to do things--to allow those projects, at the very least, to continue through the end of that process till 2025. And I certainly didn't come here, and I don't have it on my handout,

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to suggest a dollar amount, but I wonder if we shouldn't take a look at it another way instead of saying, okay, you can only spend \$250,000. What if, instead of saying that, we should start to limit? And I'll probably be shot by people across the state, superintendents, but I'm going to say it anyway. What if we should, instead of allowing 14 cents in that building fund, we say, okay, let's drop to 13 cents, and then 12 cents, gradually? That's the one thing in education financing-- I've done this for 13 years--that I've really found if it's a gradual change. No different than when corn went up to \$10 and equipment went up and fertilizer went up, that was a drastic change in tax valuation. People were buying land left and right. I'm sorry, I see the red light. I didn't even think I talked four minutes. (Laughter) You know that all went up here and it's going to take some time for that to come down. And funding the way...funding would be the same way. I think we need to take a look at gradually changing that tax base. Because I agree with everyone here. You have a tough job. And it is a tax issue across the state. I don't believe this bill is going to fix enough of that tax issue. I think there's other bills out there that would work together with education to get to that point. Thank you for your time. I appreciate it. [LB778]

SENATOR KOLOWSKI: Thank you, Mr. Superintendent. Appreciate it very much, sir. Questions? Yes. Anyone? Okay. Thank you very much. [LB778]

ALAN EHLERS: Yep. Thanks. [LB778]

SENATOR KOLOWSKI: Any additional opponents, please? Afternoon. [LB778]

VIRGIL HARDEN: Good evening. [LB778]

SENATOR KOLOWSKI: Yes, it is. [LB778]

VIRGIL HARDEN: (Exhibit 5) Senators, my name is Virgil Harden, V-i-r-g-i-l H-a-r-d-e-n, on behalf of the Greater Nebraska Schools Association. My written testimony is going around so I am not going to read all of it, in light of the late hour and the fact that many of the points have already been made. I am going to point out in the written testimony some alternatives that we would like you to consider. Instead of eliminating additions to school buildings, as LB778 does, an alternative would be to make specific allowances that authorize new construction, not limited to but certainly including items such as safety, security issues like security vestibules, P-K through 12 academic classroom space, portable or modular classrooms, HVAC control or boiler rooms, IT closets, maintenance facilities, including bus barns, storage sheds, etcetera. It would be a much more appropriate approach and would help meet the needs of school districts and not hamper progress and increase costs. Additionally, instead of eliminating all site acquisition expenditures, as LB778 does, an alternative would be to allow the purchase of property continuous to currently owned school district's property up to \$1 million in any one fiscal year.

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Also, allowing for the purchases of undeveloped land for the possible future sites with no restrictions would enable school boards to negotiate for the legitimate school site needs with resources, time, and confidentiality on their side. Instead of requiring another vote of the people for a special building fund levy, an alternative would be to trust the voters to elect school board members who work in the public interest to conduct business at the lowest possible price. So if the real issue is special building fund levies and construction of new facilities by small, rural school districts, then maybe the time has come to review the issue through a state of Nebraska mechanism for funding school facilities. Currently, the state of Nebraska contributes zero dollars towards the local school building projects. If the state of Nebraska refuses to contribute resources to school funding, to school district building projects, then local control by locally elected school board members should rule the day. It is the Nebraska way. In conclusion, the special building fund is a valuable tool used within the bounds of discernment, discretion, and self-control by GNSA schools to manage millions of square foot of space. Helping school districts manage current and growing space needs due to student enrollment growth, educational program changes, or other community issues is a critical function of the special building fund. Clearly, the GNSA schools are operating well within the 14-cent levy limit with overall minimal financial burden on their constituents. Thank you for your time and please direct your attention to the attachment outlining facts supporting our opposition to LB778. And with that, I would conclude my testimony. [LB778]

SENATOR KOLOWSKI: Thank you, sir. Questions, please? Seeing none, thank you very much. [LB778]

VIRGIL HARDEN: Thank you. [LB778]

SENATOR KOLOWSKI: Next opposition, please. Welcome again. [LB778]

KYLE MCGOWAN: Hello, Senators. My name is Kyle McGowan, K-y-l-e M-c-G-o-w-a-n, and I'm representing the Nebraska Council of School Administrators. NCSA opposes LB778 primarily for the same reasons you've heard from everyone else. And I, you know, my point would be that maybe we have a difference of opinion on what local control is. I don't know how many people, I know we have one school board member that served on a school board, because Senator Ebke was at Crete for 12 years. My experience with school board members are very similar to senators. I don't see people running for that position, getting elected for senators or school board members being shrinking violets of people that aren't willing to speak up and represent their constituents. I think we have a system that's working. I think that school board members in Crete know better how to address building than people in Lincoln. I think people in Lincoln know better how to address our state than people in Washington, D.C. I think there's very difficult questions. Senator Linehan asked, you know, what's an amount? Every year we

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spend about \$16 million on salaries in Crete, so we don't vote on that. One year we spent a half a million on a reading program that was of some controversy. That was not a vote of the people. Senator Erdman is possibly going to have a vote of the people coming up here. We could make the same argument of how many times should we bring things to a total vote of the people. You're elected to make tough decisions. School board members are elected to make tough decisions. I've got one example--everybody has their example--and this one includes Senator Ebke. You should put this on YouTube because what I'm going to say, and I'm not campaigning for her, but truly one of the best board members I ever had in 31 years as an administrator. She was elected somewhere around 2002, 2003. Crete passed a bond issue at 77 percent voter approval. Didn't have the money to do it as big or as good as what we wanted to so we came up with a plan for phase two. When we built it, we did some of the systems preparing for phase two. It was a 15-year bond. In five years we had over 300 children, additional children, come to our school system. In anticipation of what we may need, we did a...it was either 4- or 5-cent increase on our building fund. So we had a design. We had an architect. At the time, in 2008, as you know, 2007-2008, construction was low, economy was low. We had a tremendous bargain on getting the construction completed. We built the addition onto the middle school using the building fund. That was the right thing for Crete. I don't know what the right thing for Madison or Norfolk is. I trust their elected people are either doing the job or they're not getting reelected. So with that, I'll end my testimony. [LB778]

SENATOR KOLOWSKI: Thank you, Dr. McGowan. Appreciate that. Any questions, please? Anyone? Thank you. [LB778]

KYLE MCGOWAN: Yes. [LB778]

SENATOR KOLOWSKI: How many additional people do we have that would like to testify, please? One more? [LB778]

SENATOR PANSING BROOKS: Two. [LB778]

SENATOR KOLOWSKI: Two? Thank you. Jon, welcome again. [LB778]

JON HABBEN: Senator Kolowski, members of the committee, my name is Jon, J-o-n, Habben, H-a-b-b-e-n, Nebraska Rural Community School Association, about 178 nonequalized districts. Fifty of them, now forty-two, were nonequalized in 1990 when the original TEEOSA was passed. Everybody else has lost equalization aid along that path. The reason I make that point is I don't want anybody to go away with the impression that fattening up your special building fund so that you can circumvent the public is what we do. Taxes have gone up and up and up and up, beyond an average increase every year, and rural boards have paid plenty of attention to that and

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so have the folks who own ag land and so have the folks who are in the communities. The point being, I think there in communities of, let's say, NRCSA size, about 2,000 kids and below all the way to the smallest, there's a lot of discussion that goes on. You've heard testifiers before me talk about how much interaction there is, how much newspaper coverage, how much strategic planning, how much, how easy it is to reach board members. That is all part of rural community schools. And I really think that when we look at a rural community school, one of the things that we tend to look at is, so how does that local decision making get carried out? The department will tell you, maybe not local control but local decision making within the box, that the State Legislature creates to make the decisions within. That's really what it is. So if you pass a law such as this, it changes the box. The decision making goes on within the box. Nobody is looking to violate anything. But I think, I think in this circumstance allowing that local board of education to do its communication and to do its discussion and to do its planning and to have the back and forth, back and forth, back and forth, that is the fabric of local rural communities and their school districts. I think that's the better pathway. I will tell you I appreciated hearing Bill and Virgil talking about other possibilities of where limits might be, how much money. After I left a particular school, they had to replace a couple modulars. They didn't need to go through an election and all kinds of stuff. That had been part of the planning. Everybody knew it. They worked through it in their building fund. Today they're talking about replacing an elementary school. They would not consider doing something like that on the building fund, even though they have levy room, because of where their levy is at. Local school boards I think try to make good decisions and they try to pay attention and I think they try to be sensitive to their taxpayers. And, yeah, somebody can say, but, you know what, they didn't ask me, I didn't get to vote. Well, you had plenty of opportunities to weigh in, even direct phone calls for that matter. But the thing that happens is let that local board be that local board. If there are issues, we'll address them. And maybe locally there will be board members to get replaced, but if it happens, it happens and that's that local process. I think rural community school districts would like to see it remain as is and be expected to be responsible not only by state officials but by their own citizens. Thank you. [LB778]

SENATOR KOLOWSKI: Thank you. Questions, please? Seeing none, thank you very much. [LB778]

JON HABBEN: You bet. [LB778]

SENATOR KOLOWSKI: If you're preparing to speak, would you please come up to the front row here so we see how many people we have. We may be down to the last two here? Thank you. [LB778]

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LIZ STANDISH: Good evening. My name is Liz Standish, spelled S-t-a-n-d-i-s-h, and I am the associate superintendent for business affairs for Lincoln Public Schools. Just a few quick points for you this evening, as I know we're wrapping things up. Lincoln Public Schools own 68 sites, 7.6 million square feet of facilities valued at \$1.4 billion, and our current balance in our building fund comparatively is \$3.5 million. So the primary purpose of our building fund has been and continues to be addressing facility needs and keeping up on facility needs. And, in fact, we have a pretty comprehensive process of a ten-year facility and infrastructure plan and have routinely gone out to the people for a vote for both facility infrastructure and building needs outside of the \$1.05, because we have had to limit the \$1.05 to general operation. But as a growing school district, we are concerned about the limits placed on the building fund represented in this bill. We do need the tool as we're making a modification to a facility, maybe to even meet a child with special needs. If we have an opportunity to add square footage, by all means, for our taxpayers we should be taking advantage of that. Our school district has grown 8,350 students in the last ten years alone, so the tools to meet the needs of that growing population are very important. We know that there might be some opening conversations as you think about this bill and we stand ready to be at the table. I do have some hesitation about our conversation today about setting a threshold dollar amount that might be stagnant and apply to all school districts. I would caution us, we're not a one-size-fits-all state, so I wanted to make sure to weigh in on that. And we look to possibly using the building fund also for site acquisition. In our situation, if we are able to acquire a site before the development around the site goes in, we're able to save taxpayer dollars by getting a lower price per acre as a growing school district. That's not a primary purpose of the fund, however. And we are proud to be a growing school district. We know that we're trying to grow Nebraska and we hear every day that people are moving here for the public schools that we offer. So we're proud of that and we need to tools to help address those needs. We're happy to be part of the conversation and I'm happy to answer any questions that you have. [LB778]

SENATOR KOLOWSKI: Yes, go ahead, please. [LB778]

SENATOR PANSING BROOKS: Thank you for coming, Ms. Standish. I'm glad to hear the discussion about the...setting some arbitrary limit because when I cochaired the LPS bond issue in 2007 or '06 and '07 the cost at that point of a special election was something like \$150,000. I mean it was quite a bit of money. So... [LB778]

LIZ STANDISH: Yes. [LB778]

SENATOR PANSING BROOKS: ...so not only do you have to pay for whatever it is that you're requesting; you have to pay for the election, so...if there's a special election. So what do you... [LB778]

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LIZ STANDISH: Our last special election was just over \$265,000. [LB778]

SENATOR PANSING BROOKS: That's what I thought. So I mean it sounds good but that, to me, is a waste of taxpayer dollars if you are being good stewards and moving forward and being reactive to the kinds of students that you're...that are coming to your school. I think you're growing by, what, the size of Wahoo every year. Is that correct? [LB778]

LIZ STANDISH: We have consistently grown over 850 students a year on average, so 8,500 in the last ten years. [LB778]

SENATOR PANSING BROOKS: Yes. So anyway, I just...I know that at least LPS has been very thoughtful on this. It has done a very good job of pulling in major...I mean our committee that we...that Senator Campbell and I chaired had 60 people on it. And we looked at every school. We talked to the administrators. We talked to people in the community. We talked about collaborations. It was very thoughtful. And I know that the most recent one was that way as well. So again, it's concerning to set arbitrary limitations on an organization or on a school district, especially one the size of LPS. Aren't you second in the state? [LB778]

LIZ STANDISH: Correct. [LB778]

SENATOR PANSING BROOKS: So, you know, one size, again, does not fit all. Thank you. [LB778]

SENATOR KOLOWSKI: Other questions, please? Thank you very much. [LB778]

LIZ STANDISH: Thank you. [LB778]

SENATOR KOLOWSKI: One last? [LB778]

PAM ROTH: Mine is neutral. [LB778]

SENATOR KOLOWSKI: That would be good. Any other opposing? Or, excuse me, oppose...any other opposition statements from anyone? We'll go to neutral, please. Thank you. Good evening. [LB778]

PAM ROTH: (Exhibit 6) Good evening, Senator Kolowski and members of the committee, Senator Groene. My name is Pam Roth, P-a-m R-o-t-h. I am the chief financial officer for

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Elkhorn Public Schools. I want to acknowledge that accompanying me today is Ryan Lindquist, our executive director of business support services. Today I'm testifying in a neutral position as I'm requesting the committee to consider an amendment to (2) of Section 5 of the bill that amends state statute Section 79-10,120. The proposed language in that portion of the bill would prevent school districts from adding space through the 14-cent levy that school boards can establish for a building fund. I am requesting the committee consider amending this section to allow schools to do three things: number one, continue to purchase relocatable, portable classrooms from the building fund to address classroom space needs; number two, confirm that schools can continue to complete needed repairs from the General Fund in addition to the language that's in this bill that would allow repairs from the building fund; and number three, allows schools to purchase relocatable, portable classrooms from the general fund, since the need for additional classroom space can arise very quickly. To provide some perspective as to why I'm suggesting these changes, Elkhorn Public School District is a rapidly growing school district. Our fall 2018 K through 12 enrollment was 9,001 students. Comparatively, our fall 2017 K through 12 enrollment was 8,386 students. That's an increase of 615 students, or in excess of 7 percent. As you'll see from the chart that I've got as the third page of my testimony, this growth is not unusual for Elkhorn. We have been adding students very quickly in recent years. In fact, early 2000s, it would take us about three years to add 1,000 kids. We are now at the point where we are adding over 1,000 kids in two years, so we are growing very quickly. One of our buildings that currently has relocatable classrooms added is Skyline Elementary. Skyline was opened in 1975 and over the years we have needed to use those relocatable classrooms there periodically. We've had the need arise for portables at Skyline prior to opening Hillrise Elementary, Spring Ridge Elementary, Fire Ridge Elementary, and West Bay Elementary. In addition, we currently are using portables there at Skyline prior to opening, this fall, Blue Sage Elementary. During 2016-17, the enrollment at Skyline reached 454 students. As a result, we had to reopen a portable there for the second semester of that year. Another portable was added to Skyline this fall for 2017, bringing the classroom capacity to 492, even though we've actually got enrollment of 524 at that building. We struggle with adequate space for children because when the families move in they don't necessarily move into homes scattered across our district. Many tend to settle in homes in new developments that are going to feed into a specific school. Since the bond issue that included funds to build Blue Sage Elementary, our building that we are opening this fall, in 2014, we've had at least 1,498 lots platted for development, with more to come in just that area that will feed into Blue Sage Elementary. Although a house can be built in as little as 5 months, it takes at least 15 to 18 months to construct an elementary school if we've already got the design done, which we tend to try to use our footprint again and again. In summary, as I mentioned initially, we would request that LB778 be considered for amendment so that schools are allowed to do those three things: continue to purchase relocatable, portable classrooms from the building fund; confirm that schools can continue to do repairs out of the general fund, in addition to the new language that would allow repairs out of the building fund; and allow schools to purchase those relocatable classrooms out of the general fund because the

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need for space can occur so quickly. I appreciate your time and would be willing to try to answer any questions that I could. [LB778]

SENATOR KOLOWSKI: Thank you, ma'am. Questions, please? Yes, Senator. [LB778]

SENATOR EBKE: Thanks for being here today. Since you're a pretty rapidly growing school district, how do you handle purchase of property? I mean I would assume that your school board looks ahead and says, gosh, sometime in the next 5-10 years we're going to need to build another school. [LB778]

PAM ROTH: We have done that through our bond elections. So the election that we had in 2014 included money to purchase a site for a third high school. Now that... [LB778]

SENATOR EBKE: To be determined. [LB778]

PAM ROTH: Yes. [LB778]

SENATOR EBKE: Yes. Right. [LB778]

PAM ROTH: And now the bond election that we will have this spring would then have the funds to construct that high school. We would also then in this bond be looking at funds to purchase three additional elementary sites and two additional middle school sites, along with funds to build on one of those elementaries and one of those middle school sites. [LB778]

SENATOR EBKE: Sure. Okay. Thanks. [LB778]

SENATOR KOLOWSKI: Thank you. Other questions, please? Seeing none, Pam, thank you very much. [LB778]

PAM ROTH: Thank you. [LB778]

SENATOR KOLOWSKI: (Exhibits 19-33) And I believe that is the last of the opposition and I have names to read into the record as well... [LB778]

SENATOR EBKE: Neutral. [LB778]

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SENATOR KOLOWSKI: ...on opposition: Kevin Riley, Gretna; Jenni Benson, NSEA; Damon McDonald, Aurora; Patti Gubbels, Norfolk; Bill Robinson, Norfolk; Stephanie Summers, David City; Chad Meisgeier, Millard; Mark Adler, Ralston; Candace Becher, Columbus; Tammy Day, Norfolk; Kelli Ackerman, Holdrege; Amy Shane, O'Neill; Nathaniel Jennings, O'Neill; Vickie Banahan, Fairbury; and Darren Siekman, Bennington. Senator, the floor is yours. [LB778]

SENATOR GROENE: Thank you. I'm achieving my goal, had a lot of ideas. A couple points and one clarification, that some of the individuals said we'll have to do a bond election. This LB778 has absolutely nothing to do with present bond statutes. If you read the bond statutes, it said if you plan to use this mechanism to fund your school or a bond, you have to have an election. It's not build a school, I'm voting to build a school. I am using this mechanism to build a school. So it has nothing to do with bond statutes. Number two, repairs and remodeling is covered within the vote. It has nothing to do with the present general fund, the way general fund money is under statute what you can use it for. You could still use the repairs. Actually, LB778 would help some districts that couldn't make the \$16 million pay increase, which has absolutely nothing to do with this or voting on it, as one individual said. We have that in the TEEOSA formula at \$1.02 that you have that money for those average day-to-day expenses to provide free instruction in our school. You could now, a school district would come up to a budget situation, could use money from the building fund repairs and use the money that they were putting in a depreciation fund to pay the increases. It actually gives more local control. Property taxes versus levy: I heard the individual from O'Neill, which I respect. By the way, I really respect the school board members coming down here. I want to hear from elected officials, not from their employees. It's not a good argument. You talk to the taxpayers in O'Neill, Madison. They will tell you what they pay, not their levy. A local school board has very little can brag that they lowered a levy. It is forced in the TEEOSA formula. If valuations go up, levies go down, if you're unequalized. You cannot take that claim. What you can claim is that you raised the building fund levy. The general fund levy is set, basically, by limits in the TEEOSA formula. So if you're at 50 cents and you go to 14 cents, you can claim that you raised the tax rate, period, on individuals, what people will pay. We pay in dollars. Rural Nebraska is frustrated with the amount of dollars they pay, not the levies. Madison and O'Neill, which I sympathize with, if they were Millard or if they were equalized they would have a bond election. They would have a bond election or an override to do what they are doing. People would be voting on it. There's a fairness issue here. If you live in this district or you live in this one, do you get to vote on expansion or do you let the school board make that decision? Right now with what happened in the TEEOSA formula with so many unequalized districts, we have created a situation where buildings are being built without the vote of the people, period, and that is what I'm trying to correct. Put the people back in charge. If we're going to expand a school, build new buildings, then we need to have a vote, simple as that. Nobody is, unlike a bond election, you can levy 14 cents. You can save that money. You can have it in the bank. You don't have to spend it. You do not have to do repairs or modifications. You can have it there. Two, three years later you can come to the folks, say, we manage your school

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district, we have this money sitting here, we want to put this elevator in. It's a whole different vote than saying I am going to put...add levy for a bond. You're not limited. That levy can be at 14 cents. It can be stockpiled. The people should vote. As far...I'm not...I was going to ask LaMont but actually the elevator, I think you could have used QCPUF for that, because that was a safety issue, a handicapped issue. You could claim you needed access and you could have used your QCPUF for that elevator. I'm almost certain of that. You do not have to have a special election. Special elections by school boards are chosen because they have less voter turnout, only that reason. If they put them on a general election they are a lot less expensive because there is already a ballot being printed and only one issue was added, at a primary or a general. I think there's a bill coming through the Government Committee to dictate that. If you want to save money, get rid of special elections. Put them on the ballot, on the general fund (sic) ballot. Instance what was brought to my mind, I supported getting rid of the common levy in Omaha, in the metro area. Two of those school districts told me they could help their taxpayers out if we could get rid of the common levy because they were...they would not be equalized, West Douglas County and Springfield Platteview. All right? Immediately after their levies dropped to 70 or 80 cents, they went to 14 cents building levy because they didn't want to go to the people for a vote on buildings. That's not right. We were told that property tax relief would be given to those people in those districts. I understand what O'Neill is up against. Both O'Neill and Madison have special problems. They got a parochial school in one where individuals...why support the public school? And the other one, they have the flight to Battle Creek with option enrollment. And those individuals no longer would support a vote either. Those are special situations. But build your building fund up and then go to the people and say, we have been stewards of your money, we have the money saved, now can we do this? That is an option that you do not have with bonded indebtedness. But we have a property tax problem in this state and we didn't get there all at once. It was issues like this that got us there. Laws that are antiquated that were meant to be 3 to 4 cents are now 14 cents and 17 cents because we're under the \$1.05 max. I specifically went very strict on it. I am willing to look at, as the lady from Elkhorn said...Madison said, to maybe do a percentage square footage. If the building is 5,000 square foot, 10,000 square foot, you can add on up to 10 percent of that building, 5 percent, without a vote of the people. That makes sense. Dollar amounts don't fit school districts. A million dollars to Lincoln, LPS, is nothing; a million dollars to Wallace in my district is a fourth of their budget, more than a fourth, a third of their budget. Square footage, percentages, the portables I understand because of growth. I used Fremont as an example. I think they're going to come up with that with the new processing plant. People need to vote. They need to be told what they're doing. There need not to be meetings of the school board and then all of a sudden we're doing this and just rumors around town. If you want to divide a community don't let them vote. I've seen that over and over again. So I want to continue and we will work with those involved. I really appreciate the individual from Madison, the superintendent and his ideas, Lincoln. Visit with me. Give me a call and we'll come up with a committee amendment. But this is moving

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fast. It is becoming an epidemic that buildings are being built, brand new schools, without the vote of the people. So thank you, committee, fellow committee members. [LB778]

SENATOR KOLOWSKI: Thank you very much. And that...any questions for Senator Groene? Yes. [LB778]

SENATOR PANSING BROOKS: I just can't let this comment on the special elections go because we made a specific decision to have a special election back in 2006 or '07 and '08, whichever it was, because it was so complicated. There were all sorts of federal offices and there were city offices. And no one...guess where the bond issue would have been placed in priority? And as it was prior to the election that was in February, it was in the paper all the time. People were being informed because it was something to report on and to let the community weigh. So I see your...I mean I know there's a point that people think, oh, well, then nobody is going to come. We got way more information out. We got way more input from all sides with that special election. So I just don't want to disparage that at this point. So I didn't want...I just had to get that on the record. [LB778]

SENATOR GROENE: And the one thing... [LB778]

SENATOR PANSING BROOKS: But thank you for bringing this. [LB778]

SENATOR GROENE: ...you probably had lower advertising rates because during election advertizing rates go up. [LB778]

SENATOR PANSING BROOKS: Maybe. So that's good for the taxpayers. That was good too. [LB778]

SENATOR KOLOWSKI: Any other questions? Thank you very much. That closes this hearing. [LB778]