

Transcript Prepared by Clerk of the Legislature Transcribers Office
Revenue Committee February 19, 2020

KOLTERMAN: Can I ask you to please take your seats so you get this started? Welcome to the Revenue Committee public hearing. My name is Mark Kolterman. I'm from Seward, Nebraska, and represent the 24th District. And I'm stepping in for Senator Linehan, the Chair. She'll be back. We're going to take up bills in the order that are posted. 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. If you're unable to attend the public hearing and would like your position stated for the record, you must submit your written testimony by 5:00 last night, the day prior to the hearing. Letters received after the cutoff [RECORDER MALFUNCTION] will be read into the record with no exceptions. To better facilitate today's proceedings, I ask that you abide by the following procedures. Please turn off your cell phones and other electronic devices. Move to the chairs in the front of the room when you're ready to testify. The order of testimony is the introducer, proponents, opponents, neutral, and closing remarks. If you will be testifying, please complete the green form and hand it to the committee clerk when you come up to testify. If you have written materials you would like to have distributed to the committee, please hand them to the page to distribute. We are going to need 11 copies for all committee members and staff. 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. Please be concise. It's my request that you limit your testimony to five minutes. If necessary, we'll use a light system and we will use a light system today. Green is four minutes. When it turns yellow, you have one minute left. And when it's red, please wrap up your comments because if you don't, I'm going to shut you off. If there's a lot of people wishing to testify, we'll use a three-minute testimony limit. But today to start with, we're gonna start with five. We'll probably go to three when we get to-- and she's back. I should let you do this.

LINEHAN: Go ahead. You're doing great.

KOLTERMAN: All right. If your remarks are reflected in previous testimony or if you'd 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. Please speak directly into the mike so our transcribers will be able to hear your testimony. As I said, my name is Mark Kolterman. To my left is-- is our legal counsel, Mary Jane Egr Edson. Over here on the left is research analyst, Kay

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Bergquist. And on the end of the table is Grant Latimer. He's a committee clerk. I'd like to start on my left here and introduce yourself, please.

LINDSTROM: Brett Lindstrom, District 18, northwest Omaha.

FRIESEN: Curt Friesen, District 34: Hamilton, Merrick, Nance, and part of Hall County.

McCOLLISTER: John McCollister, District 20, central Omaha.

CRAWFORD: Senator Sue Crawford, District 45, eastern Sarpy County.

BRIESE: Tom Briese, District 41.

LINEHAN: Lou Ann Linehan, District 39.

KOLTERMAN: And we have Noa. Noa is from Central City. She's one of our pages today. I think she's the only one here right now. At this time, I would call on Senator Friesen to open on LB1087.

LINEHAN: Go ahead, Senator Friesen.

FRIESEN: Thank you, Chairwoman Linehan and Senator Kolterman. My name is Curt Friesen, C-u-r-t F-r-i-e-s-e-n. I represent the 34th Legislative District and I'm here today to present LB1087. LB1087 would require county treasurers to accept partial payments of property taxes. Currently, treasurers may accept partial payments when authority is granted by the county board. If such authority is granted, the treasurer must collect payments in accordance with the resolution adopted by the county board and hold the payments until all payments are collected to pay at least one half of the taxes currently due on that property or the full amount of the delinquency and any interest, penalties, or other charges due to delinquency. The resolution may also require minimum payments by the taxpayer and that an escrow agreement be executed between the persons making the payment at the county treasurer. What LB1080 does-- LB1087 does is it takes the county board out of the equation and it requires the treasurer to allow for partial payments of property taxes by many of the same process as outlined in the current statute. And the reason that I ran across that we need this is, and I'll just kind of give you an example and walk you through the process. So if if you're wanting to pay your property taxes and let's say you-- you're an out-of-state landowner and so you-- if you mail your property tax check to the treasurer the day before it's due-- I think they go by the postmark-- and so the

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check arrives at the county treasurer's office and if you for some reason have transposed two numbers or whatever and you're off by \$20, that county treasurer will not accept your payment and instead they hold it and then they turn around and they mail it back to you saying that you have not paid the proper amount and they'll give you the correct amount of penalty and interest and then you're supposed to mail that check in. And again, if you get the amount wrong or it comes in later if it's not the correct amount, there are some treasurers who refuse to accept that payment. So take an example of a person sending a landowner the \$50,000 property tax payment, living in another state. He turns two numbers around, now that treasurer didn't accept it, and suddenly in a week and a half, two weeks later you get your check back in the mail and they have started to accrue interest at 14 percent while that check is in the mail back to you. And so what has happened is those-- those county boards right now, we know that there's numerous counties that have passed this resolution and allow their treasurer to accept partial payments. And others have not done this. There's treasurers that are, I think, doing it without the resolution being passed, because we surveyed, you know, and there seems to be confusion out there and with the turnover in treasurers and employees, they're just doing whatever they've always been doing. So I can see where, you know, you sometimes could have if suddenly you paid your taxes and went on vacation, you could all of a sudden have one month interest bill on 14 percent on your property taxes that were due when they could have just accepted the check and then sent you a note saying, you know, you owe \$8.22 in interest or-- or you turned two numbers around and you owe 20 more dollars. It could have been an easy fix. And yet they could have accepted the check and stopped that interest payment. And so this standardizes it all across all counties. There doesn't need to be county board participation. And when somebody mails in a partial payment, it should be accepted, at least stopping the interest. With that, I'd be glad to answer any questions.

LINEHAN: Thank you, Senator Friesen. Are there questions from the committee? Seeing none, thank you very much. Proponents. Are there any proponents? Opponents? Good afternoon.

JON CANNON: Good afternoon, Chairwoman Linehan, distinguished members of the Revenue Committee. My name is Jon Cannon, J-o-n C-a-n-n-o-n. I'm deputy director of the Nebraska Association of County Officials, otherwise known as NACO, here to testify in opposition to LB1087. First, we want to thank Senator Friesen for having brought this. This is one of those situations where, as Senator Friesen had-- had

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indicated, there are a lot of Senate-- treasurers that are not necessarily aware that they have this authority. A lot of county boards don't. And so, frankly, it's a good idea for us to every-- every so often send a reminder that you do have this authority, in fact, and you get to decide whether or not you want to accept partial payments. But what we stress is that the county boards get to decide whether or not they want to accept partial payments. County treasurers are not banks. In fact, most taxpayers that enter a similar situation, it's what was described by Senator Friesen in his introduction, are probably better off actually taking out a loan from the bank, you know, short-term, small, low-interest loan paying off the-- what they have. if they've got an overage of some sort, and just making payments to the bank. The statements that we send out are from our county treasurers. They indicate the delinquency dates. So this is not something where if someone were to go off on vacation, that they haven't been apprised as to what their obligation was. Tracking can be problematic. Again, going back to my original statement that county treasurers are not banks, they're not set up to act like banks, and frankly, I don't think we want them to act like banks. I know from speaking to one county treasurer that that county had allowed partial payments in the past. They actually passed the resolution. Over time, they found that a lot of the people that they had made arrangements with to have-- to accept partial payments over time that they didn't follow through. And all of a sudden, the county treasurer is now trying to track down these monthly payments they're supposed to be receiving as opposed to this ordinary process that we have for every other taxpayer. That county, over time, they decided we're going to rescind that policy because it's just not worth it for the county treasurer to have to track this-- all this down. And frankly, most of the problems that most taxpayers would experience under the situation that Senator Friesen described in his opening that can be fixed with a call to the treasurer. Your-- your check is returned. I call the treasurer. I say, hey, just out of curiosity, what's the interest so far and what's the daily interest? You can-- you can figure that out fairly easily and you can get your check sent in. With that, I have nothing further. I'm happy to take any questions the committee might have. Thank you.

LINEHAN: Thank you for being here. Are there questions from the committee? Seeing none, thank you very much.

JON CANNON: Thank you.

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LINEHAN: Are there other opponents? Are there-- is there anyone wishing to testify in the neutral position? Is there anyone wishing-- I will see any letters for the record. We have none. None. Senator Friesen, would you like to close?

FRIESEN: Next we'll open the hearing on LB1075.

LINEHAN: Good afternoon, fellow committee members. For the record, my name is Senator Lou Ann Linehan, spelled L-o-u A-n-n L-i-n-e-h-a-n. I represent the 39th Legislative District. I'm introducing LB1075. LB1075 would change the portion of net book value as a percentage of the Nebraska adjusted basis in year 19 from 6.69 percent to 6.68 percent. It has an operative date of January 1, 2021. LB1075 Is a placeholder bill. I would be happy to answer any questions.

FRIESEN: Thank you, Senator Linehan. Any questions from the board? Seeing none, thank you. Any proponents wish to testify? Seeing none, anyone wish to testify in opposition? Seeing none, anyone wish to testify in a neutral capacity? Seeing none, Senator Linehan waives closing and we'll close the hearing on LB1075.

LINEHAN: So now we'll open the hearing on LB1106. Is Speaker Scheer here? He might be introducing a bill in another committee. So you know what's going on, we have Senator Scheer has got two bills, very similar to the one we just did. It would go like boom, boom. I think we might run into a situation where Senator Scheer is already introducing a bill in another committee. So that's what we're on the phone trying to figure out. So in case you're wondering why we're waiting, he's the Speaker. He controls the floor. So it's in all of our interests if we want anything done on the floor, not to not wait on the Speaker. Welcome, Senator-- Speaker Scheer. You're up. I know.

SCHEER: OK, I just got through with Government so.

LINEHAN: Good afternoon.

SCHEER: Thank you, Chairman Linehan and Revenue Committee. Back to my old stomping grounds so I feel sort of at home. I've got it, and if permissive, yeah, I'll be glad to do both of these bills at one time. They are essentially, from my perspective, LB1106 and LB1107 are as close as you're going to get to Revisor bills, Department of Revenue sections of the statutes. It's just cleanup material and anything that is contained in there was part of that research that was completed for us. So very little to do. It's cleanup. It truly has relatively no

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impact and there's no dollars expended. You know, like I said, it's probably as close to a Revisor bill as you're going to see. So that is it.

LINEHAN: Is it OK with the committee if we do both bills? Are there questions for Speaker Scheer?

SCHEER: That's always good.

LINEHAN: Yes. OK. Do we have any proponents? Any opponents? Anyone wishing to testify in the neutral position? [LAUGHTER] Speaker Scheer, would you like to close?

SCHEER: Thank you for your time this afternoon. I'm sorry I was a little tardy, but I appreciate your assistance. So thank you very much.

LINEHAN: Thank you very much. OK. I'm going to turn the hearing over to Vice Chair Friesen.

FRIESEN: Could I ask how many people are going to testify today? OK. We're going to-- we're going to go with a three-minute clock. So welcome, Senator Linehan, and LB1202.

LINEHAN: Good afternoon again, Revenue Committee Vice Chairman Friesen. My name is Lou Ann Linehan, that is L-o-u A-n-n L-i-n-e-h-a-n. I represent Legislative District 39, which includes Elkhorn, Valley, Waterloo. I'm here to present my personal priority bill, LB1202, the Opportunity Scholarship Act. Across Nebraska, most families have high-quality educational options. And if they're unhappy with their school, they can move to a different zip code for a different public school or pay for private tuition. But thousands of parents still lack the personal choice to send their children to a school that is best for them. Instead, their child's education options are determined solely by family income and their zip code. Every child in Nebraska deserves a high-quality education, regardless whether they were born into a family of means where the government has zoned them for public school. My own family, we moved from one public school district to another when my son was struggling in second grade. I had that option. We could actually do that. For my daughter, I paid private school tuition so she could go to an all girls private school. Not all families have this privilege and opportunity. As elected officials, we can do something about that. We can even the playing field for low-income children. We can provide parents who want nothing

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more, as we all do, but the best for their children with the choice that they deserve and is their right as a parent. We can turn struggles and obstacles into dreams, hopes and realities for countless families for years to come. In Nebraska, there are more lower income families looking for an education in our parochial, private denominational schools than there are scholarships, opportunities available. For example, just one entity, the Children's Scholarship Fund, with approximately \$2.5 million a year, is able to serve around 1,600 low-income children per year with partial scholarships to K-8 school of their choice in the Omaha metro area and throughout northeast Nebraska. But each year they have to convey the sad news to hundreds of families they lack the financial resources to provide their child a scholarship. LB1202 would remedy-- remedy this problem by creating more revenue for increased scholarship opportunities. LB1202 does this by providing a tax credit to donors who direct a portion of their state income tax liability to a state-approved scholarship granting organization. In turn, these nonprofit scholarship granting organizations would provide scholarships to low-income students to attend Nebraska Department of Education accredited or approved nonpublic school. So any school that these scholarships could be used for would have to be accredited approved by the Department of Education. Keep in mind that this Legislature has already passed two credit bills this session. One represents the fact that we value historic buildings. Another represents the facts that we support early education. Senator Vargas' bill, if I remember right, on historic was a \$15 million program. It was almost unanimously approved. This bill would represent that we support not just our history, but our future. This bill would represent that we support not only early education, but K-12 education that is non-negotiable to live a prosperous life. In the past, I have introduced this committee to some of our nation's foremost experts on scholarship tax credit programs. These experts have contributed important data to this committee for our consideration, such as research about taxpayer savings, improved educational outcomes for both scholarship recipients and students who remain in public schools and parental involvement and satisfaction. But it has become clear to me that we need to do something more than facts and numbers that overwhelmingly support scholarship tax credit legislation. We need to hear the stories of those young women and men whose lives have been transformed by school choice. These stories remind us the scholarship tax credit legislation is not just about some theoretical, philosophical policy discussion. Scholarship tax credit legislation is about real children. Scholarship tax credit legislation is about this simple fact. We need to put the

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students first. So-- so today I've invited several young women and men who have benefited from school choice programs in their states. We had to go outside of Nebraska to have these children-- to have students come because we're one of only three states, in the whole nation we're one of three states that has no choice program. These are programs that have been time tested and proven effective. As you will see, they have been life changing. You also hear from students here in Nebraska, students like Tharein Potuhera, who currently attends a school in my district. His family has taken extraordinary steps to ensure he receives the promise of a high-quality education. It is the story of the American dream. It is also a testament to the fact that every school is not right for every child, regardless of the district or type. And students like Jayleesha Cooper, who started in public school, then attended Holy Name School, one of the CUES schools in Omaha. The CUES schools are three schools that they keep open only because scholarships that they're like 80 percent free and reduced lunch. Jayleesha now attends Duchesne also on a scholarship. You will hear from courageous parents and advocates who believe every child, regardless of income or zip code, regardless of the color of their skin, deserve to choose the best educational option for their children. You will hear from esteemed business and community leaders and a representative of our nonpublic school community. You will hear from one of the most respected legal experts on this issue. In fact, last year, when similar legislation, LB670, was debated by the whole legislative body as my priority bill, the very first opponent to LB670 led his remarks by claiming that scholarship tax credit legislation is unconstitutional. Nothing could be further from the truth. That is why I invited Tim Keller, a senior attorney with the Institute for Justice, to be here today. Mr. Keller presented oral arguments in front of the U.S. Supreme Court and was successful in defending the constitutionality of Arizona's first in the nation scholarship tax credit program. Mr. Keller's legal team is now back in front of the U.S. Supreme Court. They are defending the legal rights of several low-income families against the Montana Department of Revenue's discriminatory decision to shut down Montana's scholarship tax credit program. The U.S. Supreme Court is highly anticipated to once again rule in favor of the constitutionality of a scholarship tax credit programs and vindicate the educational choice of low-income families. Mr. Keller will dive more deeply into the reasons why these programs are clearly constitutional, not only under the U.S. Constitution, but also under Nebraska's state Constitution. I want to be clear that this legislation was carefully drafted to address concerns that have been raised in the past. First, the total tax credits available are limited

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to \$10 million per year. Ten million dollars is a lot of money. But in our budget world, it is, well, just-- it is less than point zero, excuse me, it's less than .25 percent. It is less than 2.5 [SIC] Second, the income guidelines for school student scholarship eligibility have been [INAUDIBLE] to those families who qualify for Supplemental Nutrition Assistance Program, SNAP. So we're not talking about middle-income kids. We're talking about children who depend on SNAP benefits for their food. Amazingly, it's a lot of children in Nebraska. Last year's legislative efforts on LB670 had income ability-- eligibility tied to free and reduced lunch. In Nebraska, we have just over 64,000 public school students who receive SNAP benefits during the last quarter of 2019, again, 64,000 public school students who are depending on SNAP so there's no way their parents are going to have choice without scholarships. As we all know, poverty in Nebraska exists across our state in both urban and rural communities, which means children across the state will have access to more school choice through LB1202. These families are some of the poorest of our families from across Nebraska, many of whom already struggle to put a meal on the table, let alone have the financial capacity and resite-- resources to exercise parental choice for their child's education. This bill does not provide financial profit to any individual or business. The tax mechanism is not for donors. It's not-- it's for nonprofit organizations that cannot raise the funds to meet the demands of families that simply want what's best for their children. If I owe \$2,000 in state income taxes, under this bill, I could give 50 percent or \$1,000 to a state-approved scholarship granting organization and get a credit for that contribution. Either way, I'm not keeping the \$2,000, but I am supporting the opportunity for children, which is in the best interests of the state. As we all know, maybe better than anybody else in the legislature, in the Revenue Committee, we have a lot of tax scholar-- we have a lot of credits, tax credits. I don't know one that's more important than this one. Today, I'm here to ask you not to abandon the children who are desperately in need of school that is best for them. We must do what is right for every kid in Nebraska who is looking for more educational opportunity and doing what is right means every family having the chance to make sure their children's unique educational needs are met. This is Nebraska. This is a land of opportunity. This is a state where hopes and dreams thrive when our kids are equipped for the future. We must do right by them. Thank you for your time.

FRIESEN: Thank you, Chairwoman Linehan. Any questions from the committee? Seeing none, I want to mention that there were no letters

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of support or opposition on the previous two bills, LB1106 and LB1107. With that, we'll take proponents.

DOUG KAGAN: Good afternoon. Doug Kagan representing Nebraska Taxpayers for Freedom. Our research shows that opportunity scholarships save tax dollars and costs in several places. Monopolistic public schools would lose students, granted, offering relief for variable costs and therefore savings for local residents. School officials then have more room in their budgets to allocate resources for educating students that remain in those schools. Since similar programs launched nationwide in 1997, 10 programs in one study generated cumulative net savings of up to \$3.4 billion in costs growing each year. For instance, in 2014, 9,532 students in Iowa who received these scholarships to enroll in private schools originally came from public schools. Savings that year totaled about \$73 million, millions then available for direction to classrooms for the remaining 503,000 students enrolled in Iowa schools, generating an additional \$145 per student. Another source maintains that tax credit scholarships nationwide save public schools between 3 and 5 billion by reducing public school classroom sizes, savings of \$4,000 to \$6,800 per scholarship. This research proves that savings realized by school districts more than offset tax credits issued by a state treasury because districts still retain all local property taxes plus state and federal revenue. Granted, by issuing a new tax credit, the state is forgoing tax revenue it has collected. However, that lost revenue countered by savings realized from transferring students from publicly funded schools to private ones. The challenge for legislators and fiscal analysts is to determine not only how much revenue will be lost, but also the number of students who actually will transfer. One way to control costs of a scholarship tax credit program is to impose a statewide cap on the total amount of tax credits awarded. With a cap, policymakers know the maximum amount of revenue lost by the state. In 2015-2016 there existed 20 tax credit scholarships in 17 states, educating more than 230,000 students, 75 percent of them means tested. These programs not only help the most disadvantaged students succeed academically, but save taxpayer money. A study by Florida's Office of Program Policy Analysis and Government Accountability determined that such programs save taxpayers \$1.49 for every dollar lost to states. Another study from the Heartland Institute found that private school choice programs save taxpayers billions. Savings to public schools represented from \$1,650 to \$3,000 per scholarship student. A 2014 survey by the Friedman Foundation for Educational Choice found that scholarship tax credits were the most preferred form

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of educational choice among parents. Therefore, we respectfully ask this committee to advance LB1202 for full debate by the Legislature. Thank you.

FRIESEN: Thank you, Mr. Kagan. Any questions from the committee? Senator McCollister.

McCOLLISTER: Yeah, thank you, Senator Friesen. In the-- in your testimony, Mr. Kagan, and the sheet that I received, you talk about the variable costs the schools have. Can you give me some idea how you define variable costs?

DOUG KAGAN: OK. The variable costs are costs that school districts would provide their students that are not mandated by state or federal mandates. So, for instance, school district wants to have a special team for a special program for advanced art studies, say. You're going to have fewer students so you're going to have fewer costs for-- for the-- for cumulative costs for a program like that.

McCOLLISTER: And that in the entire country is \$3.4 billion?

DOUG KAGAN: That's what our research shows.

McCOLLISTER: Would teacher pay be considered a variable cost?

DOUG KAGAN: Well, those are under contract, so I'm not sure you would call-- call that a variable cost.

McCOLLISTER: How about the bill that it costs to maintain a building? Would that be a variable cost or a fixed cost?

DOUG KAGAN: It all depends on how the building was maintained. If-- if you had state-of-the art HVAC systems and things like that, it wouldn't make any difference how many students you had in there because you're going to have heating and cooling costs, whatever.

McCOLLISTER: But you'd agree that the fixed costs are the same whether or not, you know, it's not dependent on the number of students in the school, correct?

DOUG KAGAN: That's correct.

McCOLLISTER: Thank you very much.

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FRIESEN: Thank you, Senator McCollister. Any other questions from the committee? Seeing none, thank you for your testimony.

TIM KELLER: My name is Tim Keller, T-i-m K-e-l-l-e-r. I'm a senior attorney with the Institute for Justice. And I have the unique privilege of representing parents and students all across the country in defense of school choice programs after they're passed by state legislatures and challenged in court. My firm, on behalf of those parents and students, have successfully defended scholarship tax credit programs in Alabama, Arizona, Florida, Georgia, Illinois, New Hampshire, and of course as Senator Linehan mentioned, in the United States Supreme Court as well. In fact, we had never lost a tax credit case until the Montana Supreme Court recently struck down its scholarship tax credit program. But as Senator Linehan noted, that case was appealed to the U.S. Supreme Court and argued in front of the Supreme Court in January. And we certainly feel very good that that case is going to be reversed and remanded back to the Montana Supreme Court with instructions to reinstate the program. My testimony here is that it is my considered legal opinion that the tax credit scholarship program would be constitutional under the Nebraska Constitution. The Nebraska constitutional provision that is most often raised in opposition to the program is Article VII, Section 11. It basically says that there shall be no appropriation of public funds to any nonpublic schools. Now every state Supreme Court until the state of Montana had ruled that tax credits are not appropriations of public funds. They are, in fact, privately donated dollars with checks written from private bank accounts to private nonprofit organizations that award scholarships to families who independently decide where to use those scholarships. So as an initial matter, there's simply no way to say that these are appropriated dollars. But moreover, there is a deep divide in the Nebraska constitutional law because the Nebraska Constitution was amended in 1972. Prior to 1972, the provision said no appropriation of public funds in aid of any nonpublic school. That was eliminated and replaced with the word "to." Since that time, there has been an unbroken line of cases, five cases spanning from 1981 to 1998, in which the Nebraska Supreme Court has clearly said that they can lend, you can use scholarships for postsecondary education at private and religious schools. You can bus. You can use public dollars to bus students to private and religious schools. You can provide research grants directly to institutions such as Creighton University. You can loan textbooks to students attending public and nonpublic schools and

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that it is permissible for the state to contract with private schools for the education of the youth in their care.

FRIESEN: Thank you, Mr. Keller. Senator Kolterman.

KOLTERMAN: Thank you. Thank you, Mr. Vice Chair. Mr. Keller, thanks for coming today. Can you-- can you talk a little bit about so there is a court case going on. You lost in Montana. Now it's been appealed to the U.S. Supreme Court. Is-- would that outcome have any effect on what we're trying to do here? And if so, talk a little bit about that and how it would impact the thoughts that are being kicked around here.

TIM KELLER: Sure. So I actually believe that the Nebraska Supreme Court has already answered this question in such a manner that a decision upholding the school choice program in Montana will only reinforce its constitutionality here. So what happened in Montana was that they looked at their state constitutional provision, which is much more-- which is much broader than the provision in Nebraska. Their provision says no appropriations of public funds directly or indirectly in aid of sectarian schools. That's the-- that's the prohibition in Montana. And the Montana Supreme Court concluded that the tax credits were an indirect appropriation of public funds. But the Nebraska Supreme Court in the Creighton University case said this about this term indirectness and whether or not these would be indirect support for public or for private schools in contravention of the state constitutional provision. It said that overworked expression about circumvention by indirectness, if subjected to the test of ultimate application, would necessitate that a fire in a nonpublic school could be extinguished by nonpublic-- would have to be extinguished by a nonpublic bucket brigade, not by a publicly funded fire department. Common sense and the Constitution abhor such an impractical conclusion. And then just a few years later, in the Father's Flannigan boys' home case, the court said, we have held that a scholarship program does not constitute an appropriation to a nonpublic school. And we specifically rejected a contention that the constitutional provision should be broadly interpreted to prohibit any use of public funds which might either directly or indirectly aid a private school. So, again, a victory in the U.S. Supreme Court will simply reinforce the decisions and the holdings of the Nebraska Supreme Court interpreting the Nebraska Constitution.

FRIESEN: Thank you, Senator Kolterman. Senator Lindstrom.

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LINDSTROM: Thank you, Vice Chairman Friesen. Could you read that provision? You mentioned 1972. How did that read prior to that? Could you--

TIM KELLER: Yeah.

LINDSTROM: --repeat that again? I wanted to just catch that.

TIM KELLER: Yeah. So prior to 1972, what the Constitution said was that the appropriation of public funds shall not be made in aid of any school or institution of learning, not owned or exclusively controlled by the state.

LINDSTROM: So the argument before 1972 and after '92 is still the underlying issue of appropriation, correct? Either--

TIM KELLER: Well, I--

LINDSTROM: [INAUDIBLE] change that. And what I'm-- what I'm getting at is in appropriations is really the fact that LB1202 is here in a tax committee kind of lends itself to say, OK, it's not an appropriation. If it was an appropriation, we would have to set up a cash fund. It would go to Appropriations and then Appropriations would give the \$10 million to a cash fund that would be divvied out to this. My understanding is a tax credit is just a credit against the liability. Is that fair to say?

TIM KELLER: Yes, that is absolutely fair. And indeed, that's the conclusion of other state supreme courts. Arizona, Florida, Georgia, Illinois have all concluded that similarly structured tax credit scholarship programs are not an appropriation of public funds and didn't even go further to decide whether or not they would be in aid of because there was simply no appropriation that would violate the state constitutional provision in the first place.

LINDSTROM: Thank you, Mr. Chairman.

FRIESEN: Thank you, Senator Lindstrom. Senator Groene.

GROENE: We have a basically a poverty scholarship program with our lottery money that's called NOG, Nebraska Opportunities Grant, and it's given to individual students. That's how we do it. And it can go to a-- it can go to a Creighton student or a Nebraska Wesleyan student. Would that be considered against the state constitution?

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TIM KELLER: I don't believe so at all. You're--

GROENE: That's a direct to the child. That's not even a third party getting a credit.

TIM KELLER: Well, so, again, my testimony is that LB1202 is constitutional, number one, because it's not an appropriation. But even if it was, it's not unconstitutional.

GROENE: That's an appropriation.

TIM KELLER: So even if it was-- even if we were here today talking about a traditional scholarship program that was state funded, my testimony would be that it is not unconstitutional under the state constitution because there are no appropriations to the schools.

GROENE: It's given directly to the child, not--

TIM KELLER: It's given directly to the child. Correct. It is the parent who makes the decision as to where they want to send their child.

GROENE: These cases, Alabama what were some of the other states who successfully--

TIM KELLER: So Alabama, Arizona, Florida, Georgia, Illinois, New Hampshire.

GROENE: Those cases were first ruled against in the state court, Supreme Court, and then it went to the-- and then it was appealed?

TIM KELLER: So-- so all-- all of those cases that I just mentioned were state court cases that included quest-- claims that the programs were unconstitutional under both the federal constitution and the state constitution. And we won on both grounds in all of those cases. The Arizona case ultimately made its way up to the U.S. Supreme Court, and the U.S. Supreme Court concluded that under the federal constitution, tax credits are not public funds.

GROENE: Thank you.

FRIESEN: Thank you, Senator Groene. Senator Briese.

BRIESE: Thank you, Vice Chairman Friesen. Thanks for your testimony here today. So this what we're talking about here is essentially a 100

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percent credit with some limitations, correct? Is that typical to see it in the amount of 100 percent with the other mechanisms you see across the country?

TIM KELLER: Yes. So for Arizona, Georgia, Florida programs are all 100 percent, dollar for dollar tax credits. There are some programs that are less. New Hampshire is an 85 percent tax credit. But without looking at the programs, individual, I would venture to say that the majority of them are dollar for dollar tax credit programs.

BRIESE: So one would consider these credits an investment by the state, in my view. And then if we try to compare that to the savings within our school systems, within public education, if we're trying to maximize our return on investment, you know, not-- not taking account the impact on education or on the educational process in the educational system, if we're comparing those two, at what point would you maximize your return on investment? Is there any-- any opinion on that or any standard on that?

TIM KELLER: Well, I'm not looking at this from a dollars and cents perspective. I'm looking at it from a parental rights perspective.

BRIESE: Sure.

TIM KELLER: So anytime we empower parents to exercise their constitutional right to direct the education and upbringing of their children, it is a significant return on investment in my opinion.

BRIESE: OK. But do we increase our return on investment by bringing that percentage down from 100 percent to, say, 80 or 75 or 60 or?

TIM KELLER: I think-- I think the most important thing is to incentivize those private donors to contribute to the scholarship organizations. And I think 100 percent tax credit is going to maximize the incentive for individuals to donate and to give to this program.

BRIESE: OK. Thank you.

FRIESEN: Thank you, Senator Briese. Senator Kolterman.

KOLTERMAN: Thank you again, Mr. Vice Chair. So as you travel around the country, obviously you've done this with lots of states. And here we're hearing a lot from the constituents that we're taking dollars away from public schools and we're redirecting them to private education. Do you see that as a legitimate concern? Or do you think,

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on the other hand, we're actually saving tax dollars by allowing for this to happen?

TIM KELLER: Well, I--

KOLTERMAN: What's your opinion on what you've seen in other states?

TIM KELLER: Well, what we've seen in other states, and the gentleman who testified before me gave you some of the actual studies, is that when you look on both sides of the ledger, the way this program is structured, it is structured to save the state money, because the scholarship-- the average scholarship amount can't exceed 75 percent of what the state spends on a public school students. So ultimately, it's designed as a cost-saving measure. But we hear this argument all the time across the country, but we don't fund schools. We fund students. The goal is to ensure that the student has the best education possible. And nobody knows best what any particular student needs than that student's parents. And again, the U.S. Constitution has been recognized for well over a century to protect every parent's right to direct the education upbringing of their students. But the reality is, many parents just don't have the means to exercise that preexisting fundamental constitutional right. And so what programs like this does is it empowers parents to exercise their right to choose the school that's going to best meet their child's educational needs. That's what's important about education funding in Nebraska and in every other state where I've testified.

KOLTERMAN: Thank you.

FRIESEN: Thank you, Senator Kolterman. Senator McCollister.

McCOLLISTER: Yes, sir. Thank you, Senator Kolterman. Thank you, Senator Friesen

KOLTERMAN: You're welcome.

McCOLLISTER: By what stretch of logic do you say that this saves the state money when we show a \$10 million fiscal note as a reduction in revenue?

TIM KELLER: Sure. When you have a tax credit, money that otherwise would have been deposited in the General Fund--

McCOLLISTER: Right.

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TIM KELLER: --that's provided to a nonprofit organization to award those scholarships. But the way this program is structured is those students have to be transferring from a public school to the private school. So the state will no longer be spending those-- those dollars in the public school system and thereby will ultimately save the state money.

McCOLLISTER: Well, Mr. Kagan came up and talked to us about variable costs and fixed costs. And we really weren't able to document those variable costs as being very significant. Maybe-- you want to give that a try?

TIM KELLER: Well, what I'll say is that every school, public, private, always has to deal with fluctuating enrollment numbers, whether it's because the scholarship program, whether it's because the family moves for personal reasons and in the long term, all costs are ultimately variable costs because we know that there will be declining enrollment in any particular neighborhood over time. And so really, I think that in the grand scheme of things, all costs are variable costs. That would be my answer. And again, fluctuating enrollment is something that happens all the time for numerous reasons. This is just one.

McCOLLISTER: You indicated that you-- you studied this program throughout the country and you indicated that some states give 100 percent credit and some states give lower amounts. Give me the-- the full range that you've seen.

TIM KELLER: So I believe the lowest range is in Virginia, which I believe is a 65 percent tax credit. And it's the program that is-- attains the least amount of participation. And again, I know that New Hampshire is an 85 percent tax credit. And the other states where we've litigated it's 100 percent. But I honestly don't have every single state's percentage committed to memory.

McCOLLISTER: And participation rates vary on the percentage.

TIM KELLER: Yes. I said again in Virginia, because it's such a low percentage, it's probably the lowest amount of participation we've seen across the country.

McCOLLISTER: Thank you. I may have more questions.

FRIESEN: Thank you, Senator McCollister. Any other questions from the committee? Seeing none, thank you for your testimony, Mr. Keller.

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TIM KELLER: Thank you.

FRIESEN: Welcome.

WALTER BLANKS, JR.: Thank you. Good afternoon, committee. My name is Walter Blanks, Junior. I am from Columbus, Ohio. And I'm here to testify--

FRIESEN: Would you spell your name.

WALTER BLANKS, JR.: Oh, yes. I'm sorry. W-a-l-t-e-r, and the last name is B-l-a-n-k-s. And I'm here to testify in support for LB1202. Grew up in the inner city of Columbus, Ohio. The family didn't have a lot. Very-- my dad worked three jobs. My mom worked two. And I was in a school where the environment was not conducive to my learning-- to my learning style. And I was constantly seen as a distraction in the classroom. There was always something going on. Walter's doing this. Walter's doing that. And I have this joke with my family. It's not really a joke. But my mom would always say that they spent more time at the principal's office than I did or at the school than I did because I was either expelled, suspended, or the teachers just didn't want anything to do with me. And it was very hard. As a young kid, you know, no child should have to experience those kinds of things. And the reality is, I know that I'm from Ohio. But I have had the opportunity to travel the country on this topic. And-- and I've seen that across-- across the country. Kids every single day are waking up begging their parents to pull them out of the school to go to a better place. And for my family, my mom, it was-- it was one particular instance where I was bullied. A huge superhero fan. I was wearing a Spider-Man shirt and a few kids came up and ripped the shirt off of me. Buttons flew everywhere. I had a black eye and that just destroyed me as-- as a child and had to just-- that was the place I was going to schoolwise. And so I begged my mom. I said I would do the dishes every day. You will never have to yell at me. I don't even want an allowance. I don't want anything. I just please do not send me back to that school. I've always said that a desperate parent is a dangerous parent. And my mom did everything she could to put me in a better place. And she-- she found out about a scholarship. And I-- and I ended up attending a school where-- where my-- my potential soared. The teachers there was really able to focus on my learning styles and what I needed. I was exposed to so much. I fell into the Seine River in Europe with my best friend the middle of February because of the opportunities that my education afforded me. And now I have the wonderful honor of traveling across the country, inspiring more

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families, inspiring more parents to say, hey, this is-- this is possible for you. And to sit here in front of you in one of the few states that has-- that-- that does not have that option for students, I encourage each and every one of you to look more into it and to think about students like me, because this is real. For some of us, this is life or death. And for me, I say without the scholarship I received, I would have either ended up in prison or six feet under. And the reason I know that is because the kids that I grew up with are still in those situations. So thank you so much for listening to my testimony. And I hope that it helps you understand a little bit more where we're coming from. Thank you. I'll take any questions, hopefully easy ones.

FRIESEN: Thank you, Mr. Blanks. Any questions from the committee? Seeing none-- Senator Groene.

GROENE: Where you lived, how far away was the next public school that you could have optioned into a different school?

WALTER BLANKS, JR.: It was about a half hour drive.

GROENE: Thank you.

FRIESEN: Thank you, Senator Groene. Any other questions from the committee? Seeing none, thank you, Mr. Blanks, for your testimony.

WALTER BLANKS, JR.: Thank you so much.

DENISHA MERRIWEATHER: Good afternoon. My name is Denisha Merriweather, that's D-e-n-i-s-h-a, Merriweather, M-e-r-r-i-w-e-a-t-h-e-r. Thank you so much for having me here today. It's my pleasure. I grew up in Jacksonville, Florida. Our program is similar to the one that's proposed here today. I received a tax credit scholarship to go to 6 to 12th grade. Before I started to attend a private school, things weren't that great. I come from a long family of high school dropouts. My family's lived in poverty for at least three generations. No more. That's-- it ended with me. And I ended up failing the third grade twice. I hated school. I thought it was just the place I had to go. Just so my mom wouldn't go to jail. It was not very-- it wasn't the place-- a good fit for me. I started to attend a private school the summer before my sixth grade year when I started to live with my godmother permanently. And she found out about a private school. She had no way to pay for it. And a friend told her about a tax credit scholarship program. And I started to attend a very small private

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school in Jacksonville from then on. It totally changed my life. I saw teachers that smiled every day, which is not-- shouldn't be that surprising. I-- my grades soared. I went from making D's and F's consistently to making the honor roll. It-- I became the first in my family to graduate from high school. None of that would have been possible if I did not have the opportunity to go to a school that fit my needs. I stand here, well, sit here before you today to talk about how this bill can impact the lives of students here in Nebraska. We-- I know that there are organizations here that says that we stand for schools. I'm here to tell you that we are speaking up for students. Education is implemented. We fund education to fund high-quality schools for students. And this bill will be doing that. In Florida, the scholarship program saves taxpayers \$1.49 every dollar that is given. And so I employ-- implore you to do the similar thing for here and for the students here in Nebraska. Thank you so much for your consideration. And I support LB1202.

FRIESEN: Thank you, Ms. Merriweather. Any questions from the committee? Seeing none--

DENISHA MERRIWEATHER: Thank you.

FRIESEN: --thank you for your testimony. Other proponents. Welcome.

THAREIN POTUHERA: Thanks. I'm Tharein Potuhera, T-h-a-r-e-i-n P-o-t-u-h-e-r-a. So when do I start?

FRIESEN: Go ahead.

THAREIN POTUHERA: OK. So I was born and raised in Omaha, but my parents are not from Omaha. They're from a small island nation called Sri Lanka. And they came to the United States, specifically to Connecticut, to get a better education. And while they were there, they heard that in Omaha we have the best, some of the best schools in the country. And so they came to-- they came all the way to Nebraska to have a family. And while they were there, they weren't-- they weren't that well-off. So I-- if I had-- like if I'd gone to our neighborhood public school, I would have gone to Sunny Grove [SIC] Elementary. But as it was, my parents applied to option me in to Aldrich Elementary, which is known for its IB program, which they thought that I would do well in. So they-- they applied for that and I did get in. And then I was-- I thrived there. My fourth grade teacher was amazing and really got me on the right track educationally. And I think that's helped me to thrive. Then later, I went on to public

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Catholic school and that offered me opportunities that I hadn't even had when I was at the-- when I was at an IB public school. For example, in seventh and eighth grade, I participated in the spelling bee. I actually made it to Nationals in 8th. And that was not an opportunity that I had in public school either. And the reason I went to a-- to private Catholic school is because my father thought that I would do well with the structure and discipline that that could give me, that I might not get at a public school. And so the-- the reason that I'm talking to you today is because I-- I believe that this school choice bill is a very great thing and can give opportunities to students who might not otherwise have it and make Nebraska a great-- a greater and greater place in the future as more generations can have better opportunities in school.

FRIESEN: Thank you, Mr. Terra [PHONETIC]

THAREIN POTUHERA: Potuhera.

FRIESEN: Potuhera. Any questions from the committee? Seeing none, thank you for coming to testify today.

THAREIN POTUHERA: Thank you.

FRIESEN: Welcome.

JAYLEESHA COOPER: Hi. My name is Jayleesha Cooper, J-a-y-l-e-e-s-h-a, Cooper, C-o-o-p-e-r. I come from a single parent household and my-- me and my brother's father, he was incarcerated throughout our whole lives, and I attended public school for like the beginning of my education. I just wasn't being pushed to the fullest potential that I could. So my mom, she worked multiple jobs to be able to help assist the scholarship that we got because it was only partial and then I was able to attend Holy Name. And from there I was pushed to do so much that I never thought I would have been able to do. And I get to attend Duchesne Academy, which I also attend on scholarship. But I should be a statistic. Everyone in my family were teen moms, people my age, I should have a baby by now, according to my family. My brother, he should be a felon and in prison, just like our father. But going to private school and being afforded the opportunity has changed that for us. I still look at my cousins today who don't have the same opportunities that I have and they are leading like on that bad path and we're all smart. They could have more potential than what is given to them now, But there just-- there isn't that much opportunity to go because it took forever to get scholarships. I never would have

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thought that I would be getting recruitment letters from Harvard and Yale and Duke, because that's not something that happened in my family. It's very rare for people to graduate high school and my dad dropped out at 15. My mom was the first to go to college. So it's not something that I should have expected. But being afforded scholarships has opened a whole new world to me and I'm able to show my little cousins and know we can do it. You can do great things, you can be smart. And I support this bill because I just don't want other kids like me in my community to be a statistic. They should have the opportunity to get an education and to learn and see that there are greater opportunities than being a drug dealer or being a teen mom and having babies young and stealing, going to prison. They could be doctors and lawyers and scientists. But you just don't learn that if there's not the opportunity to go to a school that will push you to be your fullest. Thank you.

FRIESEN: Thank you, Ms. Cooper. Any questions from the committee? What are you-- are you attending college now?

JAYLEESHA COOPER: No. I'm actually a junior at Duchesne now.

FRIESEN: Where do you plan on going? Are you thinking about--

JAYLEESHA COOPER: I want to go to the University of Chicago. I want to do sociology and political science and be a lawyer.

FRIESEN: I have a feeling that you would have done well no matter where you go. Thank you for your testimony.

JAYLEESHA COOPER: Thank you.

SHEILA ERTL: Good afternoon. My name is Sheila Ertl, Sheila, S-h-e-i-l-a, last name Ertl, E-r-t-l, never done anything like this before. So bear with me. I'm going to read so that I can get in the full three minutes as quickly as possible. So as I said, my name is Sheila Ertl and I am a mother of four. My sons, Andrew and Isaac, are graduates of Lincoln Southeast High School. My daughter Haley is a freshman at Pius X. And my daughter Hannah is an eighth grader at Blessed Sacrament in Lincoln, Nebraska. Our life has brought us to living in Lincoln, Valentine, Grand Island and then back to Lincoln again. This has given me the opportunity to see both public and private schools work throughout Nebraska. In October 2003, I needed to make a serious life change. I was in an abusive marriage and I needed to leave. At that time, my son Andrew was a second grader at Arnold

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Elementary in Lincoln, and my son Isaac was at the age of 4. Afraid, I wanted to go somewhere that I had felt safe. I had not practiced Catholicism in many years, but I felt having Andrew transferred to Blessed Sacrament in Lincoln would bring the academics and the spiritual guidance we would need during this time. The next time I found myself in need of trying to find a different school, we were living in Grand Island, Nebraska. My kids were attending public schools at that time. When my youngest daughter Hannah was in fourth grade, she became very ill and ended up spending several nights in the hospital and lost 12 percent of her body weight in 2 weeks. After weeks of testing, we found out or she was diagnosed with stage 3c of celiac disease, which is-- which means she could barely absorb any nutrients, nutrients further into her body. As you can imagine, for a 9-year-old, this is very scary and her mother watching it. Later in the school year, Hannah brought home from Engleman Elementary a reading book work that they had been working on. The series of the reading of topic was cloning. At the very end of the unit, it gave children the place to write about the pros and cons of being able to clone humans. My 9-year-old was not-- or was-- my 9-year-old daughter was thrilled with the idea that someday soon she would be able to clone her own body and she can take the good intestines from her new clone and that clone to herself would no longer be-- she would no longer be affected by celiac. She-- she does not understand the concept of what it would mean to grow another human being, and that actually not. I had a hard time understanding why something of this complex of a nature was being taught in fourth grade level. Wanting to protect our values and human dignity, I sought to enroll my kids at Grand Island's Central Catholic. As our children came closer to their high school years, we have always talked with what would best benefit them, whether it be academics, sports, faith, club or a mixture of all of them. My oldest son, Andrew, enjoyed the academic challenges they had at Lincoln Southeast, along with playing football and wrestling. My son Isaac enjoyed the opportunity of the Career Academy through Lincoln Southeast Commu-- Lincoln Southeast and Southeast Community College. He is still practicing and enjoying the culinary arts skills that he got there. My daughter Haley has enjoyed the academics at Pius the X, being able to express her faith openly and managing her vibrant volleyball teams and basketball teams. My daughter Hannah has also chose to go to Pius the X next year. We have been blessed with many school choices and help when we needed it. I hope that others with similar situations are able-- that are unable to afford parochial schools will be able to look forward to school choice to make the best

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decision for their children and for their families. I'm sorry. I did go over.

FRIESEN: That's OK. Thank you, Ms. Ertl. Any other questions from the committee? Seeing none, thank you for coming in--

SHEILA ERTL: Thank you.

FRIESEN: --to testify.

SHEILA ERTL: Thank you for your time.

FRIESEN: Welcome.

KYRA PEEKS: Hello. My name is Kyra Peeks, K-y-r-a P-e-e-k-s. I'm from Columbus, Ohio. And today I'm standing beside to represent the great people of Nebraska in a specific-- specific part, our children, the youth of this state. My parents sent me and my siblings to public school. And the first thing that I realized was that the values and the things that were instilled in us were not instilled in those that surrounded us. And, you know, I thought that that was the only option. I didn't realize at the time that bullying, the use of language that was not considered great in our household, and the fighting, I thought that was the norm. I thought that's what education was. I thought that's something that we had to deal with. I thought the distractions, I just knew that that's what education was. That's what-- that's what I was exposed to. And so my parents made the decision in third grade to pull me and my siblings out of the public school and to place us into a private school. There I was put into an environment completely pure, stable environment. The teachers did not have to deal with the fussing, the distractions. I was able to sit in a classroom and learn, which was just completely amazing. And then on top of that, what my parents were teaching me at home would also align with what I was being taught in school. And so it breaks my heart because there's children sitting here in Nebraska schools who are being taught one thing at home and then they come to school and they're being exposed to things that they could never imagine, didn't know existed. So it is my hope that you all support the children of your state. And we're sitting here, we're standing here alongside of them, because we definitely think that they deserve the same opportunities that we deserve. And it definitely breaks our heart that we have to have this conversation in 2020 about the education of the children here in the United States. Thank you.

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FRIESEN: Thank you, Ms. Peeks. Any questions from the committee?
Seeing none, thank you for your testimony.

KYRA PEEKS: Thank you.

FRIESEN: Welcome.

ASHALAH TAYLOR: Thank you. My name is Ashalah Taylor. A-s-h-a-l-a-h T-a-y-l-o-r. And I am from Milwaukee, Wisconsin, which is the first state to pass the bill of the Milwaukee Parental Choice Program. We just celebrated our 30th year anniversary of the Choice Program and a little bit about me. I'm probably from one of the worst neighborhoods in Milwaukee, Wisconsin. I was exposed to drugs. I was exposed to violence. I was exposed to abuse. My mother went through two divorces, one from drug abuse, one from physical abuse. She has four children. I am the only child of her children to receive the voucher program in Milwaukee. My grandmother saw that I-- where I was living with my mom in the schools that I was in, that it wasn't a fit for me. And so she removed me from my mother's house. She raised me and she placed me into a choice school called HOPE Christian Schools, and that is when I really started to see a change. But it was almost intimidating because the schools that I was in before, I didn't see the things that I started to see in these voucher schools. And I realized that it was something different for me, but it was also something that I needed. And that's the thing when it comes to Nebraska and when it comes to these parents, they deserve that choice and they deserve that opportunity. The parents are the primary source of education when it comes to their children, and they need to have that choice. They need to have that opportunity to be able to take their children out of the schools that are not fit for their children and to put them into the schools that they see fit from. And I always say it's not about public versus private. It's about giving these parents the choice to put their children in schools that best fits their needs. Some public schools fit children. And then there's some public schools that don't fit children. And so these parents need the opportunity to be able to take their children out of those schools that they don't see fit and put them into schools that they do see fit for their children. And so I really hope and I pray that you see fit in your heart to stand next to these children in Nebraska. And although I'm from a different state, I stand next to every child in the United States of America, because we all deserve the opportunity to have a great education. I am now the first of my family to be a college graduate. And I feel like

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every child in the United States who come from where I come from should have that same story.

FRIESEN: Thank you, Ms. Taylor. Senator McCollister.

McCOLLISTER: Thank you, Senator Friesen. Very great testimony. Tell me about the organization. Speak Up for Students.

ASHALAH TAYLOR: So we're part of an organization. There's a few of us, the fellows: American Federation for Children. We're called the Voices for Choice, the Fellowship Program. And what we do is we travel the United States of America, like you heard Walter. And we kind of speak on the choice. Obviously with Nebraska being one of the three states that does not have it, that's what we're here for is to speak up about the choice and the opportunity that these parents should have.

McCOLLISTER: So you've made similar presentations in other states?

ASHALAH TAYLOR: I've never testified before, so I'm a little nervous. But we have went around and spoke on this on the same topic, yes.

McCOLLISTER: Who paid for you to come here?

ASHALAH TAYLOR: No one paid me to come here and speak.

McCOLLISTER: No, but who paid the expenses, the airfare or car fare or hotels?

ASHALAH TAYLOR: The organization.

McCOLLISTER: Your Speak Up for Students.

ASHALAH TAYLOR: Yeah, who I work with, who I work for.

McCOLLISTER: That's great. Well, thank you for coming.

FRIESEN: Thank you, Senator McCollister. Any other questions from the committee? Seeing none, thank you for coming to testify.

CHRISTOPHER UTTECHT: Good afternoon.

FRIESEN: Welcome.

CHRISTOPHER UTTECHT: My name is Christopher Uttecht, C-h-r-i-s-t-o-p-h-e-r U-t-t-e-c-h-t. I'm representing the Catholic schools in Nebraska today. I currently serve as the principal at Holy

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Trinity Elementary and Cedar Catholic Junior-Senior High School in Hartington, Nebraska. So before we get to the heart of the bill, this as our-- as our last testifier said, it shouldn't be about public versus private. And I don't want to paint it as a public versus private issue. Nebraska has great public schools. They do tremendous job of providing a high-quality education to students from diverse backgrounds. I graduated from a public school. I began my teaching career at a public school. And I spent 17 years as a bit--building principal in a public school. But Nebraska also has high-quality private schools and they also serve students with diverse backgrounds. Both of these schools, both the private and the public schools, serve as an essential function educating the future leaders of this great state of Nebraska. And we really should be proud of all of our schools and love all of our schools in the state of Nebraska, whether they are public or private. But today is doing what's best for students and families. Now as you heard, every-- every parent has the constitutional right to determine the education for their children. Some families may choose a public school. Some families may choose a private school. Some may choose to homeschool. However, the rights of our parents are being infringed upon due to their socioeconomic status. Families who have the financial means to send their children to a private school may choose to do so. Families that struggle financially are limited to the education that they can provide for their child. Now on a school side of it, I wish I could enroll every student that wanted to come to our school, that wanted a private education. But unfortunately, many private schools, we rely heavily on tuition as a primary revenue source. For us, it's about a third of what we bring in. And as the cost of education continues to rise; technology costs, tuition, teacher salary costs, health insurance, those sorts of things we're forced to raise tuition. And as we raise tuition, those families are faced with the more difficult decision every year on whether they can provide their students with the education that they choose. And at some point, it's going to get to the point where they no longer have a choice. Now, yes, there are scholarship funds available already for that. But we know there's hundreds of students that are turned away every year that don't receive the scholarships. I'm sure you'll hear that this is unconstitutional. And as we've already heard it, that's simply not true. It's constitutional. It's indirect funding. We are not going to benefit as a-- as a private school. We're not going to profit from this. It is the families that are going to benefit. We're going to be able to maintain our schools. We're going to ensure that we have schools that are-- that are existing at private schools, that are

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existing in our districts. And those are-- that's good for the state of Nebraska as it provides tax savings and property tax savings. I see that I'm over time. I would like to point out that those districts with the lowest tax levies have private schools.

FRIESEN: Thank you for your testimony. Any questions? Senator McColl-- or Kolterman.

KOLTERMAN: So thank you, Mr. Vice Chair. You- you indicate you're here representing Catholic schools.

CHRISTOPHER UTTECHT: Yes.

KOLTERMAN: I assume that-- Omaha diocese.

CHRISTOPHER UTTECHT: Yes. We're located in the Archdiocese of Omaha.

KOLTERMAN: OK. Do you have any statistics on what it costs to educate each student in your diocese?

CHRISTOPHER UTTECHT: I know what it costs to educate a student in Hartington, and that's about between \$7,000 and \$8,000.

KOLTERMAN: Per student.

CHRISTOPHER UTTECHT: Per student.

KOLTERMAN: And that's all done by private donations and tuition.

CHRISTOPHER UTTECHT: So we have our budget-- our income revenue sources are a third from tuition, a third from fund-raising and development, endowments, and then a third from parish subsidies.

KOLTERMAN: So you get no, other than-- do you get lunch help from the federal government?

CHRISTOPHER UTTECHT: We do have a federal lunch program. So students are able to take advantage of the free and reduced lunch program.

KOLTERMAN: Do you utilize the busing of the public schools?

CHRISTOPHER UTTECHT: Actually, our public schools, we work together on busing. We have two bus routes. There are two rural Catholic elementaries that have bus routes. And then our public school has four bus routes.

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KOLTERMAN: So there and you indicated there is cooperation in your community with public and private schools.

CHRISTOPHER UTTECHT: We're very much so. We have a great working relationship.

KOLTERMAN: So you work back and forth with the public schools.

CHRISTOPHER UTTECHT: Yes.

KOLTERMAN: Thank you.

FRIESEN: Thank you, Senator Kolterman. Any other questions from the committee? Senator Groene.

GROENE: So there's no animosity between the parents or the employees at the public school or you and the superintendent at Hartington High?

CHRISTOPHER UTTECHT: Me-- me and the superintendent, no. Last night we were at a basketball game and sat there and talked probably the whole second half, you know,

GROENE: About children.

CHRISTOPHER UTTECHT: About children, school, things that we both experience.

GROENE: In their education.

CHRISTOPHER UTTECHT: Yes.

GROENE: Think that happens in Lincoln with Lincoln Pius and there's a Lutheran school there, too, I believe.

CHRISTOPHER UTTECHT: I would like to think so. I mean, I'd like to think there's not animosity between the two schools. We're here for doing what's best for kids.

GROENE: The only animosity I hear is you guys keep winning all the state championships [LAUGHTER] But anyway, thank you.

CHRISTOPHER UTTECHT: Yeah.

FRIESEN: Thank you, Senator Groene. Any other questions from the committee? Could you tell me what your cost of educating a student has

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done in the past 10 years of your increase? You know, what average that might be?

CHRISTOPHER UTTECHT: You know, I've always been in Hartington a short while. I'm sure it has increased as teacher salaries-- we try to-- we try to increase teacher salaries. And so I'm sure our cost of education has increased. But again, you know, we've tried to keep our tuition cost as low as possible to provide those opportunities for our families.

FRIESEN: I was just curious if we could compare increasing costs with public schools.

CHRISTOPHER UTTECHT: I can get that information later. I just don't have that right now.

FRIESEN: I would appreciate it if you could.

CHRISTOPHER UTTECHT: OK.

FRIESEN: OK. Seeing no questions, thank you for your testimony.

RICH HERINK: Good afternoon, Vice Chairman Friesen and members of the Revenue Committee. My name is Rich Herink, R-i-c-h H-e-r-i-n-k. I happen to serve on the steering committee of Invest in Kids Nebraska, but I'm primarily here as a private citizen and most of my comments are personal in nature. I retired a year ago from a 45-year banking career in Nebraska, and I've been involved and am still involved in a number of organizations in Lincoln and throughout the state. I'm here today to urge you to support LB1202, the Opportunity Scholarship Act. The nuts and bolts of the bill I think have been discussed and everybody's aware of those so I'm going to skip over some remarks that I had about those. But I agree with what's been said that this legislation is not about what school type is superior, public or private. I'm a product of public schools. I have served on public school foundation boards. I have raised money for public schools. I have endorsed publicly bond proposals for expansion of facilities, etcetera. But what I also realize is that not every school is right for every child. We all know that every child is unique and every child responds to the environment they are in in different ways. Allowing parents to have a choice of which school their child attends is critically important. This should be true for all families, not just for those with adequate household income, but also those families who need assistance to afford the school of their choice. There are

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many reasons why a child might choose a school other than a public school. It may be for faith reasons, but often it's due to poor-- a poor learning environment and being bullied. When a child attends a school that meets his or her needs, they are much more likely to thrive academically. We should embrace all policies that support superior academic outcomes, policies that can help all families, including those with limited household income. This is socially and morally prudent, but is also an economic imperative. Most of today's jobs require postsecondary education or training. In addition, our state is needing a qualified, educated work force more than ever. We know that the road to economic success is largely tied to education level and to learning, especially in the formative years. No one policy can fix every problem. But LB1202 can be another tool that will help families with limited resources. You have heard today from many young people who are here testifying how having a school choice changed the trajectory of their lives. I hope you will ponder on their stories as you consider LB1202. I have observed firsthand over the past 30 years the success of having school options as I have watched and helped support Sacred Heart School in North Omaha and St. Augustine School in Winnebago. The results are simply amazing and we need to help more children. Thank you for allowing me to testify today and thank you for your service to our state. Any questions?

FRIESEN: Thank you, Mr. Herink. Any questions from the committee?
Senator Crawford.

CRAWFORD: Thank you, Vice Chair Friesen, and thank you for being here, Mr. Herink. Can you tell me? You said you were from Invest in Kids Nebraska. Can you tell me a little bit about what that is?

RICH HERINK: It's just-- it's a steering committee that a group has come together to help support this type of legislation for school choice.

CRAWFORD: OK. Thank you.

FRIESEN: Thank you, Susan Crawford. Seeing no other questions,--

RICH HERINK: Thank you.

FRIESEN: --thank you for your testimony. Welcome.

GWEN EASTER: Welcome. Good afternoon, Senators. My name is Gwen Easter. I'm the founder of Safe Haven Community Center and Safe Haven

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Early Childhood Preschool Education Academy. My name is spelled G-w-e-n E-a-s-t-e-r. My organization has been established for 20 years. I'm here today to stand with Invest in Kids Nebraska for school choice. So I'm asking you to support LB1202. I believe that parents should have the right to choose their children's education because they know their children better than anyone else. I do not believe that Omaha Public Schools system is a fit for all children. I also want to say that I'm appointed by Governor Ricketts Early Childhood Interagency Coordinating Council. I'm not here on behalf of that council. But what I was saying is that I don't believe Omaha Public Schools system is a fit for all children. I believe that there are children who learn differently and therefore they need a different type of education. Unfortunately, I have seen firsthand how Omaha Public Schools system has failed children for over 40 years. Due to my own personal school experience and also being a part of the AmeriCorps/Vista volunteer-- volunteer service for Omaha Public Schools system and other organizations, I tutored kids, which is where I realized [INAUDIBLE] our kids had a learning Disability or struggled with reading, dyslexia, which is one of the reasons why my organization and my childcare business was started in the first place. And so I think that parents should have a right to teach, to-- to choose their schools where they want their children to go. I'm not saying that teachers are not-- that they're not good teachers in the Omaha Public Schools systems or Nebraska. But our school system has failed, failed our children. And we want to end the cycle of that. The school is supposed to provide a free, appropriate public education, but they have failed to do this for many children, which is why, you know, a part of our-- my organization program, our adult-- youth and adult GED program that has currently-- has been put on hold due to some of the issues that's going on with the monopoly in north Omaha with our schools, our schools and childcare businesses. But we've had adults who come there who couldn't read or couldn't write that wanted to get their GED. Some graduated, but they couldn't read. So, you know, unless we allow parents to choose the schools that best fit their children, we're going to see these children grow up to be adults and-- and end up in the same situation. So I'm asking you all to support LB1202. Thank you.

FRIESEN: Thank you, Ms. Easter. You can stay for questions if there are any. Are there any questions from the committee? Seeing none, thank you for your testimony.

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BRITT THEDINGER: Good afternoon, Senators. I'm Britt Thedinger, B-r-i-t-t, Thedinger, T-h-e-d-i-n-g-e-r. I'm a physician in Omaha. My parents grew up during the Depression with very little like so many. Education had a profound impact on their lives, and they made sure with financial sacrifice we had the best schools possible. We all know education is the great equalizer. We need great public schools, but one size doesn't fit all. I'm here speaking in support of LB1202. Our country is experiencing a reality where wealth creates educational opportunity and a lack of wealth limits that opportunity. Minority and poor students experience greater academic achievement gaps than their white and wealthier peers. A social injustice issue has become evident. Forty-seven states, District of Columbia, Puerto Rico have responded to this injustice by enacting vouchers, tax credits, charter schools or a combination of each. Over the years, many of these states have expanded their programs and no state has eliminated a voucher, tax credit, or charter school program. The vast majority of studies in the following area support these points. School choice improves academic outcomes, makes schools more accountable, and saves taxpayers money. Look to Iowa and Florida. It doesn't change the formula. The public schools don't lose money. It reduces racial segregation and benefits the poor. School choice. Increases the quality of public schools. Competition, like in all areas, leads to superior results and better outcomes. School choice leads to higher graduation rates. Higher graduation rates means less people require a future state tax-- tax dollars such as Medicaid. We all talk about Blueprint Nebraska and economic development. Every chamber of commerce and business should be here supporting this bill. Seventy, eighty percent graduation rates are unacceptable. School choice can give students an education tailored to their needs and is good for student safety. In 2013, Nebraska's Department of Education issued a press release stating, quote, Families and communities must work together to provide multiple opportunities for healthy growth, development, and academic success, a call for school choice. Another point: Nebraska currently sends millions of state tax dollars each year to numerous Nebraska private colleges and universities such as Creighton. Where is that uproar? When people say we already have school choice, how many high school students, let's say from North, Benson, Bryan are able to go out to Elkhorn, Westside, or Middle-- or Millard High School? If you're a poor single mother, how do you get your child from north Omaha out to perhaps Elkhorn if you even get in? So naturally, school choice has proven itself to be well received by families, and the most marginalized students perform better in these schools. Locally, I would refer you to the outstanding outcomes of the Children's

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Scholarship Fund of Omaha. Nebraska should embrace this tax credit legislation. These programs enable low-income students of any color to achieve more than they could have in a conventional public school at a lower cost to taxpayers. It's hard to understand how anyone could deny poor children and their families this opportunity and could oppose a marketplace in education. Thank you.

FRIESEN: Thank you, Mr. Thedinger. Any questions from the committee?

BRITT THEDINGER: Thank you.

FRIESEN: Seeing none, thank you. Other proponents wish to testify. Welcome.

TONYA WARD: Thank you. Thank you, Senators, for having our-- all of our speakers here today. My name is Tonya Ward, T-o-n-y-a W-a-r-d. I wear many hats and serve in our communities in Nebraska. I'm an elected official sitting on the Learning Community. I'm also the founder of Energy Rescue, Inc., a 501(c)(3) nonprofit that helps advocate for justice for all. I'm not here speaking to you today on that-- those capacities. I'm here as a mom. And living in OPS's public school district, OPS has hurt my family many times, including when the horrible truancy law, fake truancy law was passed and they tried to steal my children from me, my innocent children from me with the help of the GOALS truancy program, and shove them down the school-to-prison pipeline. I had to fight with thousands of families who are caught in that trap. And if I didn't have the options to pull my sons out of their fourth grade class and homeschool them in Freedom Homeschool, that's the name of our homeschool, because finally my children were free to learn at their pace. And my son was born with a compromised immune system and he had more than 40 days missed of school because he contracted every disease and every cold that came into that public school system. So I had to take him out of public school to protect his life because the truancy law wanted him to be pushed down into the prison system, even though he was never a day truant. He was absent with illness, but that wasn't recognized without that bill, that law. So I'm really grateful for the opportunity to have the choice as a mom, a single mother of three kids. Each of them are successful today. They're thriving in their education. My 18-year-old, who I pulled out of school in 4th grade to overcome the special needs classes, is today working with a company recognizing his mechanical engineering abilities that OPS never even approached. So as a single mom, I was able to help my son achieve his academic greatness and his success today. My nonprofit, Energy Rescue, is reaching out to all the people

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who are speaking in support of Senator Linehan's bill because we're a 501(c)(3) and we will be so grateful if our senators would please help us to provide scholarships for the people in-- across Nebraska who have students in poverty. I am the only elected official of the state of Nebraska who lives in a Section 8 home, live in poverty, and have been abused so many times by the systems and the bad policies that are allowed to affect people without money. And we can't make up for being poor. But I'll tell you God blesses us and we're rich in so many things. We're loved. We're taken care of by our community. And people are respectful of the choice that I made to take my children out of the hurtful public school and put them in our safe homeschool. And I thank you for the opportunity to talk with you. But please pass this bill.

FRIESEN: Thank you, Ms. Ward. Any questions from the committee? Seeing none, thank you for coming to testify.

TONYA WARD: Thank you for having me.

FRIESEN: Other proponents.

TERENCE HAYNES: Good afternoon, Senators.

FRIESEN: Welcome.

TERENCE HAYNES: My name is Terence Haynes, T-e-r-e-n-c-e H-a-y-n-e-s. And I didn't actually come to testify today. I actually just came to support some of the organizations that are here from my city, Omaha, Nebraska. But they did ask me to give my testimony today. I have a couple of different angles within the three minutes. One of the angles is I'm a parent who have had kids come through Omaha Public Schools. I'm also a product of Omaha Public Schools. And the-- I can honestly say that the public school wasn't a fit for me. I didn't actually graduate from public school. I was told about third quarter of my senior high school year that I was three credits short. So I didn't graduate. And I didn't get my GED until 2005. But even through that misfortune, I was blessed to be able to go on to be a career chef of 30 years, raise my own family, take it upon myself to choose to homeschool my last two children, homeschooled them for six years. And within that six-year period that was way before pre-K, so basically starting them being able to read at two years old. Believe it or not, children can develop reading and writing skills at that age. By the time they did get introduced to public school, they were in third grade. But they were reading at a fifth, sixth and seventh reading

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grade. Well, fifth, sixth and seventh grade level in reading, math, science, writing, both of them could write cursive when they went to school. So I would just say that, you know, the-- the advantage of being able to just have a choice option is something that should be afforded to everybody. And everybody may not be fortunate enough like me to be able to, you know, take six years and be able to homeschool their kids. But if they have that option of being able to say, hey, you know, I'd like for them to go to a private school, to be able to be in an educational setting that fits them, I think they should have the right and it shouldn't be dampened by not being able to do it, you know, economically. So that's all I wanted to share.

FRIESEN: Thank you for your testimony.

TERENCE HAYNES: Yeah.

FRIESEN: Any questions from the committee? Seeing none, thank you for coming in.

TERENCE HAYNES: Yeah. Thank you.

FRIESEN: Any other proponents who wish to testify in favor of LB1202?

RACHEL TERRY: Hello, I'm Rachel Terry. It's R-a-c-h-e-l T-e-r-r-y. And I just want to give the perspective of how difficult it can be to move to Nebraska from a school choice state. Our family moved here in 2012 from Colorado. And while we were there, our kids qualified for free lunch and I had them in a neighborhood school and one of them just was really struggling. And fortunately for us at the time, we had other options. And I-- I think back to that time and think about that was kind of a hinge point for-- for that child. And. Because I was able to get him into a different school, it changed his trajectory and helped him to succeed long term. When we moved here, I didn't realize that there were states that didn't have school choice and it was-- it was difficult. And it's been hard to try to piece together resources and options for our kids in various-- various points of their education. And I think adding-- adding options will be such a benefit to our state. There are just kids who aren't going to thrive all in the same kinds of schools. And, you know, you'll have like we had two of our kids at a district school and one at a charter school at one point in Colorado. And being able to find the right place for our kids made a huge difference. And since we have 47 states with school choice plus Washington, D.C., there are a lot of people who will be in our shoes coming here and realizing, oh, this is not-- this is not what we're

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used to. It's very-- it's hard to adjust to not having freedoms that you had before in your last home. So that's all. Thank you so much for your time.

FRIESEN: Thank you for your testimony. Any questions from the committee? Senator Groene.

GROENE: So when you say don't have school choice, we have school choice here. It's just that you were able to gain scholarships for your kids in Colorado?

RACHEL TERRY: We actually used a charter school in Colorado.

GROENE: So they had the charter schools.

RACHEL TERRY: Yeah. Yeah. So, you know, charter schools don't charge tuition. And so they're open to everybody.

GROENE: I really respect public schools. [INAUDIBLE] Chair. I just don't under-- see the-- I mean, we have children in a public school now. One of them pays for the lunch and one doesn't because the gov-- we as people think they need help. Do you see any difference between saying one child is next to this school and their parents can afford to go there and the other child has to walk by it every day without an opportunity to make that choice, the parents, to go to this school?

RACHEL TERRY: No. I don't think it makes sense for that to happen. You know, we spend so much money on education in this country and in Nebraska, you know, spending more than \$12,000 a year on each child. If there is something that a parent wants that costs less than \$12,000, I don't understand why we wouldn't, you know, make it possible for that to happen. And with this legislation, you know, it will-- it will save taxpayers money. It seems like a win-win. You know, it saves taxpayers money. It gives parents more options. We'll have better outcomes if kids are thriving in schools long term.

GROENE: Thank you.

FRIESEN: Thank you, Senator Groene. Any other questions from the committee? Seeing none, thank you for your testimony.

RACHEL TERRY: Thank you.

FRIESEN: Any other proponents wish to testify? Welcome.

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AUDRI EDMONDS: Thank you. My name is Audri, A-u-d-r-i, Edmonds, E-d-m-o-n-d-s. I am representing myself. I'm a product of public school as well as private school. And I think that the option to choose is very important. The private school education is preparing people to be business owners, is preparing people to work for themselves, is a product of their trying to market Nebraska as Silicon Prairie. And I think public school education is preparing students to work for somebody, to be a machine, to provide menial labor. And I know this is not supposed to be a versus conversation, but the-- the quality of the education is starkly different. And I think it's important that the students of Nebraska have the right to choose and have a quality education that can catapult them to be productive citizens and to be able to actualize the reality that they want to see for themselves. Thank you.

FRIESEN: Thank you, Ms. Edmonds. Any questions from the committee? Senator Groene.

GROENE: Are you still in high school?

AUDRI EDMONDS: No. I graduated from college.

GROENE: Where did you go to college at?

AUDRI EDMONDS: Creighton University.

GROENE: And which-- what occupation have you chosen?

AUDRI EDMONDS: I actually graduated with a bachelor's degree in justice and peace studies. So, yes.

GROENE: Thank you.

FRIESEN: Thank you, Senator Groene. Seeing no other questions, thank you for your testimony. Any others wish to testify in favor of LB1202? Seeing none, anyone wish to testify in opposition to LB1202? Welcome.

MARK GUDGEL: Thank you. Good afternoon. Senators, thank you for your time today. My name is Mark Gudgel, M-a-r-k G-u-d-g-e-l. I'm a 16-year veteran of teaching in the public schools. I spent 12 attending public school in Valentine and 5 more at the public University of Nebraska at Lincoln. Recently, I was honored to receive the Award of Excellence from the Nebraska Department of Education. At that luncheon, I mentioned that Nebraska is a leader in education in the United States. Thanks to Nebraskan values, common sense, and leadership, we're one of

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only four states to reject the Common Core standards, which paint with broader brush strokes than human individuality will allow for. Three more states have since reversed their adoption of the Core and more will follow. Up to this point, it's been similar with our support of public education. Nebraska is one of only a handful of states without a charter school law and we offer no tax credit to those who would privatize education for their own personal gain at the expense of our most vulnerable populations. In Arizona, it took only a decade for that \$10 million credit that Senator Linehan mentioned to be increased to \$90 million. To incentivize private education through tax credits that directly harm the public system of education is to make a mockery of our state motto: equality before the law. At the State of the Union address last month, the President sounded a dog whistle when he spoke of government schools, erroneously describing us as failing. Not long after, the Governor of our state picked up that whistle and continued to blow the whistle. This divisive term may seem innocuous to the uninitiated, but it is a clarion call to the wealthy elite of our nation that the person blowing that whistle will do everything within their power to ensure their privilege. This privilege comes at the expense of public education and those who depend upon it. As a university professor familiar with what tax credits have done to other states, I oppose this bill. As a public school teacher in north Omaha, where so many of my students rely heavily upon the public education that they are earning as a means of making their way in the world, I oppose this bill. And as a parent of two small children, I oppose this bill because I believe in the system of public education and in the ability of our public schools to educate my beautiful children. The United States became the land of opportunity by ensuring that every person has the opportunity to be educated in free public schools. By supporting privatized education, you diminish that opportunity. As a teacher, as a father, and as a Nebraskan, I urge you not to pass LB1202. As a side note, tomorrow morning at Omaha North High Magnet School at 7:40 in the morning in room 205, 30 seniors in high school are going to come in and they're going to act out Act 4 of Hamlet. And I would absolutely love for you to be there. Consider it an open invitation.

FRIESEN: Thank you, Mr. Gudgel. Any questions from the committee?

GROENE: Just one clarification.

FRIESEN: Just a minute, Senator Groene. Senator Crawford first.

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GROENE: I'm sorry.

CRAWFORD: Thank you, Vice Chair Friesen. And thank you, Mr. Gudgel, for being here and for the students. You had mentioned just briefly in your testimony your concern about what you've seen in other states. I wonder if you'd care to elaborate on what specific concerns you may have.

MARK GUDGEL: Certainly. I think that there are a lot of varied examples, but if you look at states, Georgia as an example, that have had tax credits, Florida, there are a number of others, we see things as simple as measurable outcomes diminish standardized test scores. I don't put a whole lot of stake in standardized test scores, but if that's going to be the metric we're going to continue to use, we've found that these things don't help. There are other examples.

CRAWFORD: Thank you.

MARK GUDGEL: Yes, of course. Thank you.

FRIESEN: Thank you, Senator Crawford. Senator Groene.

GROENE: I don't think anybody in this room wants to harm public education because it harms a child's opportunity in life [INAUDIBLE] opportunity. But how does this directly harm public education? You used the word "directly harms."

MARK GUDGEL: Anything that we do that diverts funding, anything that we do that removes-- let me give you a personal example. I mentioned those kids who are going to come to 205 tomorrow morning at 7:40, and I hope you can be there. If not, let's talk about it. Such beautiful children, you know, pull some of those out of there and put them where? And I think about the things that we can do that we do do in a public school that will be harmful. You know, I think about my students, shouldn't use her name, but one I was chatting with this morning, openly gay young lady who's so incredibly excited for prom. And I think about the many places that we're going to support with legislation like this where she wouldn't be welcome.

GROENE: You used the word "pull." How does this bill pull a child out of a public school? I thought it was a free choice.

MARK GUDGEL: Perhaps pull is the wrong word.

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GROENE: Thank you.

FRIESEN: Thank you, Senator Groene. Any other questions from the committee? Seeing none, thank you for your testimony.

MARK GUDGEL: Thank you very much.

KIMBERLY GOINS: Hi. How is everyone? Good afternoon. My name is Kimberly, K-i-m-b-e-r-l-y, my last name is Goins, G-o-i-n-s. I am here today as a parent, a parent of a special needs student, a parent of students who have graduated from LPS, Go Links. And as a parent who has traveled and lived in lots of places with my husband's career, and I will start by saying I am so proud to see these students behind me who are advocating. At this age, I was not advocating for anything and so it warms my heart. But I also had an opportunity to experience, living in Texas, how charter schools can decimate some communities. And one of the prime examples that I have a lot of experience with is Prime Prep Academy. It started with Deion Sanders, a public figure, well funded, and a Google search will help you to understand how that went bad really quickly for about 1,100 kids. And when I think about one of my children, we have four children, the one with special needs. So the reoccurring theme has definitely been, you know, I am doing better because of this. And really thank God for that. But what about the kids who really aren't that book smart? Right? So my beautiful Brianna [PHONETIC], there's not a person in here who can outheart her, who will outlove her. But was she going to ever be at the top of her class? No. Would she really have a choice? No. And I think with this bill and it's really been my experience, I lived in Tyler, Texas, as well, a community very similar size of Lincoln, Nebraska. And that's what you started seeing. So you started having people take their kids out to-- out of the public school district. And what you had left were kids who really didn't have what we would call a choice. So whether it was because of transportation, whether it was because they didn't have involved parents, but I saw this specifically decimate communities. All kids deserve equal opportunity. All kids deserve a great education. I am for public schools. I will stand beside anybody at any time and make sure that every kid is getting equal access. I've just seen so much harm come from these type of bills and it's not something-- as someone who came from out of state five years ago, LPS was honest to God one of the most equitable school districts my family had ever participated in. And I think we have started seeing that diminish. And then more importantly, in these larger communities, like an Omaha, could-- could it work? Yeah, I think they have a lot of

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capacity. But man, you better start really thinking about these smaller communities where you don't have these people like this rallying around. It can be-- it can bring a lot of harm. And I think we get away from some of the equal access. Thank you.

FRIESEN: Thank you, Ms. Goins.

KIMBERLY GOINS: Yes.

FRIESEN: Any questions from the committee? Seeing none--

KIMBERLY GOINS: Thank you.

FRIESEN: --thank you for coming to testify. Welcome.

MARQUE SNOW: Thank you, Vice Chair Friesen. My name is Marque Snow, M-a-r-q-u-e S-n-o-w, and I'm the president of the Omaha Public School Board of Education. I'm appearing before you today as OPS is in opposition to LB1202. I'm gonna completely go away from my script that I had today. This morning I came down and I witnessed the debate on the floor about property tax relief. As a state, what I feel and I don't want to tell you all how to do your jobs, but when we talk about property tax relief and helping the taxpayer, allowing \$10 million taken out of the General Fund for a tax credit scholarship fund is completely the opposite. And I know you have a very, very important job. And I think this takes away from the real focus that our Legislature is taxed to do, especially with property tax relief. In OPS, we educate 54,000 kids. We have over 119 different languages spoken. We're growing about 500 students a year. I'm sure you read in the paper that this next-- tomorrow our board is going to be voting on a redistribute, redistributing \$37 million that we saved back into the classrooms to make sure that our teachers don't have to pay for supplies out of their hands and that our most vulnerable students get the sensory items that they need. This all came from the district being responsible and with the taxpayer dollar and making sure that we're using people's money wisely. When you provide choice, which we do provide in Nebraska, Omaha Public Schools, our students can go to any school district in the Learning Community and we'll provide that transportation for them. The challenge with when people say we don't have choice, you don't look at the bigger factors here. Any student that goes to a private school, if that school cannot serve them, that student comes back to that public school and that school district, OPS, Millard, Gretna, all these schools have to educate every child that comes through our doors. It is our job. We love to do

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it. Our teachers love to do it. When people talk about our budgets being expensive, like overblown, 85 percent of our budget is in staff. That's 5,000 teachers in OPS. And those teachers wake up every single day to make sure our kids are served. And they do it from the passion in their heart and their ability. So I just want to kind of bring this home and just say that with taking \$10 million out of the General Fund, if our Legislature, if you are all tasked, if our Governor is talking about it and we're talking about property tax relief for the taxpayers, that's what we should be focused on. And as a taxpayer, I do not want my money going to vouchers. Thank you.

FRIESEN: Thank you, Mr. Snow. Any questions? Senator Groene.

GROENE: I appreciate what you and your superintendent are doing. You're turning that school system around. Folks--

MARQUE SNOW: Thank you, Senator.

GROENE: --classroom really admire what you've done. There are private schools within your district, right?

MARQUE SNOW: Yes, sir.

GROENE: I don't know what it is, 20,000 kids, probably, is it?

MARQUE SNOW: Yes, it's in the Omaha metro.

GROENE: Now all of those parents are paying property taxes if they live in that district, right?

MARQUE SNOW: Correct.

GROENE: So you're getting that funding.

MARQUE SNOW: Um-hum.

GROENE: Could you absorb 20,000 students into your system and what would the cost do?

MARQUE SNOW: I mean, well, that's the-- that's a challenge here. I mean, no one could take 20,000 students overnight. And I guess if I'm correct with this bill, it's not taking new students. It's taking its current students, if I'm correct, because it's all about space.

GROENE: No, it's new students I believe, but anyway.

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MARQUE SNOW: Sorry. So we couldn't take those students overnight. But, I mean, those students didn't end up in those schools overnight anyway. When I talked to my friends that send their kids to private school, they do it for religious reasons. And the ability that they have to do that. And they agree that they want their public-- their taxes to go to public schools. Because when you're talking about economic development and you're talking about 1.8 million people in the state of Nebraska, OPS's job is to educate 54,000 kids, which is, in my opinion, a human capital driving force for the state of Nebraska.

GROENE: You don't have any qualms with the private system. You're getting along just fine.

MARQUE SNOW: I don't have any. I don't, no. I don't. And actually, I mean, our district has worked-- we work with all private schools within our school district and around. You have Nelson Mandela that's a school there. In our district, we worked hand in hand with that district, with that actual school with the students that they serve, because when they opened, they actually had OPS students leave and go to that school.

GROENE: And your only qualm is you see this as not somebody's money that they get a tax credit on you. You see it as the state's money and we're giving it away.

MARQUE SNOW: Correct.

GROENE: And you're looking at the big pool of money.

MARQUE SNOW: I'm looking at the big pool of the money and the biggest challenge that is facing you all right here today. I'm actually running for the Legislature to be in your shoes, but I appreciate that.

GROENE: Thank you. You know, you cost-- the cost per student in OPS is more than what you're going to get paid here. [LAUGHTER]

MARQUE SNOW: My mom told me you have to choose your poison wisely. And I'm excited.

GROENE: Thank you.

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FRIESEN: Thank you, Senator Groene. Any other questions? Seeing none, thank you for coming and testifying.

MARQUE SNOW: Thank you.

FRIESEN: Welcome.

CONNIE DUNCAN: Hello. I'll go ahead and start. My name is Connie Duncan, C-o-n-n-i-e D-u-n-c-a-n. I am a member of the Lincoln Board of Education. And I'm also representing the Nebraska Association of School Boards. I am testifying in opposition to LB1202 because systems to ensure equity and accountability are absent from this bill. I love serving on the board of education because I'm passionate about the mission of public schools preparing all students to be college career and civic life ready at graduation. Our community in the state of Nebraska holds us responsible for accomplishing that mission through transparent systems of academic and financial oversight. We not only accept that mission, we embrace the calling of serving all students and being accountable to our community. In reading through LB1202, it appears to work in opposition to the goal of equitable opportunities and sound financial and academic oversight. LB1202 would provide state funding through tax credits and scholarships to provide financial assistance to private schools. But it would not require private schools to serve all students. Looking at Section 2(4) it indicates that private schools would be allowed to receive these state-created funds while continuing discriminatory enrollment practices. LB1202 only requires that students not be discriminated on the basis of race, but permits private schools to discriminate against students for other reasons, such as a child's physical disability or a child's religion or if a child has an IEP. This means that these state of Nebraska-created public dollars are not meant to serve all Nebraska students. Now regarding accountability, through LB1202 the state of Nebraska would provide access to millions of dollars private schools without requiring accountability for how the money is spent and what outcomes are reached. Section 10, if you will look, is a section that includes some reporting by the scholarship organizations. But it does not require reporting on how money is spent, provide a demographic breakdown of the students who receive scholarships, nor describe any academic outcomes for those students. This is in stark contrast to the transparent financial and academic accountability systems required of public schools. The bill goes so far as to reinforce in Section 11 that the receipt of these public dollars does not create any additional state oversight, implying that the state has no interest in

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knowing the impact of this funding. As a general policy state-created funding would usually be connected to requirements for equity and accountability, especially when serving children. LB1202 appears to lack even minimal levels of academic and financial oversight and guarantees for equity. For these two reasons, I ask the Revenue Committee to not advance LB1202 to General File and to continue focusing on funding public education, which embraces the mission of providing transparent and accountable educational opportunities to all students. I'm happy to answer questions.

FRIESEN: Thank you, Ms. Duncan. Any questions from the committee? Seeing none,-- Senator Groene.

GROENE: Do you know how many, in your district how many kids attend private schools? Do you know?

CONNIE DUNCAN: No. I don't know. But I can find out and get that sent to you.

GROENE: You've said that there's no accountability. Aren't private schools, don't they have to be accredited too by the Department of Ed?

CONNIE DUNCAN: And I would have to have someone look into that for you. I don't know. I can take-- answer things on public schools.

GROENE: And, I mean, public do and so do private. Isn't that accountability right there?

CONNIE DUNCAN: It could be. But I would ask this question about equity. As a teacher of special ed in Lincoln Public Schools for 17 years, my job was to go over to the local Catholic school and educate their students with special needs because they did not have a teacher.

GROENE: They were Nebraska students.

CONNIE DUNCAN: They were.

GROENE: Citizens of Nebraska.

CONNIE DUNCAN: Yes.

GROENE: Thank you.

CONNIE DUNCAN: Um-hum.

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FRIESEN: Thank you, Senator Groene. Any other questions from the committee? Seeing--

CONNIE DUNCAN: OK. Senator McCollister.

FRIESEN: Senator McCollister.

McCOLLISTER: Yeah. Thank you, Senator Friesen. Could you restate that last sentence? I missed what you said about going into the parochial schools.

CONNIE DUNCAN: Yes. Lincoln Public Schools educate all students. Sometimes our Catholic schools, no, I say all the time our Catholic schools are not able to provide the services to special education students. By law, we are required to go to those schools and provide the education. So every day I would leave my teaching position at Goodrich at noon and I go over to North American Martyrs and I would sit there from about one to three and work with about five kids.

McCOLLISTER: Does that happen a lot?

CONNIE DUNCAN: All the time.

McCOLLISTER: How frequency in the city of Lincoln?

CONNIE DUNCAN: It just depends on how many special ed kids are in the other schools. You know, if they have five of them, we look at what is our closest public school and we find a special ed teacher that would do it.

McCOLLISTER: And it's primarily what kind of disabilities are you-- do you see when you go there?

CONNIE DUNCAN: The whole spectrum. Mostly it is learning disabilities, some behavior issues, not as many severe or profound students in that category. They get better services at our school. A private school would not be able to educate them.

McCOLLISTER: So you're saying that profoundly disabled students don't attend parochial schools. They generally attend full-time public schools.

CONNIE DUNCAN: Those are the students that cost us around \$50,000 to \$75,000 a year. They're the students that have a one-on-one para. They

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have a PT, an OT. They require special rooms and we're able to provide that in the public schools.

McCOLLISTER: OK. Well, thank you.

CONNIE DUNCAN: You're welcome.

McCOLLISTER: Thank you for what you do.

CONNIE DUNCAN: Thank you.

FRIESEN: Thank you, Senator McCollister. Any other questions from the committee? Seeing none, thank you for your testimony.

CONNIE DUNCAN: Thank you.

FELICITY WHITE: Thank you. I'm Felicity White, F-e-l-i-c-i-t-y, White, W-h-i-t-e. Thank you for considering my testimony today in opposition of LB1202. Our four children were in private school until our oldest was in seventh grade, youngest in second. We decided to move them for a couple of reasons. One was because private school is expensive. The second one was because our oldest daughter had special needs. She was born prematurely, has cerebral palsy and learning difficulties. I'm very proud of her, I'm sorry. And as well-meaning as her private school teachers were, they do not have what she needed to help her succeed. So we sort of had this choice then knowing that she could benefit from education in public school. And our other three kids were generally doing fine in private school, doing great, actually. But there was something about our family ethos that felt that they should all have the same educational path. That was important to us. So we moved them all to public school and our expectations were greatly exceeded. We did have choices. We chose where we moved. But even in that, in OPS we had many options. Every year my kids have options to go to middle school open houses and high school open houses to choose the best fit for them. We tell them they don't have any choices because they're all going to Omaha Central, but that's different. They do. We have then Claire [PHONETIC], who is my special needs. It was a difficult transition. IEPs, special education introductions, all of that was new to us; but it was handled efficiently, effectively. And so there were a lot of tears in her first few years. And then now she is a junior at Omaha Central. She's a student manager on the basketball team. And she made the honor roll last year so. Also, my other three kids are the high-achieving type who would thrive anywhere. So what concerns me about this bill is the-- the idea of

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privatizing education that will still leave these students who are the most vulnerable in our community. They are basically able to only show up at the door to the school that's closest to their home. Maybe their family doesn't understand the language enough to know that they have choices. Maybe their family circumstances are going to leave them in that situation. These students deserve to show up at a school that is full of engagement and opportunity and quality education that any other child would find. We all want the best for our own children, but at some point we should also explore how those wants impact the common good of all children.

FRIESEN: Thank you, Ms. White. Any questions from the committee? Seeing none, thank you for coming to testify.

GERARD HARBISON: Thanks for the opportunity to talk, Senators. My name is Gerard Harbison, G-e-r-a-r-d H-a-r-b-i-s-o-n. I teach at the government university about eight blocks north of here. But I'm speaking for myself. I haven't been flown in by a lobbying group. I never served in the Trump administration. But I did put three children through Lincoln Public Schools and I have a grandson in the Omaha Public Schools right now. I want to talk about one thing that private schools can do that public schools cannot, at least Lincoln Public School cannot, and that's discriminate. In 2017, Joshua Payne-Elliott, a social studies teacher at Cathedral High School in Indianapolis, married his partner, who was a man and who also taught at another Catholic school, Brebeuf Jesuit Preparatory Academy. Under instructions from the Archdiocese of Indianapolis, Cathedral fired Payne-Elliott in 2019. Brebeuf refused to fire the other teacher and they were told they would no longer be considered a Catholic school. Cathedral High School in Indianapolis receives over a million dollars a year in public funding through a scholarship program similar to that proposed here. And in fact, 14 percent of Indiana schools explicitly discriminate against LGBTQ students. It's not just Indiana. In 2018, Saints Peter and Paul Catholic School in Miami, on instructions from the Archdiocese, fired first grade teacher Jocelyn Morffi for marrying a woman. In 2013, Mike-- Michael Griffin, a gay French and Latin teacher at Holy Ghost Preparatory School in Bensalem, Pennsylvania, was fired merely for applying for a marriage license. In 2019, Monica Toro Lisciandro, a theater teacher at Covenant Christian School in Palm Bay, Florida, was first lectured about sin and then fired for being gay. Sixty-nine-year-old Lonnie Billard, a teacher of the year two years previous, was fired by Charlotte Catholic High School in North Carolina in 2014 for talking about his upcoming wedding on

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Facebook. In 2017, Matt Tedeschi lost his job teaching religious studies and French at St. Ignatius College Prep in Chicago after he was outed by a student who found his dating profile online. Right here in Nebraska in 2015, Matt Eledge's contract to teach English and coach speech at Omaha Skutt was not renewed because he planned to marry another man. It turned out his mother was dying and he wanted to marry and have her be at the wedding. Lincoln Public Schools very properly forbids discrimination based on sexual orientation. And I'm happy to pay taxes to support LPS. I do not want my tax dollars diverted to go to schools that have openly homophobic policies such as the schools listed above. If my Christian fellow Nebraskans can object to funding abortion as a matter of conscience, then surely I, as a matter of conscience, can object to funding discrimination against my gay fellow citizens.

FRIESEN: Can you wrap up your testimony?

GERARD HARBISON: Yep.

FRIESEN: Thank you. Any questions from the committee? Senator Groene.

GROENE: When I itemize my taxes, when I deduct my donations to a denomination, is that your tax dollars being given to a church?

GERARD HARBISON: You're lucky to be able to deduct these days after the Trump tax bill.

GROENE: I'm not saying this year, but I have.

GERARD HARBISON: Yeah. No, it's-- no, it's not. Because this is an explicit allocation of dollars that would be paid towards taxes, towards a scholarship fund, which will then be used to send a student to a school that discriminates.

GROENE: Thank you.

FRIESEN: Thank you, Senator Groene. Any other questions from the committee? Seeing none, thank you, Mr. Harbison.

GERARD HARBISON: OK. Thank you.

FRIESEN: Welcome.

MARRIANNE WILLIAMS: Thank you. My name is Marrienne Williams, M-a-r-r-i-a-n-n-e, Williams and I am here today in opposition to the

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bill. I had a completely different testimony yesterday before speaking to many from the-- parents from LPS schools and other minority parents of LPS schools and parents with disabilities. And while as a minority mom with children in LPS, I absolutely still support them. But I do see that there are issues that some of the groups are not-- their needs are not being met. Excuse me, getting choked up. As a parent of LPS, of students in LPS, I have received nothing but good things, even as a minority. My children have-- have gained so much from going to school there. They are gifted. And when I went to the private schools in Lincoln, I was not able to find one school that would even be able to accommodate their giftedness. I wouldn't-- they did not have all of the extra courses that my children would need. They did not have all the differential courses. They did not have-- at that time, they didn't even have AP courses. So it is very important to me to stay-- I-- I wanted a smaller school because I think that sometimes gifted kids and high learners need smaller, more direct attention. But they would not-- maybe they would have gotten that, but they would not have gotten it to the extent that-- they wouldn't have gotten the highest level of education that they had. It upsets me today to sit here knowing that we do have racist policies in our public schools. Maybe they're not policies, but there are racists that exist in our schools and they keep our minority children down. However, this is not because the schools did this. I mean, we're talking about government schools. You guys are the government. You did this. You have created this, this system that discriminates-- discriminates against people of color, people with disabilities, people that just don't fit. And yes, would it be great to have other schools that-- that we can send children to that need a different fit? Absolutely. But why can't we do that within the system we have? Why do we need to create an entirely new system to do that? Thank you for letting me speak today. Sorry I'm so emotional.

FRIESEN: Thank you for your testimony. Any questions from the committee?

MARRIANNE WILLIAMS: Thank you.

FRIESEN: Thank you for coming in. Welcome.

T. MICHAEL WILLIAMS: Thank you. Good afternoon. I'll shorten the comments. It's been a long afternoon. My name is T. Michael Williams, pastor in Omaha, Nebraska, representing Baptist Pastors and Ministers Conference.

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FRIESEN: Spell your name.

T. MICHAEL WILLIAMS: T. M-i-c-h-a-e-l W-i-l-l-i-a-m-s. Again, I'm representing the Baptist Pastors and Ministers Conference and the Interdenominational Ministerial Alliance today in from Omaha. I stand opposed to LB1202. I believe it would severely cripple the public schools that educate, feed, and care for nine out of every ten kids in Nebraska, including the vast majority of children that we clergy see on Sunday mornings. And I say that because of my experience from my home state in Albuquerque, New Mexico. I have relatives who serve as teachers and administrators there where they have school choice. And I think this could lead to that, to school choice and vouchers and so forth. Neighborhood schools in Albuquerque have been devastated by defunding through school privatization. And I was last there in September, talked with a little girl. She was 9 years old, and she'd been in one charter school. Her parents decided it didn't work very well, went to a second one and it closed in about three months. And the public schools there are suffering from the division of the funding. We understand that poverty is growing all over our state and nation. Most workers haven't had raises and it's not a secret that the impact of poverty in our city is most pervasive and concentrated in north and east Omaha. It also is no secret the opportunity gap in education disproportionately impacts poor children of color in these communities. So it's that kind of opportunity that I believe we ought to be addressing instead of defunding OPS and public schools around the state. I submit that we ought to be talking about how to build up public schools rather than adding a system that may lead to vouchers and privatization. Specifically ask that you support LB1039 and LB1023, which would respectively put an end to hunger in our schools and support increased special education funding. Also, certainly open enrollment already exists in public schools. Just want to say that between our magnet schools and private schools, there's plenty of choice. Thank you very much.

FRIESEN: Thank you, Mr. Williams. Any questions from the committee? Seeing none, thank you for your testimony. Welcome.

DWAYNE HAWKINS: Afternoon. My name is Dwayne Hawkins, D-w-a-y-n-e, Hawkins, H-a-w-k-i-n-s, lifelong resident, graduate of OPS, Omaha, Nebraska, parent of public school children. I'm also a local pastor, denominational leader in our state, and a former private school principal of alternative faith-based school, for over a decade served in that capacity. I'm here today in opposition of LB1202. As I

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listened to some of the younger students give their passionate stories, as a principal of a, former principal of an alternative school, I, too, can testify of the benefit that some of those other opportunities will provide students of the state of Nebraska. But I am not in favor of a-- of a system that would be supported by a tax credit scholarship simply because the-- the-- the proponents that state that it saves money for the state. I would argue that that ought not be the priority when it comes to education of the children of the state of Nebraska. I would argue that the priority should be what's in the best interest and not what saves the most money. There's-- there's no guarantee that this LB1202 would guarantee admittance for every student yet public school system is required to serve every student. And the ultimate system that would decrease funding, particularly in a time of increased population, does not seem to be in the best interest of all students. Admittedly, it might be in the best interest of some, but I think our biggest goal is to do what's in the best interest of all students. It's for those reasons that I am firmly against LB1202 and would urge you not to pass such a bill. Thank you.

FRIESEN: Thank you for your testimony. Any questions from the committee? Seeing none, thank you. Welcome,

JENNI BENSON: Hello. Welcome. Members of the Revenue Committee, my name is Jenni Benson, J-e-n-n-i B-e-n-s-o-n. I am the president of the Nebraska State Education Association. I am here to represent our 28,000 members in opposition to LB1202. Over the past 30 months, I've crisscrossed the state from Chadron to Falls City, from Sioux City to McCook numerous times. I read to children. I talk to members about their passion for their profession. And I engage community members in conversations about public schools. Nebraskans are proud of our public schools. They agree they need to address property taxes, but they do not want to do so at the expense of public schools that are the bedrock of their communities. I've shortened my-- what I've passed out because other people have said the things that I was going to say as well. I don't believe in repeating it. But I was a special education teacher for over 30 years. I have provided resource services for kids in parochial schools. I've worked side by side with educators in both of those settings. I have worked with families who have been asked to leave their private schools because their children's behavior or their children's educational needs were not being met. I've had children return to public schools by choice to receive more services because their schools could not provide them with the support they needed to meet their individual needs. The money in this bill would not follow

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those students back to public school. I appreciate the stories that were shared today. I myself, I'm just going to tell a personal story, which I don't usually do. But I was a single mother. I have a biracial son who attended Catholic school for three years. We came to Lincoln. We moved back from Texas. He was in the fourth grade. We put him in Catholic school here in Lincoln. And he came home after a few days in school and he said, mom, the boys in school told me they had a black boy in school here last year and they got rid of him and they'll get rid of me too. Well, then, what's a mom to do? Went to the school and we were told that the boys would be put in a club called the St. Bosco Club for-- for just troubled youth is what-- I guess he's the saint for troubled youth. I took my son out of Catholic school. We were still Catholic. We still went to that parish. I put my son back in public school and my son graduated from Lincoln High School. He also graduated from the United States Military Academy at West Point and is currently a major in the Army teaching at the United States Military Academy at West Point. He also received a award at the Pentagon last May for diversity and inclusion and the work he's doing to work with soldiers of diversity at West Point and received a commendation from the Secretary of Defense. So that public school kid is my kid. I have experience on both sides. I'm not here to say one thing or the other, but I am here to echo what other people have said. And I don't-- we don't support LB1202, and we don't think that public dollars should go to private tax credits. Thank you.

FRIESEN: Thank you, Ms. Benson. Any questions from the committee? Senator Groene.

GROENE: If it was my son, I'd be bragging too.

JENNI BENSON: Thank you. And I hope he doesn't see it because he'll be mad at me.

GROENE: The issue on the special education, when you were working, you just wanted to help kids. When you went over to the private school--

JENNI BENSON: Yes.

GROENE: --and worked. The public school did get paid the state and federal payment for that. Did they not? For that student?

JENNI BENSON: They got the, whatever the dollars were. Yes.

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GROENE: And they also because they apparently lived in the district, they also already received the property taxes from that family, right?

JENNI BENSON: Yeah. And their-- but my salary was paid for through that. Yes. Just like when I taught at the Career Academy, all the kids from Pius and Lincoln Lutheran, it was open to anybody at the Career Academy.

GROENE: Yeah, so. But the public school then would claim that student as a special education student. Special ed is outside of the formula and they would get the state and federal payment on that. Is that correct?

JENNI BENSON: Yes. But part of the issue was that there was only so many hours that I could provide services for at the schools. And so a lot of the parents then chose to put their student back--

GROENE: Is that practice still going on?

JENNI BENSON: Sure.

GROENE: The relationship between Lincoln, LPS, [INAUDIBLE]

JENNI BENSON: Yeah. Now, when my son was in kindergarten and was going to St. Mary's, that was the school districts were not allowed at that time. And, you know, he's-- he just turned 35 so a few years ago. And they had-- he had speech therapy and it had to be at a house across the street at St. Theresa's. They rented a porch like and now you could go right into the school and provide those services.

GROENE: All right. Thank you.

JENNI BENSON: Um-hum.

FRIESEN: Thank you, Senator Groene. Any other questions from the committee? Seeing none,--

JENNI BENSON: Thank you.

FRIESEN: Thank you, Ms. Benson.

SHIRLEY NIEMEYER: Hello. My name is Shirley Niemeyer, S-h-i-r-l-e-y N-i-e-m-e-y-e-r, and thank you for having this hearing. I do oppose LB1202. I am the result of rural school, public school, and public colleges, universities and I have some thoughts about this. Now

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originally I had it all written out, very short, and now it looks like this. So excuse me or bear with me. Nebraska schools are rated as eighth in the nation in terms of quality. I want Nebraska schools to stay there. And in order to do that and improve the ones that we've been talking about where some of the students didn't get what they needed, perhaps the money needs to be invested in those schools that have a high poverty rate and whether it's north Omaha, south Omaha, rural Nebraska, where they have those opportunities to get the services that they needed or to get the attention that they needed. So why not invest more money in the public school system to make them all that they could be for every child in Nebraska? I really am a proponent of public schools. We have a foundation in the community. We work hard. The parents are very supportive of schools. And that brings up another point is that the school doesn't exist in a vacuum. It exists in an environment and that environment is composed of how does the community support the youth? Is there a lot of violence in the community? Are the youth scared? What is-- what are the home life like? You know, if the parents have to work two or three jobs, that's difficult for a student. Nobody is there to say, hey, you really do need to do this for tomorrow's assignment. And so the environment of the school and the environment of the community and the environment of the home and our total environment of how we support schools is a factor in all of this discussion. And I would encourage you to do no harm to the public schools. It concerns me when they said that one state went from \$10 million or whatever they started clear up. Well, that money is money that's not coming in for other purposes, whether that be roads or whether that be public schools. I also know that you're gonna be talking about getting rid of-- one of the bills is to get rid of property tax. But you haven't passed anything to increase the income coming in like beverages. I drink a lot of Diet Pepsi. I want you to tax that so that the public schools has more money. [LAUGH] And but I do have some other thoughts. And this is a constitutional provision--

FRIESEN: You need to--

SHIRLEY NIEMEYER: --excuse me.

FRIESEN: --wrap up your testimony. The red light is on. If you can wrap up quickly.

SHIRLEY NIEMEYER: Oh, OK. Constitutional provisions. The Nebraska constitution prohibits state appropriations for schools not owned or

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exclusively controlled by the state or public subdivision. And another point.

FRIESEN: You're going to have to wrap up quickly.

SHIRLEY NIEMEYER: I want to make one more from the constitution [INAUDIBLE] the constitution. In Nebraska, nonpublic school must be accredited, approved or-- or receive an exemption from the Commissioner of Education from their requirement for operation of approved public school. The other thing is--

FRIESEN: No, we're going to have to finish there. Thank you, Ms. Niemeyer. Are there any questions from the committee? Seeing none, thank you for your testimony. Welcome.

NEGIL MCPHERSON, JR.: Good afternoon, Senators on the Revenue Committee. My name is Negil McPherson, Junior. I'll spell it. N-e-g-i-l, first name, McPherson, M-c-P-h-e-r-s-o-n, Junior. Can I keep going? OK. I am a product of the Omaha Public Schools, as are my children. And I am here as a parent and former OPS educator to just share my experience with the Omaha Public Schools and to let you know just a few things. I won't-- I don't expect to see a red light. My children who ages-- who range in age between 15 years old and 28 have all gone through an elementary, middle, and high school here in Omaha. And I am exceptionally pleased with how they've done academically and the support that they've received from the school district. We did start out with our daughter who went to a parochial school, a private school. And I'll tell you the experience we had there with the lack of diversity, but there were lots of fancy cars that drove up and dropped off kids. There were kids who told my daughter once and not even once, a number of times, why is your skin so dirty? And I think that the lack of diversity makes it difficult for students to understand really how to communicate with one another. Because as you think about it, the-- the work world that they're going to be a part of is gonna be multicolor. Right? It's going to be where you're going to have kids from all different ethnic backgrounds and cultural experiences. And so what I would just tell you in brief is that I oppose the bill, LB1202, because I think with the lack of diversity and some of the other things I'm seeing from a private school perspective, I think that there are some things that we still have some work to do.

FRIESEN: Thank you, Mr. McPherson.

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NEGIL McPHERSON, JR.: Yes, sir.

FRIESEN: Any questions from the committee? Seeing none, thank you for coming to testify.

NEGIL McPHERSON, JR.: Thank you for your time.

KYLE McGOWAN: Good afternoon, Senator Friesen, members of the committee. My name is Kyle McGowan, K-y-l-e M-c-G-o-w-a-n. Today I'm representing the Nebraska Council of School Administrators. We believe Nebraska does have school choice. As you know, parents can option their kids into different districts. If-- if they choose not to go to their local school, they can-- they can homeschool. And we think choosing a private school is one of the choices that you make. Every parent makes their decisions based on knowing the pros and cons. I think one small example, if any of you lived in the country and your kids could ride the bus, maybe you didn't want them to ride the bus. Maybe you would have them driving to school yourself. But you wouldn't expect the state to come and bring a private car to pick up your student. So parents make those choices all the time. When you talk about Nebraska being unique, this Unicameral is very unique. Nebraska has top 10 schools in many, many categories. And I would pass out something that was created in conjunction with Nebraska Council of School Administrators and NDE that lists national rankings that Nebraska has for their public schools. On the backside it shows the makeup of Nebraska public schools. That is not to say that we don't have great private schools. I think the-- the private-- the parochial schools that I'm familiar with are very good. I'm-- I'm glad they exist. I think parents should have a choice for a faith-based education or private school if they want. It's just a matter of where public tax dollars should go. Every good school attempts to educate every child. So when we talk about, well, it wasn't just a good fit, well, that's very possible. But in the words of our Governor, government schools can't possibly attempt to educate every single choice that a parent may make. So in closing, I'm glad to know that \$10 million doesn't mean very much because I'd sure like to see it go to Senator Murman's training bill, to raising teacher salary, to special education reimbursement, to property tax relief. And I'll stop at that.

FRIESEN: Thank you, Mr. McGowan. Any questions from the committee? Senator Briese.

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BRIESE: Thank you, Vice Chair Friesen. Thank you for your testimony. Way back when, an hour and a half, two hours ago, we heard a testifier suggest there's substantial cost savings to public education to the tax-- a net savings to the taxpayer of doing things like this. So what-- are we to disregard that information or [INAUDIBLE]?

KYLE MCGOWAN: Well, I I mean, it's his testimony. My testimony as a superintendent is we certainly had students opt to other school districts to [RECORDER MALFUNCTION] 2,000 kids. If 20 students leave, we're not going to shut down a building. We're not going to reduce a staff member. I don't know how that possibly can be a savings when you already have that sort of infrastructure in a system.

BRIESE: Thank you.

FRIESEN: Thank you, Senator Briese. Any questions from-- Senator Groene.

GROENE: We have this option in public schools. Well, well, we option. So we have a situation where if you opt out of Crete and went to Friend or somewhere [INAUDIBLE] it costs the state \$10,000 because that student has now gone to a nonequalized school district. So we already have a big cost in the state of Nebraska due to optioning changing schools. I think it's probably about 30, \$30 million at least net. What's the difference? I've got North Platte with three little towns around it takes 550 kids from our school. There are a lot of parents drive right by the St. Pat's because they can't afford it. And the money goes to an unequalized school district costs taxpayers \$10,000. What's the difference?

KYLE MCGOWAN: Well, the difference is in this bill, you're taking 10 million dollars' worth of tax revenue that you would be getting it already and then spending it in addition to what you're already giving away. So it's an-- it's an additional \$10 million.

GROENE: It's \$10,000 either way I see it, when they go from an equalized to an unequalized school district.

KYLE MCGOWAN: That's true. I mean, you do get for an increase in students for an equalized district, you do get state aid. This is an additional \$10 million to what you're talking about.

GROENE: Thank you,

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FRIESEN: Thank you, Senator Groene. Any other questions from the committee? Seeing none, thank you for your testimony, Mr. McGowan.

ABBY PETERS: Good afternoon. Thank you for your time. My name is Abby Peters, A-b-b-y P-e-t-e-r-s, and I'm here because I oppose LB1202. I am a product of a Omaha Catholic elementary school, a western Nebraska two-room schoolhouse, a public high school also in western Nebraska, and a Nebraska state college. But today I'm here as a mom. I am a parent of three OPS children, and I would specifically like to talk about my daughter's experience at Omaha Northwest High School. She chose Omaha Northwest High School after going to several open houses for Omaha high schools. She felt that she saw a community there and we agree. Since then, I have to read this so that I don't miss anything. She would have been here herself, but she wanted to be in school today. Since then, she is currently the yearbook editor, on the academic decathlon team, National Honor Society, president of the student council, an Academic All State athlete for volleyball and swimming. She was a member of the senior homecoming court this year and a member of the Mayor's Council. She represented her school at Girls State last summer and will be the valedictorian of the 2020 graduating class. She is now leading her community. She also has 18 college credit hours that she will take with her to the University of Iowa in the fall, where she will be studying political science. So give her a couple years and keep an eye out for her. With her fellow students, she has traveled to San Diego, Phoenix, Memphis, and Washington, D.C., and all of these experiences were in a welcoming environment that gave her ideas on diversity and what she was capable of doing. I truly believe that she would not have been able to come into her own so beautifully if she had not had the support of our community at Omaha Northwest High School. And because of this, because that is what it is, it's our community. I have two other boys. They're at Buffett and Picotte and I feel the same way about those schools. I didn't hear that Gwen [PHONETIC] was on homecoming court from her directly. The secretary at the school called me because she was so excited and couldn't wait because that staff celebrates with us as parents and as students. So I oppose this bill and I fear the impact that LB1202 will have on our schools and will have on our state. I heard a lot about high-quality today. There was a lot of verbiage in the statement about high-quality schools and how all students are deserving. And I just ask you, in closing, why aren't our public schools considered high quality? Because I certainly think that they are.

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FRIESEN: Thank you, Ms. Peters.

ABBY PETERS: Thank you for your time.

FRIESEN: Any questions from the committee? Senator Groene.

ABBY PETERS: Yes, .

GROENE: I didn't hear that, that people were saying our public schools are not high quality. There was-- there was a few people, young people came up and said they had a bad experience in the public schools. I heard a couple of parents say their kids had bad experience in the--

ABBY PETERS: Sure. Maybe I didn't word that--

GROENE: It's called-- isn't it called human nature, you're going to have conflicts and you're going to have bad people no matter what they might say something wrong to a student?

ABBY PETERS: Absolutely. And maybe I didn't word it properly. I know that Chairman Linehan mentioned that every student is deserving of a high-quality education. And I interpreted that as maybe that public schools weren't able to give that. However, I think that every parent should have the choice of giving their student whatever is right for them. I don't necessarily want to fund it with my tax dollars.

GROENE: Thank you.

ABBY PETERS: Thank you.

FRIESEN: Thank you, Senator Groene. Seeing no other questions, thank you for your testimony.

MOLLY DAVIES: Good afternoon, Senators. My name is Molly Davies, M-o-l-l-y D-a-v-i-e-s, and I began my teaching career 20 years ago teaching high school theology in the Archdiocese of Omaha. I taught my students that living faithfully according to the Gospel required assessing the conditions of marginalized voices, defending the oppressed, and examining consumer choices, policies and social structures in terms of their impact on the most vulnerable. In fact, that is the substance of the argument that we've heard here today. And I oppose LB1202 precisely because it fails to meet that criteria. Tax credit programs to provide private school tuition are an offshoot of the voucher concept. Anyone who has tracked and studied the history of attempts to promote what is euphemized as school choice cannot deny

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that. These programs drain critical dollars from public education by changing the tax code so potential taxes are never paid, decreasing tax revenue and diverting money toward privately funded schools that are not required to abide by the same measures of accountability, inclusion, or oversight. Such programs are dressed up as providing educational opportunity for students in poverty while lowering the amount of money available to provide high-quality education for all of Nebraska's students. Policies to expand these voucher-like schemes have produced the long-term divestment of public education, the system that serves the vast majority of students in poverty. This is proven. What is not proven is that diverting public funds to private schools produces better outcomes for the same population in general. Private school advocates use individual examples of kids who have benefited from the smaller class sizes and the selective enrollment of students that often excludes our most vulnerable kids because they don't have the data that shows the outcomes for the population they claim to support. In effect, they look at what happens when you take a few kids in really difficult circumstances, kids who have parents with the capacity to look for alternatives and put them with kids who are more privileged, but without taking seriously what happens when you drain resources for crowded classrooms with many vulnerable children. Then advocates of these schemes claim private schools represent the best opportunity. Real opportunity is being able to send your kids to a free and high-quality school that is publicly funded and accountable, no matter where you live, what you believe, which languages you speak, whom you love, and what your disability status might be. I suggest we fully fund that concept and see what happens. And if you really support meeting the needs of all children, I know that you'll be on the side of pressuring your federal advocates to fully support IDEA-- IDEA and fully support TEEOSA funding for our students, our state students.

FRIESEN: Thank you, Ms. Davies. Any questions from the committee?

MOLLY DAVIES: One more thing. Currently, I teach in Omaha Public Schools and I'm a proud English language teacher at Central High School. And I would also welcome all of you to come see the high-quality education we provide our students every day.

FRIESEN: Thank you. Thank you for your testimony. Welcome.

SASHA CERVANTES: My name is Sasha Cervantes, S-a-s-h-a C-e-r-v-a-n-t-e-s, and I am a third-generation Nebraskan who is a product of our excellent public school system. I am a teacher and a

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parent with a child enrolled in our public school district. Each and every generation of my family has found our experiences in Nebraska's public schools expanding our opportunities. And this has started, I repeat, started to level the playing field for Latino families like mine. Latino families represent approximately 11 percent of Nebraska's population, and our public schools are increasingly prepared and committed to correcting past institutional practices that have harmed ethnic minorities. Nebraska's public schools now welcome our families and offer educational programs that will provide my daughter with even more opportunities than I ever had. I am particularly proud of my school's district-- my school district's K-12 dual language program. It is designed to send students into the world as highly competent scholars who achieve at or above grade level, leave school biliterate and bicultural. Our dual language program is one of fewer than 450 such programs nationwide. Our students have won prestigious scholarships due to the pillars of our program, which are grade level competency, cross-cultural competency, and biliteracy. I spent one year paying tuition at one of the Omaha Archdiocese consortium schools. Yes, I'm a south Omaha girl. That was a choice my husband and I made. We didn't expect anybody to pay for this choice. We bore that burden. What I learned from my involvement in that school, that school really wanted to do everything that the public school where I taught does. The private school my daughter attended attempted to offer programming that the public school system had previously offered but had already determined to be inadequate in meeting Nebraska's state standards. My experience as a private school parent affirmed that the work happening in our public schools is greatly underrespected. I am a teacher, but I also know that I have some buying power and I don't want to buy last year's model. So we chose to move our daughter to our public schools. My husband and I are raising a daughter of color. Her future, it could be determined by her gender and race. But we're not going to let that happen. My public school is working diligently to increase the opportunities for my daughter and every other child. It is honoring and accepting the myriad of differences every child brings to the classroom, including race, gender, creed, identity, and so much more that makes our children beautiful. We don't want any child shortchanged in life. The more I learn about the intent of LB1202 providing a tax credit to individuals and businesses who really don't need any more handouts, the more furious I become because I know that families like mine are going to be expected to bear the burden of higher taxes to make up for the \$10 million tax credit. A tax credit for someone's private education will mean a tax increase for my family. If a family chooses a private school education instead of the

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free public school education guaranteed by our state constitution, then they should pay for that, just like my family did. I know firsthand how hard my colleagues and I are working to make our public schools phenomenal institutions of learning despite the budget constraints we operate under. While--

FRIESEN: Could you please wrap up.

SASHA CERVANTES: While I believe the right of every parent to choose the education they feel is best for their child, I don't believe it's the responsibility of taxpayers to subsidize their choices. For those reasons, I urge you to vote against LB1202. Thank you.

FRIESEN: Thank you, Ms. Cervantes. Any questions from the committee? Senator Groene.

GROENE: I've heard here some indications and accusations that there might be racism in these private schools. Hasn't this country repeatedly, repeatedly given credits and opportunities to the poor so that they would integrate into Harvard, Yale? Because the best way to not become a racist is to have a person of color next to you.

SASHA CERVANTES: And--

GROENE: So wouldn't this program with focuses on poverty be the best thing to these so-called uppity rich people who drop their kids off at these schools?

SASHA CERVANTES: And I stated earlier that our public school system has been learning and is starting to level out the playing field. We're not there yet. We have so much--

GROENE: I'm talking about the private schools.

SASHA CERVANTES: And private schools, I'm going to say from my experience what they were offering was subpar.

GROENE: You're talking about--

SASHA CERVANTES: And as somebody who has studied the science and the art of teaching, I know what goes into good classroom instruction. And what they thought was going to be good classroom instruction, we already decided does not meet our state standards.

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GROENE: So that's why you left?

SASHA CERVANTES: Yep.

GROENE: The better-- public has nothing to do with it.

SASHA CERVANTES: If my child's education doesn't meet Nebraska state standards, which we go through a thorough process, we know this, then I don't think that's the place for any child to be.

GROENE: Thank you.

SASHA CERVANTES: Thank you.

FRIESEN: Thank you, Senator Groene. Any other questions from the committee? Seeing none, thank you for your testimony. Welcome.

TIFFANY FRIESEN MILONE: Thank you. Good afternoon, Vice Chair Friesen and members of the Revenue Committee. My name is Tiffany Friesen Milone, T-i-f-f-a-n-y F-r-i-e-s-e-n M-i-l-o-n-. I'm policy director at OpenSky Policy Institute. I'm here today to testify in opposition to LB1202. While we appreciate the improvements made over LB670 from last session, we nevertheless oppose the bill for several reasons, including that it would still give preferable treatment to a specific type of charitable donation-- donation over others, likely failed to create any savings for the state, and potentially not improve educational outcomes. First, scholarship tax credits give a greater tax benefit to donations to scholarship granting organizations and for other types of charitable donations. This bill makes it possible for a taxpayer to receive a 100 percent credit up to 50 percent of their income tax liability for such a donation. A 100 percent credit can result in a dollar-for-dollar reduction in the amount of taxes owed. All other charitable donations reduce taxable income through deductions, so the tax benefit is worth the amount of the deduction multiplied by the tax rate in the tax bracket in which the income would have fallen prior to the deduction. Because there aren't any limits on donation amounts under LB1202, as long as there are enough credits available, a corporation with an income tax liability of \$1 million could make a donation of \$500,000 and receive a \$500,000 tax credit. Similarly, if a couple has at least \$20,000 in income tax liability and make a \$10,000 donation to a private scholarship granting organization, they receive a state tax benefit of \$10,000. However, if that couple makes a \$10,000 donation to a nonprofit private or public school foundation, the potential value of their tax

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benefit would be at most \$684 or the amount of the donation multiplied by the tax rate in the bracket in which the income would have fallen with a top rate of 6.84 percent. Thus, the tax benefit for donating to a scholarship granting organization would be 14.5 times greater than it would be for donating to a public school foundation. Second, LB1202 likely won't result in savings as promised. A report from Florida is often cited as finding that for every dollar of lost revenue, the state saves \$1.49. However, the report's authors state in the appendix that they had no information from which to estimate students who had-- the percentage of students who would switch from public to private schools because of the program. They thus assumed a 90 percent switch rate, which is unlikely and admit that the program breaks even at 60 percent and costs the state money at 50 percent and below. This matters because of the scholarships are going to children that would have gone to private school anyway. The state won't be able to reduce any public school expenses. Savings only result if a significant number of public school students transfer to private schools in a way that would reduce public school expenses. Finally, there is little evidence that tax credits or tax deductions for scholarships improve educational outcomes. On the contrary, a quasi-experimental study in Louisiana found that students who attended a Louisiana scholarship program school were 50 percent more likely to have a failing math score. Significant negative effects were also found for reading, science and social studies. If better student outcomes are the goal, there are other evidence-based programs that strengthen public education, such as extended learning, early education, and career education in which the state could invest. With that, I'm happy to answer any questions.

FRIESEN: Thank you, Ms. Milone. Senator McCollister.

McCOLLISTER: Yeah. Thank you, Senator Friesen. The tax credit program embodied with LB1202, is that unusually generous--

TIFFANY FRIESEN MILONE: Yes.

McCOLLISTER: --in comparisons that you've seen?

TIFFANY FRIESEN MILONE: In comparison to other states?

McCOLLISTER: To-- now--

TIFFANY FRIESEN MILONE: --or to a charitable deduction?

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McCOLLISTER: To other states and Nebraska.

TIFFANY FRIESEN MILONE: It would be a unique charitable dona-- deduction or, yeah, it would be unique for Nebraska to adopt a deduction or credit of this type. It would definitely treat this type of donation as distinct from others. I mean, I understand that there are policy reasons why one might want to treat them differently. But I think then you're getting into value judgments. There are lots of things that help children.

McCOLLISTER: Nebraska has other tax credit programs, do they not?

TIFFANY FRIESEN MILONE: It does. We would prefer that we avoid tax credits. Tax credits tend to be unpredictable. It's not an appropriation so it's not regularly reviewed. So we would prefer that things be structured as appropriations.

McCOLLISTER: Thank you.

FRIESEN: Thank you, Senator McCollister. Any other questions from the committee? Seeing none, thank you for your testimony. Welcome.

EDWARD VENTURA, JR.: Members of the Revenue Committee, my name is Edward Ventura, E-d-w-a-r-d V-e-n-t-u-a-r. [SIC] I am a librarian for the Omaha Public Schools and chair of the Nebraska State Education Association Ethnic Minority Affairs Committee. I am opposed to LB1202 and want to share my concerns with you. This legislation raises fundamental issues under the Constitution of Nebraska-- the state of Nebraska. It also raises important questions about the willingness of the Legislature to continue to subsidize private entities, in this case private schools, while at the same time failing to adequately fund public schools. Article VII, Section 11 of the Constitution of the state of Nebraska prohibits the Legislature from appropriating public funds for sectarian education. Clearly the real effect of LB1202, although somewhat circuitous through the use of tax credit, is an expenditure of public funds to benefit private schools. Article VII, Section 1 of our Constitution places an affirmative responsibility of this body to provide for the free instruction of everyone from ages 5 through 21 in the common schools of our state. Indeed, the Legislature does provide the means through the property tax and state aid to schools to offer free publication to all comers. However, the Legislature has rarely provided adequate and full funding for schools adjusting TEEOSA each year as needed to meet budgetary needs rather than student needs. With taxpayers across the state

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calling for changes that will decrease property taxes, how does diverting public-- diverting income tax funds to private schools help those taxpayers? This is a privatable-- private charitable issue that private schools in the state with their patrons and supporting church families have stepped forward to hand over nearly 150 years. I am a product of a Catholic education from kindergarten through 12th grade. I'm a graduate of Omaha Holy Name. By eighth grade, many of my siblings had chosen to go to public school. While I enjoyed my Catholic education and valued my friendships, my late wife and I chose to send our son to public schools because I knew he would have additional opportunities to learn from a more diverse student population as well as a greater variety of academic clubs and sports offerings. My family also rejected the notion that paying taxes and paying tuition was paying double for something. Just as with other Nebraskans, we also paid for roads we would never travel on ourselves. But we saw this as a commitment to the common good, not just by fulfilling our individual family needs. LB1202 would take the public dollars that would otherwise provide needed funding to our public schools and use it instead for private school funding. Nebraska already ranks 48th in the nation for state support of K-12 education. We need to be investing in our public schools, not diverting public dollars to private school systems. In addition, students in private schools receive no protections against discriminatory practices based on religion, special needs, English language learner status, refugee status, gender identity, and sexual orientation. I ask you to oppose LB1202 and instead focus your efforts on meeting our state's responsibilities to fully fund our public school system.

FRIESEN: Thank you, Mr. Ventura. Any questions from the committee? Seeing none, thank you for testifying.

MARY SCHLIEDER: Hello. My name is Mary Schlieder, M-a-r-y S-c-h-l-i-e-d-e-r. This is my 22nd year serving as a Nebraska public edu-- public school special education teacher. I'd like to use my time to introduce you to a few of my students. While these aren't their real names, and some may be students I've had in the past, I thought it might be helpful to put faces to the bill being proposed here in order to provide a real-life perspective. Respectfully, I don't see how a tax scholarship credit to attend private schools would help these kids. Sally is paralyzed from the chest down due to a car accident. The result of out-of-control behavior is complicated by her circumstances, homeless and raised by a parent with substance abuse issues. She doesn't need a private school. She needs Medicaid

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expansion so her mother can receive mental health and substance abuse treatment. Joe has severe dyslexia and a hearing impairment. He came to me in 9th grade reading not even at a first grade level. His poor academic progress was complicated by the fact that he received no hearing aid or early childhood services during critical formative years. As a-- as a teenager, he was unable to participate in a summer work-based learning program because his parents didn't have the gas money to transport him daily. He doesn't need a private school. He needed a quality early childhood education program, a hearing aid, and access to summer learning opportunities. Carl has autism. While capable of all grade level work, he has considerable social skill deficits, including disruptive behavior. He's a child of two parents working second and third shift low-paying jobs, which result in him being home alone most days after school and during the summer. He doesn't need a private school. He needs after school and summer enrichment opportunities in order to learn the social skills necessary to function independently as a result. Karl is an LGBT teen who has expressed worry about acceptance and personal safety. He struggled with self-harm and suicidal ideations. Not only does he not need a private school, it's possible he wouldn't receive admittance based on his sexual orientation. Karl needs access to mental health services and an accepting community. Private schools do not have to provide special education services. Private schools can pick which students receive scholarships and admission and leave the most expensive to educate in the public schools. LB1202 takes vital tax dollars out of the General Fund, thereby shorting education, healthcare and public safety. Those dollars would be taken away from students like the ones I mentioned who, due to disability, behavior, and sexual orientation, could very well never be accepted into private schools in the first place. And even when accepted, the mere fact of being private doesn't guarantee improved academic outcomes. The issues students like these children face are complex, well beyond the insulting, simplistic, failing government schools explanation put forth by some of our current leaders. Instead of using tax dollars to support an unproven model, I would encourage this legislative body to find ways to really help my students: support Medicaid expansion implementation, provide high-quality early childhood education, before and after school programs, school social workers and mental health practitioners, and school funding mechanisms that don't leave school administrators scrambling every year to figure ways to provide quality education to all kids, including the most expensive and difficult to educate. LB1202 is simply not the answer. Thank you.

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FRIESEN: Thank you for your testimony. Any questions from the committee? Seeing none, thank you.

MARY SCHLIEDER: Thank you.

DAVE WELSCH: Good afternoon, Senators. My name is Dave Welsch, D-a-v-e W-e-l-s-c-h. I serve as the president of Milford Public Schools Board of Education. I'm also here representing the Nebraska Rural Community Schools Association as one of their members. And most importantly, I'm here as a farmer and ag landowner. In reading the bill and also the statement of intent, it is obvious that people who would participate in the Opportunity Scholarships Act have their hearts in the right place. They want to donate to an organization that provides scholarships for others. They want to help with the education of others. They want to specifically help those who are currently provided assistance under the Supplemental Nutrition Assistance Program. These are all good and honorable things that all of us should consider being a part of. I would encourage everyone who has spoken in support of this bill to go home today and make a charitable contribution to an organization that already does the things described in this bill. My wife and I have been doing this for years and I would encourage you to do the same. LB1202 is not needed for anyone to be able to participate in all of these charitable activities. Nebraska doesn't need a new law for people to be able to do the right thing and help those around them. In fact, state law already allows for this to happen. And that testimony was given, I think, by the second person that supported this bill. The only reason for LB1202 is to elevate these charitable donations from a level of a tax deduction to the level of a tax credit. This would be very poor state policy. How could the state possibly determine which types of charitable donations should be elevated to being a tax credit rather than a tax deduction? Is donating to a scholarship program more worthy than contributing to a soup kitchen or a backpack program or a FoodNet program? All of these programs help people who qualify for SNAP. So why don't people who contribute to these programs get a tax credit rather than-- rather than simply a tax deduction as allowed under current law? I do not support the proposal in LB1202 to elevate donations to a scholarship granting organization to the level of an income tax credit. Doing so would single out a very specific class of charitable donations as a tax credit, which-- which would be poor tax code policy for the state of Nebraska. Thank you. And I'd be happy to take any questions.

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FRIESEN: Thank you, Mr. Welsch. Any questions from the committee?
Seeing none,--

DAVE WELSCH: Thank you.

FRIESEN: --thank you for your testimony.

DAVE WELSCH: Sure.

ANN HUNTER-PIRTLE: Good afternoon, Vice Chair Friesen, members of the committee. My name is Ann Hunter-Pirtle, A-n-n H-u-n-t-e-r-P-i-r-t-l-e, and I'm the executive director of Stand for Schools. Our organization is here in strong opposition to LB1202. Our state's strong history of public education is something Nebraskans are right to be proud of. We oppose the bill first because tax credit scholarships are a diversion of public funds to private schools. Second, because LB1202 does not include the same protections against discrimination as children in public schools receive. And three, because tax credit scholarships on the whole do not produce meaningful opportunities for children to access private school education or to improve their academic outcomes. Our state already faces difficult choices about property tax relief and school funding. When Nebraska consistently ranks 48th or 49th in the nation for state support of our K-12 schools, and when Nebraskans are urgently calling for property tax relief, we can't afford to divert funds to an alternate education system. Nebraskans who care about property tax relief should oppose school privatization for this reason alone. As you heard, the Florida study referenced this afternoon does not show actual savings to the state from a tax credit scholarship program, only theoretical savings assuming 90 percent of the scholarship recipients switch from private to public schools for the first time. And LB1202 does prioritize students who are already receiving private scholarships to continue attending private schools. We applaud the many private schools that have already established scholarship programs funded by charitable contributions from their alumni and supporters, contributions that already qualify for income tax deductions rather than dollar-for-dollar credits. The state doesn't incent any other type of charitable giving in the way LB1202 does, whether to food banks, churches or cancer research. Providing scholarships to private schools is an excellent role for private philanthropy, not for tax dollars. We further oppose LB1202 because it does not protect Nebraska's children against discrimination by private schools. You heard about that already. Page 11, line 5 states the bill should not be construed as granting the state more authority over participating private schools.

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We don't believe taxpayer dollars should be used to support schools that may be closed to some children and that don't meet the same accountability requirements as public schools. Finally, tax credit scholarships do not work as intended. There is a large and growing body of evidence to show tax credit scholarships in state after state mainly benefit students who already attend private school, and they fail to improve or in some cases set back student academic performance. In state after state, researchers don't find meaningful gains in standardized test scores or other metrics of academic success. In fact, in at least three states, the students who received tax credit scholarships backslid compared to their public school peers. LB1202 does not outline academic standards for schools to be eligible or to maintain their eligibility. I also want to address the constitutionality question. Obviously, constitutionality is an open question, otherwise the U.S. Supreme Court would not have taken up *Espinoza v. Montana*. The question before you is not whether this program is constitutionally allowed, but whether it is good policy. For all the reasons you heard this afternoon, we believe it is not. And we urge you not to advance LB1202.

FRIESEN: Thank you. Thank you for your testimony. Any questions from the committee? Seeing none,--

ANN HUNTER-PIRTLE: Thank you.

FRIESEN: --thank you for your testimony. Any others who wish to testify in opposition to LB1202? Seeing none, anyone wish to testify in a neutral capacity? Seeing none, Senator Linehan, would you like to close?

LINEHAN: First, because I didn't say this on the floor today earlier, I really, really want to thank the Revenue Committee, all of you have worked hard all year. And this is another example, a very long day of hard work. And I appreciate you all still being here. I'm going to try and be quick here because you've had a long day, but I do think I need to say some things for the record. And I'm sure I'm not the only one on this committee that has found a lot of ironies in the testimony we've had this afternoon. One quote, we have plenty of choice. Yeah, we have plenty of choice if you have money, if you can move, or if you can pay tuition. But if you're on SNAP, you don't have plenty of choices. You, by law, have to go to the school you're zoned to, by law. So your child comes home, they're getting bullied or they're miserable, by law, you've got to send them. We hear a lot about getting millennials to stay here. Millennials are going to want this.

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Millennials are not going to be told that there's no options for their kids except the zoned school. This is going on, as they've said, we're one of three states with no school choice. Now the one-- there was one testifier, previous proponent, you move here from another state, you're shocked, not just about property taxes. But that's your first shock, your property tax bill. But your second shock is you have no choice here. Really? We're going-- this bill would cripple and devastate public schools? I mean, how do you get there from here? The words are hyperbolic. Devastate? Here's what nobody mentioned. And I'm going to mention it right now. We have 38,000 children in Nebraska right now in private schools, 38,000. We spend at least \$13,000 a student. We say 12 but that information is two or three years old. And if you pull in what we spend on buildings outside the General Fund, it's well above \$13,000. But let's just say it's \$13,000; 38,000 kids times \$13,000 is \$494 million, which basically means that private schools are saving the state \$500 million a year. And it goes against everything my progressive friends believe. Again, these are SNAP, children and families who qualify for SNAP. We hand them SNAP benefits. We don't tell them where to go to buy their groceries. Right? We don't say, OK, here's your SNAP benefits. You can only go to Walmart. We cover almost 50 percent of the kids in the state with CHIP, which is a good thing. We don't tell them where to go to the doctor, what hospital they can go to. Why is it this is the one right they don't seem to have a choice in? There's a lot of talk about option funding today and how great it is. I'll tell you what. You're not going to opt in to Elkhorn. They have no room. The only way to get into Elkhorn is to build a house there. And last I looked, the smallest lot in the district was going for \$70,000. That's just the lot. A lot about special ed. The first question on the option form is, does this child have an IEP? Because if they mark that yes, the school is not-- most likely not going to take them and certainly doesn't have to take them. It's a reason it's the first question on the IEP. Accountability-- who loves that child most? I love children, but I love my child and I love my grandchildren. So I think we can trust parents to make sure their child is getting the education and put the accountability on the parent. The idea that none of the private schools take kids with handicaps or disabilities, just not true. Madonna's school in Omaha has taken very severely handicapped kids for years. And they get no state funding for it. Boys Town is nationally recognized for taking troubled children and improving their lives. I found the special ed-- the schools, they're right and they are wonderful if the public schools are working with private schools to provide special ed services. But here's the deal. They have to. It's

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the law. They aren't providing those services because they got a choice. I'm not saying they wouldn't, but they have to by law. Those children are citizens in Nebraska. And a child in Nebraska who has a learning disability or disability as soon as they recognize it and [INAUDIBLE] birth, the public schools and the state's responsible to make sure that child gets services. And that money goes to the public schools. It cannot and does not go to any private schools. We have a lot of private schools trying to provide those services, but it is expensive and they get no money for it. None. I hope Senator Vargas doesn't get mad at me. We had a vote earlier this session, I think a couple of weeks ago, on a historical tax credit. It was to improve it, not to OK it. But I listened to the debate and sat there and wondered if anybody would connect the fact that we were expanding-- I'm not even sure exactly what it did, but we all, not all of us, a couple of people on this committee did not, but he got 44 votes. It's \$15 million tax credit. Nobody questioned it was going to hurt schools. Nobody. It's \$15 million. I have tried the last year, almost two years now in this. I don't want to pick on public schools, but let's don't kid ourselves. We don't know about the outcomes in private schools. It's just one and then I'll be done. If you take the ACT scores from the private schools out of our statewide average, it drops one percent. Ten percent of the kids drop the ACT score by a full percent. Now there's a lot of reasons for that. As you are talking about, mostly they have both parents in the home. They've got resources. I'm not saying it's all about the education and the schools, but I'm offended to sit here and listen, not-- not to parents. We didn't listen to parents for the last two hours about why this bill was wrong. We listened to the schools, the public schools, and questioned whether the parochial schools in this state and the private schools in the state are educating their children. I bring-- I don't want to get into that battle. But we do a good school-- good job of educating kids across the state. The private schools do an excellent job. And I don't think it's fair to come up here and say there's no proof. There's plenty of proof that the private schools are doing a very good job. So thank you again for your very long day. And I appreciate being here.

FRIESEN: Thank you, Chairwoman Linehan. And I have a lot of letters to read into the record. Proponents: Tom Venzor, Nebraska Catholic Conference; Adam Weinberg, Platte Institute; Karen Bowling, Nebraska Family Alliance; Mike Huber of Omaha; Wayne Smith, Lincoln; Katie McClemens, Kearney; Judith Geiselman, Keareney; Mary Martineau, Falls City; Joe Murray, Firth; Rachel Terry, Lincoln; Kim Schroll, North Platte; Luke Clinton, Elkhorn; Derek Strohman; Lindsay Dolezal; Dr.

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Mark Adler, Ralston Public Schools, opponents, sorry. Opponents: Dr. Mark Adler, Ralston Public Schools; Dr. Patti Gubbels, Norfolk Public Schools; Chad Meisgeier, Millard Public Schools; Virgil Harden, Grand Island Public Schools; Matthew Blomstedt, Nebraska Department of Education; Walta Sue Dodd, Omaha Education Association-Retired; Mary Bahney, National Association of Social Work-- Social Workers, Nebraska Chapter; Joey Adler, Holland Children's Movement; Teri Stukenholz, Nebraska City Public School Board of Education; Sandi Fabry; Susan King of Omaha; Sheri St. Clair, Lincoln; Ellen Moore, Bellevue; James Kalita; Jessica Fauss; Jill Fox of Roca; Tammy Day, Norfolk Public Schools Board of Education; Geri Simon, Omaha; Laura Thornburg, Omaha; Charlene Schuchardt, Omaha; Elaine Peters; Shirley Niemeyer, Ashland; Lynne Elwood, Linda Duckworth, and Dianne Bystrom, League of Women Voters of Nebraska; Stephen Grizzle, STANCE; Jason Buss; O Michael Emmer, Omaha; Sarah Brumm, Seward; Sarah Zuckerman; Teresa Matthews, Lincoln; Jeff Hall, Lincoln; Fran Martin; Stacie Higgins; Julie Ehlers; Judy Bowmaster Krueger; Melissa Jantz, Norfolk; Anica Brown; Marleen Johnson; Marjorie Shreve, Omaha; Wendy Kreis, Kearney; Emily Fisher, Lincoln; Sally Herrin, Lincoln; Dr. Taylor Gehringer, Omaha; Megan Wagner; Travis Green, Lincoln; Alyssa Hubeneka; Rob McEntarffer; Jules DeSalvo; Kathleen Green; Susan Wells, Pender; Glen and Lisa Scheele, Hickman; Pete Miller of Omaha; Melanie Gibson, Lincoln; April Jorgensen; Micheal Peterson; Kevin Holohan, Omaha; Lisa Tuttle; Rose Anderson; Joe and Linda Shandera, Lincoln; Jami Schaffnitt, Kearney; Pam Baker; Theresa Johnson; Anita Mueller; Susan Kash-Brown; Jennifer Ludes, Omaha; James Friesen; Amanda Kuehn; Teresa Ghormley; Tom Scates; Tara Peters; Sara Mitchell; Brenda Preister, Columbus; Verdean Meyer; Stacy Simon; Cheryl Ratliff; Christine McManaman; Sara Weber; Janet Eckerson; Shirley Baum of Lincoln; Chris Russert; Dr. Karla Bergen of Henderson; Laura Fisher Semerad, Omaha; Mikaela Richmond, Kearney; Brian Daake, Falls City; Marissa Kreifels, Omaha; Andrea Beaver; Jenny Goos, Omaha; Cheryl Adamson; Lynn Zeleski; Tonya Anderson; Tom Olson; Michele Miller, Blair; Tim Hantula, Blair; Jim and Mar Komenda; Michele Tilley; Beth Engles; Nolan Pribnow; John Clark; Joseph Couch; Christine Cary of Lincoln; William Black, Hickman; Anne Fitzgerald, Fremont; Elisa Salas; Lois Schreur, Omaha; William Dimon; Drew Blessing; and we got 38 form letters in opposition and no neutral.

LINEHAN: Very good job.

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FRIESEN: I'm not sure I pronounced them all right but apologize for that. With that, we'll close the hearing on LB1202 and close the hearings for the day.